

ANNUAL BUDGET OF POLOKWANE MUNICIPALITY 2024/25- 2025/26 MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS



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<p>Smart Economy</p> <ul style="list-style-type: none"> Innovative spirit Entrepreneurship Economic image & trademarks Productivity Flexibility of labour market Ability to transform Penetration of ICT-use in business Internationalization of the city 	<p>Smart Environment</p> <ul style="list-style-type: none"> Environmental protection Sustainable resource management Effective and efficient use of the surroundings of the city Environmental resilience 	<p>Smart Governance</p> <ul style="list-style-type: none"> Participation in decision-making Transparent governance Political strategies and perspectives Promote E-government and ICT Online Public Services Transparent governance 	<p>Smart Living</p> <ul style="list-style-type: none"> E-health Efficient and sustainable use of resources Quality of life for city inhabitants 	<p>Smart Mobility</p> <p>Collective movement for a reliable rapid public transport service</p> <p>Smart Transport Vision 2030</p> <ul style="list-style-type: none"> Public Internet Access Local accessibility (Inter-) national accessibility Availability of ICT-Infrastructure Sustainable innovative and safe Transport systems 	<p>Smart People!</p> <ul style="list-style-type: none"> Participation in decision-making Transparent governance E-learning Human Capital Life-long training
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PART 1 MULTI-YEAR BUDGET 2023/24 – 2025/2026

DIRECTORATE CHIEF FINANCIAL OFFICER

ITEM

REF: 5/1/4

MULTI-YEAR BUDGET 2023/24 – 2025/2026

Report of the Chief Financial Officer

Purpose

The purpose of the report is to table the Multi-year Budget 2023/24 – 2025/26 Council for approval.

Background

The IDP/Budget Process Plan to review the 2021/22 IDP/Budget was adopted on 29th July 2022 in terms of the provision of the Municipal Finance Management Act. The process plan outlines the key deadlines for the preparation, tabling, and approval of the annual budget.

Discussion

Section 16 of the Municipal Finance Management Act stipulates the following:

- (a) The Council of a municipality must for each financial year approve an annual budget for the Municipality before the start of that financial year.
- (b) In order for a municipality to comply with subsection (1), the Mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year.

Section 24 further stipulates that the Council must at least 30 days before the start of the budget year consider approval of the annual budget.

This 2023/24 MTREF Budget places emphasis on inclusive growth, as well as a progressive programme of capital expenditures. The MTREF Budget also relies on practice of good governance and a public ethic that values honesty and fairness. If we act together, on these principles, as public representatives, civil servants, businesspeople, youth, workers and citizens, we can overcome the challenges of tough economic times and difficult adjustments. National Treasury's MFMA Circular No.122 and 123 was used to guide the compilation of the 2023/24 MTREF. In addition, this budget format and content incorporates the requirements of the Municipal Budget and Reporting Regulations.

The following budgeting focus areas were applied in formulating the medium-term budget:

- Revenue maximisation at realistic collection rates.
- Adequate allocation of resources to electricity, water and sanitation, waste and roads projects for capital and operational needs.
- Cost optimisation measures especially in contracted services and overtime.
- Consideration of the state of the consumer in determining tariff increases while at the same time not compromising financial viability.
- Ensuring value for providing free basic services to all households.
- Prioritize the filling of critical Positions.
- The affordability of vacant posts, especially linked to the delivery of basic services.
- The build-up of cash flow reserves to improve the cash coverage ratios in line with National Treasury norms and standards (namely current and cash coverage ratios).

In this MTREF we have ensured that we eradicate non-priority spending and reprioritise expenditure to focus on core infrastructure and service delivery.

The main **CHALLENGES** experienced during the compilation of the 2023/24 MTREF are as follows:

- The ongoing difficulties in the national and local economy.
- The increased cost of bulk water and electricity (due to tariff increases from Lepelle Northern Water and Eskom), which is placing upward pressure on service tariffs to residents. Continuous high tariff increases are not sustainable - as there will be point where services will no-longer be affordable;
- National Treasury Austerity measures with minimal growth in grant allocations.
- Huge backlogs in service delivery projects and further demands due to urbanization.
- Economic slowdown & unemployment: impacts on collection rates
- Limited available own funding to fund much needed infrastructure
- Higher inflation due to the European war

1.1 OVERVIEW OF THE 2023/24 MTREF

General economic overview

The South African GDP (Gross Domestic Product) is expected to grow by 0.9 per cent in real terms in 2023, compared with an estimate of 1.4 per cent at the time of the medium-term budget policy statement (MTBPS), recovering slowly to 1.8 per cent in 2025.

The economic outlook faces a range of risks i.e. weaker-than-expected global growth, further disruptions to global supply chains and renewed inflationary pressures from the war in Ukraine, continued power cuts and a deterioration in port and rail infrastructure including widespread criminal activity.

The SARB (South African Reserve Bank), reported a 1.3% contraction in the GDP for the last quarter which was almost 4 times worse than the 0.3% contraction anticipated by various economists. Another contraction in the next quarter will officially place South Africa in a technical recession.

Government is taking urgent measures to reduce load-shedding in the short term and transform the sector through market reforms to achieve long-term energy security. Several reforms are under way to improve the performance of the transport sector, specifically freight rail and to improve the capability of the state. These measures would certainly mitigate the non-systematic and systematic risks facing the nation.

Municipality economic overview

The Polokwane municipality is unfortunately not immune to the economic risks facing the nation and the world and therefore a greater need to a balanced and realistic budget.

To mitigate and adapt to these challenges, the municipality will have to resort to budgetary constraints and enforce better processes for better productivity – “do more with less”. The budget process will have to pass the National Treasury’s assessment/test of a funded budget so that service delivery can continue without financial constraints impeding its basic service delivery goals.

To meet these objectives, the municipality has applied the following key measures in its budget:

- reduction in operational expenditure and in particular where more internal staff can be utilised instead of depending on service providers where practical.
- reduction in own funded capital expenditure and better utilisation of grants.
- increases in tariffs in line with the upper inflation targets of SARB except for electricity and water related tariffs which is approved by NERSA and the water board respectively.
- aligning electricity tariffs in line with the time of use method to contain the Eskom bills.
- allocating resources to revenue generation projects and budgeting for adequate cash backed reserves.
- maintain hefty penalties for businesses and residential consumers who breach or illegally connect meters.

To sustain our cash flows, credit control/cut offs will continue to be implemented on a daily basis (except Fridays) with a standby team to assist those consumers willing to settle their debts after hours.

Total budget for the 2023/2024 financial year is R5.3 billion made up of an operating budget of R4.5 billion and a capital budget of R 797 million. The focus of this draft budget will be directed to the key areas in line with our promises to improve the lives of our people. Ensuring good governance in the City and ensuring the effective use of public funds and enhance accountability.

The following assumptions were taken into account during the compilation of draft MTREF budget:

Revenue: Tariff increases:

The National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the **financial sustainability** of the municipality.

The Consumer Price Index (CPI) inflation is forecasted to be within the lower limit of the 3 to 6 per cent target band.

In the **current** financial year (**2022/23 financial year**), *except for the electricity and water tariffs which are set by the institutions/regulatory bodies*, all other services were increased by **5.3%** which is well below the estimated inflation rate of **6.8%**. This was to ensure that the consumers are given reprieve to cope with the aftermath of the pandemic which brought about immense financial strain to businesses and households alike.

For the next financial year (**2023/24 financial year**), consideration was given to the **high international oil prices (over \$80 per barrel)** and the **weaker South African currency (above R18 to the US dollar vs R15 to the dollar last year this time)**. These **two economic variables** result in higher inflation and is required to be considered in the tariff setting.

As a result, the tariff for services (other than electricity and water) will increase by **6%** which is CPI plus **1.3%**.

Water tariffs will increase by **17%** which is the tariff increase by the Lepelle Northern Water of 16.25% plus 0.75%. Residential customers will be levied on block tariff between 6% to 15%, see table below:

T6.1		Current tariff from 1/07/2022	Proposed tariff from 1/07/2023	Proposed increase %
(i)	For the first 5Kl; per Kl:	R10.55	R11.18	6%
(ii)	For the following 10Kl; per Kl:	R16.59	R18.08	9%
(iii)	For the following 15Kl; per Kl:	R18.10	R20.27	15%
(iv)	For the following 20Kl; per Kl:	R24.14	R27.76	15%
(v)	For the following 50Kl; per Kl:	R28.68	R32.98	15%
(vi)	Thereafter, for consumption in excess of 100Kl, per Kl:	R34.72	R39.93	15%

Electricity tariffs will increase by **17%** (NERSA proposal of 18.65% less 1.65%).

Description	2023/24 Medium Term Revenue & Expenditure Framework % increase		
	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand			
Revenue			
Exchange Revenue			
Service charges - Electricity	17.00%	5.00%	6.00%
Service charges - Water	17.00%	5.00%	6.00%
Service charges - Waste Water Management	6.00%	5.00%	6.00%
Service charges - Waste Management	6.00%	5.00%	6.00%
Sale of Goods and Rendering of Services	4.70%	5.00%	6.00%
Agency services	4.70%	5.00%	6.00%
Interest earned from Receivables	4.70%	5.00%	6.00%
Interest earned from Current and Non Current Assets	4.70%	5.00%	6.00%
Rental from Fixed Assets	4.70%	5.00%	6.00%
Licence and permits	4.70%	5.00%	6.00%
Operational Revenue	4.70%	5.00%	6.00%
Non-Exchange Revenue			
Property rates	6.00%	5.00%	6.00%
Fines, penalties and forfeits	4.70%	5.00%	6.00%
Licences or permits	4.70%	5.00%	6.00%
Interest	4.70%	5.00%	6.00%

The municipality will embark on implementing a range of revenue collection strategies to optimize the collection of debt owed by consumers and to ensure that all revenue due is billed correctly and collected efficiently. One of such initiatives is the already implemented incentive/discount scheme to mainly assist those economic vulnerable households and businesses while at the same time recouping the debtors balance as far as economically possible.

1.1.1 Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties to be 0,25:1. The implementation of these regulations was done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of a property used for residential purposes is excluded from the rate-able value (Section 17(h) of the MPRA). In addition to this rebate, a further R85 000 reduction on the market value of a property will be granted in terms of the City's own Property Rates Policy;

- 35 per cent rebate will be granted on all residential properties (including state owned residential properties)
- 100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;
- For pensioners, physically and mentally disabled persons, a maximum/total rebate of 50 per cent (calculated on a sliding scale) will be granted to owners of rate-able property if the total gross income of the applicant and/or his/her spouse, if any, does not to exceed the amount equal to twice the annual state pension as approved by the National Government for a financial year. In this regard the following stipulations are relevant:
 - The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependants without income;
 - The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension;
 - The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and
 - The property must be categorized as residential.
- The Municipality may award a 100 per cent grant-in-aid on the assessment rates of rate-able properties of certain classes such as registered welfare organizations, institutions or organizations performing charitable work, sports grounds used for purposes of amateur sport. The owner of such a property must apply to the Chief Financial Officer in the prescribed format for such a grant.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2023/2024 financial year based on a proposed 6% increase from 1 July 2023 is contained below:

Table 1 Comparison of proposed rates to levied for the 2023/24 financial year

Category	Current tariff From 1/07/2022	Proposed tariff From 1/07/2023	Proposed increased %
Residential Properties	0.0063	0.00668	6%
Industrial Properties	0.0126	0.01336	6%
Business and Commercial	0.0126	0.01336	6%
Agricultural Properties	0.00156	0.00165	6%
Properties owned by organ of state and used for public service purposes	0.0126	0.01336	6%
Municipal Properties	Exempted	Exempted	Exempted
Public Service Infrastructure	0.00156	0.00165	6%
Mining	0.0126	0.01336	6%
Private open space	0.0063	0.00668	6%

Properties owned by public benefit organizations and used for specified public benefits activities	0.00156	0.00165	6%
Places of worship	Impermissible	Impermissible	Impermissible
Non - Permitted Use/Illegal land use	0.05044	0.05347	6%

1.1.2 Sale of Water and Impact of Tariff Increases

South Africa faces similar challenges with regard to water supply as it did with electricity, since demand growth outstrips supply. Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

In addition, National Treasury has urged all municipalities to ensure that water tariff structures are cost reflective. Better maintenance of infrastructure, new dam construction and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability. Lepelle water plans to increase its bulk tariffs with 15.75% from 1 July 2023. As a result, water tariffs will increase by 15.75% which is the tariff increase by the Lepelle Northern Water of 15% plus 0.75%.

Below is a summary of current consumption charges on water tariffs, including the proposed tariffs for the 2023/2024 financial year and the impact the proposed tariffs will have on residential customers (single dwelling-house).

Table 2.1 – 6.7 Proposed Water Tariffs

DOMESTIC

1. For the supply of water to an erf, stand, premises or other area, that is being served by a separate meter, for consumption since the previous monthly meter reading, post-paid and prepaid meters.

T6.1		Current tariff from 1/07/2022	Proposed tariff from 1/07/2023	Proposed increase %
(i)	For the first 5Kl; per Kl:	R10.55	R11.18	6%
(ii)	For the following 10Kl; per Kl:	R16.59	R18.08	9%
(iii)	For the following 15Kl; per Kl:	R18.10	R20.27	15%
(iv)	For the following 20Kl; per Kl:	R24.14	R27.76	15%
(v)	For the following 50Kl; per Kl:	R28.68	R32.98	15%
(vi)	Thereafter, for consumption in excess of 100Kl, per Kl:	R34.72	R39.93	15%

2. Where water is supplied to more than one customer per erf, stand, premises or other area that is served by a communal meter, the following charges shall be levied, for consumption since the previous monthly meter reading:

T6.2		Current tariff from 1/07/2022	Proposed tariff from 1/07/2023	Proposed increase %
(i)	For the first (5 x A) KI or part thereof (where A is the sum of the number of customers served by such communal meter) per KI	R10.55	R12.21	15.75%
(ii)	For the following (10 x A) or part thereof (where A is the sum of the number of customers served by such communal meter) per KI	R16.59	R19.20	15.75%
(iii)	For the following (15 x A) or part thereof (where A is the sum of the number of customers served by such communal meter) per KI	R18.10	R20.95	15.75%
(iv)	For the following (20 x A) or part thereof (where A is the sum of the number of customers served by such communal meter) per KI	R24.14	R27.94	15.75%
(v)	For the following (50 x A) or part thereof (where A is the sum of the number of customers served by such communal meter) per KI	R28.68	R33.20	15.75%
(vi)	Thereafter, for consumption in excess of 100KI, per KI:	R34.72	R40.19	15.75%

3. For the supply of water to customers from water hydrants:

T6.3		Current tariff from 1/07/2022	Proposed tariff from 1/07/2023	Proposed increase %
(i)	Per dwelling, building, structure or room separately occupied notwithstanding the fact that more than one such dwelling, building, structure or room is under one roof, for 5KI per KI per month	R10.59	R12.26	15.75%

INDUSTRIALLY ZONED ERVEN

1. For the supply of water to an erf, stand, premises or other area, by a separate meter, post-paid and prepaid, for consumption since the previous monthly meter reading:

T6.4		Current tariff from 1/07/2022	Proposed tariff from 1/07/2023	Proposed increase %
(i)	For the first 30KI; per KI:	R24.14	R27.94	15.75%
(ii)	For the following 20KI; per KI:	R31.70	R36.69	15.75%
(iii)	For the following 50KI; per KI:	R36.23	R41.94	15.75%
(iv)	For the following 19 900KI; per KI:	R40.76	R47.18	15.75%
(v)	Thereafter for consumption in excess of 20 000KI, per KI	R30.20	R34.96	15.75%

2. Where water is supplied to more than one customer per erf, stand, premises or other area served by a communal meter, the following charges shall be levied, for consumption since the previous monthly meter reading:

T6.5		Current tariff from 1/07/2022	Proposed tariff from 1/07/2023	Proposed increase %
(i)	For the first (30 x A) KI or part thereof (where A is the sum of the number of customers served by a communal meter) per KI	R24.14	R27.94	15.75%
(ii)	For the following (20 x A) KI or part thereof (where A is the sum of the number of customers served by a communal meter) per KI	R31.70	R36.69	15.75%
(iii)	For the following (50 x A) KI or part thereof (where A is the sum of the number of customers served by a communal meter) per KI	R36.23	R41.94	15.75%
(iv)	Thereafter, for consumption in excess of 100KI, per KI	R40.76	R47.18	15.75%

BUSINESS/ COMMERCIAL AND ANY OTHER CUSTOMER

1. For the supply of water to an erf, stand, premises or other area, that is served by a separate meter, for consumption since the previous monthly meter reading:

T6.6		Current tariff from 1/07/2022	Proposed tariff from 1/07/2023	Proposed increase %
(i)	For the first 30KI, per KI:	R24.14	R27.94	15.75%
(ii)	For the following 20KI, per KI:	R31.70	R36.69	15.75%
(iii)	For the following 50KI, per KI:	R36.23	R41.94	15.75%
(iv)	Thereafter, for consumption in excess of 100KI, per KI:	R40.76	R47.18	15.75%

2. Where water is supplied to more than one customer per erf, stand, premises or other area that is served by a communal meter the following charges shall be levied, for consumption since the previous monthly meter reading:

T6.7		Current tariff from 1/07/2022	Proposed tariff from 1/07/2023	Proposed increase %
(i)	For the first (30 x A) KI or part thereof (where A is the sum of the number of customers served by a communal meter) per KI	R24.14	R27.94	15.75%
(ii)	For the following (20 x A) KI or part thereof (where A is the sum of the number of customers served by a communal meter) per KI	R31.70	R36.69	15.75%
(iii)	For the following (50 x A) KI or part thereof (where A is the sum of the number of customers served by a communal meter) per KI	R36.23	R41.94	15.75%
(iv)	Thereafter, for consumption more than 100KI, Per KI	R40.76	R47.18	15.75%

The following table shows the impact of the proposed increases in water tariffs on the **consumption** of water charges for a **single residential dwelling-house**:

Table 3 Comparison of consumption charges between current water charges and proposed increases for residential properties (excludes all other basic and fixed charges).

Monthly consumption kℓ	Current amount payable R	Proposed amount payable R	Difference (Increase) R	Percentage change %
20	R309.15	R357.84	R48.69	15.75%
30	R490.15	R567.35	R77.20	15.75%
40	R731.55	R846.77	R115.22	15.75%
50	R972.95	R1 126.19	R153.24	15.75%
80	R1 833.35	R2 122.10	R288.75	15.75%
100	R2 406.95	R2 786.04	R379.09	15.75%

Based on Table 6.1

1.1.3 Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. A 18.49% increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2023.

Considering the Eskom increases, the consumer tariff had to be increased by 15.1% as directed by NERSA's benchmark tariff increase proposal from 1 July 2023. Furthermore, it should be noted that given the magnitude of the tariff increase and load shedding, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity. Registered indigents will again be granted 100 kWh per 30-day period free of charge in the municipal supply area.

	Residential (Stepped tariff rates)	Current tariff from 1 July 2022	Proposed tariff from 1 July 2023	Proposed increase %
1.3.1	Block1(0-50) 50units	126.62 Cents	148.15 Cents	15.1%
1.3.2	Block2(51-350) 300units	165.3 Cents	193.40 Cents	15.1%
1.3.3	Block3(351-600) 250units	244.03 Cents	285.52 Cents	15.1%
1.3.4	Block4(>600)	286.94 Cents	335.72 Cents	15.1%

The following table shows the impact of the proposed increases on the electricity consumption charges for **residential customers (excludes all other basic and fixed charges)**:

Table 4 Comparison between current electricity charges and proposed increase charges on consumption for residential properties

Monthly consumption kWh	Current amount payable R	Proposed amount payable R	Difference (Increase) R	Percentage change %
100	R145.96	R168.00	R22.04	15.10%
250	R393.91	R453.39	R59.48	15.10%
500	R925.26	R1 064.97	R139.71	15.10%
750	R1 599.70	R1 841.25	R241.55	15.10%
1 000	R2 317.05	R2 666.92	R349.87	15.10%
2 000	R5 186.45	R5 969.60	R783.15	15.10%

1.1.4 Sewerage and Impact of Tariff Increases

A tariff increases of 6% for sewerage services from 1 July 2023 is proposed. This is based on the input cost assumptions related to water. Sewer charges are based on the extent/land area (m²) of the property, the City will maintain the current stepped structure of its sewer tariffs as shown in table 9.

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. The Consumer Price Index (CPI) inflation is forecasted to be within the lower limit of the 3 to 6 per cent target band.

In the current financial year (2022/23 financial year), except for the electricity and water tariffs which are set by the institutions/regulatory bodies, all other services were increased by 5,3% which is well below the estimated inflation rate of 6.8%.

As a result, the tariff for services (other than electricity and water) will increase by 6% which is CPI plus 1.3%.

The following table compares the current tariffs and proposed increases for the 2023/2024 financial year:
Table 5.1 – 9.2 Comparison between current sewer charges and increases

Residential property

T9.1	SEWERAGE	Current tariff from 1/07/2022	Proposed tariff from 1/07/2023	Proposed increase %
1	AVAILABILITY CHARGE			
	(i) For the first 500m ² or part thereof, of surface area of the erf:	R128.81	R136.54	6%
	(ii) Thereafter, per 500m ² or part thereof, up to 2 000m ² of the surface area of the erf:	R20.87	R22.12	6%
	(iii) Thereafter, per 1 000m ² or part thereof, of the surface area of the erf:	R16.94	R17.96	6%
	(iv) Additional charge per unimproved erf:	R23.47	R24.88	6%
	(v) Maximum charge (887 000m ²):	R15 025.78	R15 927.33	6%
2	ADDITIONAL CHARGES			

	Dwelling houses, churches, church halls as well as buildings used exclusively by and registered in the name of the Boy Scouts, Girl Guides, Voortrekkers or similar organization.			
1	(i) For the first dwelling house, church, church hall or other building mentioned in 2(1) above erected on any erf or piece of land, per building	R23.47	R24.88	6%
	(ii) For the second or subsequent dwelling house, church, church hall or other building mentioned in 2(1) above, per building	R86.08	R91.24	6%
2	Flats – per flat	R86.08	R91.24	6%
3	State supported schools, Technikons, colleges, universities and related amenities, excluding hostels, per 35 personnel and pupils or part thereof:	R126.51	R134.10	6%

Non – Residential property

T9.2	SEWERAGE	Current tariff from 1/07/2022	Proposed tariff from 1/07/2023	Proposed increase %
2	ADDITIONAL CHARGES			
	(i) For the first 500m ² or part thereof, of surface area of the erf:	R127.44	R135.09	6%
	(ii) Thereafter, per 500m ² or part thereof, up to 8000m ² of the surface area of the erf:	R127.44	R135.09	6%
	(iii) Thereafter, per 1 000m ² or part thereof, of the surface area of the erf:	R19.89	R21.08	6%

The following table shows the impact of the proposed increases in sewer tariffs on the **consumption** charges for a single dwelling-house.

Table 6: Comparison on consumption between current sewerage charges and the proposed increases on **residential properties (excludes all other basic and fixed charges)**

Monthly sewer consumption	Current amount payable	Proposed amount payable	Difference increase	Proposed increase
Land area (m ²)	R	R	R	%
500 m ²	R128.81	R136.54	R7.73	6.00%
750 m ²	R149.68	R158.66	R8.98	6.00%
1000 m ²	R149.68	R158.66	R8.98	6.00%
1500 m ²	R170.55	R180.78	R10.23	6.00%
2000 m ²	R191.42	R202.91	R11.49	6.00%
3000 m ²	R208.36	R220.86	R12.50	6.00%
5000 m ²	R242.24	R256.77	R14.53	6.00%
10000 m ²	R326.94	R346.56	R19.62	6.00%

Based on table 9.1

1.1.5 Refuse Removal and Impact of Tariff Increases

A 6% increase in the waste removal tariff is proposed from 1 July 2023. The waste removal tariff will be charged, based on the extent/land area (m²) of the property, the City will maintain the current stepped structure of its refuse removal tariffs as shown in table 11.

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other customers while ensuring the financial sustainability of the municipality. The Consumer Price Index (CPI) inflation is forecasted to be within the lower limit of the 3 to 6 per cent target band.

In the current financial year (2022/23 financial year), except for the electricity and water tariffs which are set by the institutions/regulatory bodies, all other services were increased by 5,3% which is well below the estimated inflation rate of 6.8%.

As a result, the tariff for services (other than electricity and water) will increase by 6% which is CPI plus 1.3%.

The following table compares current and proposed amounts payable from 1 July 2023:

Table 7 Comparison between current waste removal fees and increases

REFUSE REMOVAL ADDITIONAL CHARGES

T11.1

RESIDENTIAL	Current tariff from 1/07/2022	Proposed tariff from 1/07/2023	Proposed increase %
(a) On an erf with a surface area not exceeding 500m ²	R52.16	R55.29	6%
(b) All erven with a surface area in excess of 500m ² :			
(i) For the first 500m ² of the surface area of the erf	R83.47	R88.48	6%
(ii) Thereafter, for the following 500m ² or part thereof, of the surface area of the erf	R56.07	R59.43	6%
(iii) Thereafter, per 500m ² or part thereof, of the surface area of the erf	R28.68	R30.40	6%
(iv) Maximum charge (11 000m ²)	713.49	R756.30	6%
FLATS (PER UNIT)			
(a) On an erf with a surface area not exceeding 500m ²	R52.16	R55.29	6%
(b) Up to and including 500m ² of the surface area of the erf	R83.47	R88.48	6%

(c) Thereafter, for the following 500m ² or part thereof, of the surface area of the erf	R56.07	R59.43	6%
(d) Thereafter, per 500m ² or part thereof, of the surface area of the erf	R28.68	R30.40	6%

T11.2

NON – RESIDENTIAL			
(i) For the first 300m ² or part thereof, of surface area of the erf:	R441.57	R468.06	6%
(ii) Thereafter, per 300m ² or part thereof, up to 9300m ² of the surface area of the erf:	R122.64	R130.00	6%
(iii) Thereafter, per 1 000m ² or part thereof, of the surface area of the erf:	R87.00	R92.22	6%

Table 12: Comparison on consumption between current refuse removal charges and the proposed increases on **residential properties (excludes all other basic and fixed charges)**

Monthly refuse removal consumption	Current amount payable	Proposed amount payable	Difference increase	Proposed increase
Extent / Land area (sqm)	R	R	R	%
500 m ²	R52.16	R55.29	R3.13	6.00%
750 m ²	R139.54	R147.91	R8.37	6.00%
1000 m ²	R139.54	R147.91	R8.37	6.00%
1500 m ²	R168.22	R178.31	R10.09	6.00%
2000 m ²	R196.90	R208.71	R11.81	6.00%
3000 m ²	R254.26	R269.52	R15.26	6.00%
5000 m ²	R368.98	R391.12	R22.14	6.00%
10000 m ²	R655.78	R695.13	R39.35	6.00%

Based on table 11.1

Expenditure increases

Description	2023/24 Medium Term Revenue & Expenditure Framework % increase		
	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand			
Expenditure			
Employee related costs	5.70%	5.70%	5.70%
Remuneration of councillors	5.70%	5.70%	5.70%
Bulk purchases - electricity	19.00%	4.70%	4.70%
Inventory consumed	16.00%	4.70%	4.70%
Debt impairment	4.70%	4.70%	4.70%
Depreciation and amortisation	4.70%	4.70%	4.70%
Interest	4.70%	4.70%	4.70%
Contracted services	0.00%	4.70%	4.70%
Transfers and subsidies	4.70%	4.70%	4.70%
Irrecoverable debts written off	4.70%	4.70%	4.70%
Operational costs	0.00%	4.70%	4.70%
Losses on disposal of Assets	4.70%	4.70%	4.70%
Other Losses	4.70%	4.70%	4.70%

The following are general contributory factors for the increase in levels of rates and service charges:

- The cost of bulk purchases.
- Cost of the social package to indigents.
- Salary increase with effect from 1 July 2023 and the
- Increased maintenance of network and infrastructure

The cost pressures of the water and electricity bulk purchases tariffs continue to grow faster than the inflation rate. Given that these tariff increases are determined by the external bodies; the impacts they have on the municipality's tariff are largely outside the control of the Municipality. Furthermore, the adverse impacts of the current economic climate coupled with unfavourable external pressures on services, make tariff increases higher than the CPI levels inevitable.

The municipality is already in an advanced stage to ensure proper and innovative investments are made to curb the high costs of electricity (power banks in the short term and a solar farm in the long term). Together with the cash flow strategy, the municipality would be in the position to remain within its budget and improve its cash flow ratios.

Indigent subsidies

Provision is made in the operating budget for the subsidizing of indigent households to around R272 million. This subsidy includes a free 6kl of water, 100 units of electricity, a 100% subsidy for refuse removal and sewerage charges. A 100% rebate on assessment rates will also be given for Indigent households. The subsidy allowed, exceeds the National norm and stretches the affordability threshold of the municipality.

To qualify as indigents, the household income must not exceed R5 200 the policy is reviewed to also cater for the child headed families and the qualifying people with disability.

The municipality further grants 80% rebates to owners of residential properties who depend on pensions or social grants provided the household income does not exceed R10 400.

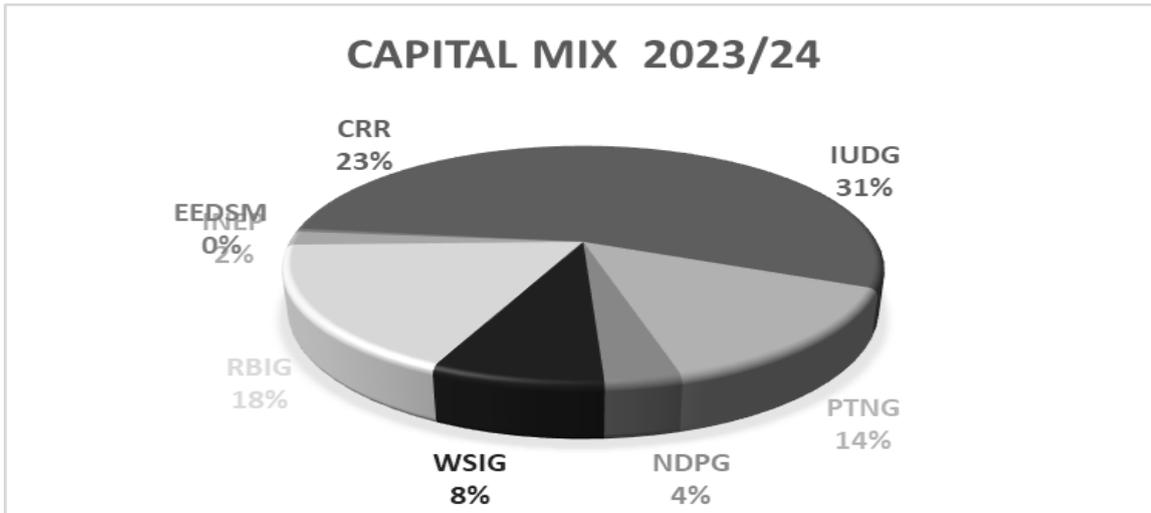
In view of the aforementioned, the following tables are a consolidated overview of the 2023/2024 Medium-term Revenue and Expenditure Framework

Operating revenue and expenditure summary:

Description	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand					
Total Revenue (excluding capital transfers and contributions)	4 338 280	4 378 337	4 945 302	5 259 820	5 576 904
Total Expenditure	4 208 030	4 208 050	4 550 034	4 870 209	5 113 961
Transfers and subsidies - capital (monetary allocations)	808 116	648 269	705 105	637 904	685 524
Surplus/(Deficit) for the year	938 366	818 556	1 100 373	1 027 514	1 148 468

Capital expenditure

Total capital budget is **R 797 238 842** which is funded as follows:



Surplus for the year



1.2 Revenue by Source

Description	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue					
Exchange Revenue					
Service charges - Electricity	1 556 069	1 556 069	1 820 601	1 911 631	2 026 328
Service charges - Water	299 860	299 860	350 836	368 378	390 480
Service charges - Waste Water Management	138 980	138 980	147 319	154 685	163 966
Service charges - Waste Management	133 623	133 623	141 640	148 722	157 646
Sale of Goods and Rendering of Services	13 550	13 550	14 187	14 896	15 790
Agency services	30 443	30 443	31 874	50 201	53 213
Interest earned from Receivables	85 286	85 286	89 294	93 759	99 384
Interest earned from Current and Non Current Assets	20 000	20 000	20 940	21 987	23 306
Rental from Fixed Assets	11 950	11 950	12 512	13 137	13 926
Licence and permits	13 465	13 465	14 098	14 803	15 691
Operational Revenue	37 288	37 288	39 041	40 993	43 452
Non-Exchange Revenue					
Property rates	587 176	587 176	622 442	653 565	692 778
Fines, penalties and forfeits	40 162	40 162	42 049	44 152	46 801
Licences or permits	421	421	441	463	491
Transfer and subsidies - Operational	1 348 687	1 389 344	1 575 705	1 705 009	1 808 806
Interest	21 321	21 321	22 323	23 440	24 846
Total Revenue (excluding capital transfers and contributions)	4 338 280	4 378 337	4 945 302	5 259 820	5 576 904
Transfers and subsidies - capital (monetary allocations)	808 116	648 269	705 105	637 904	685 524

For Polokwane Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that we are faced with development backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Energy Regulator of South Africa (NERSA);
- Achievement of full cost recovery of specific user charges especially in relation to electricity;

- Determining the tariff escalation rate by establishing/calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of free basic services; and
- Tariff policies of the Municipality

The following table is a summary of the 2022/23 MTREF (classified by main revenue source):

Description	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget		Budget Year 2023/24		Budget Year +1 2024/25		Budget Year +2 2025/26	
R thousand								
Revenue								
Exchange Revenue								
Service charges - Electricity	1 556 069	36%	1 820 601	32%	1 911 631	32%	2 026 328	32%
Service charges - Water	299 860	7%	350 836	6%	368 378	6%	390 480	6%
Service charges - Waste Water Management	138 980	3%	147 319	3%	154 685	3%	163 966	3%
Service charges - Waste Management	133 623	3%	141 640	3%	148 722	3%	157 646	3%
Sale of Goods and Rendering of Services	13 550	0%	14 187	0%	14 896	0%	15 790	0%
Agency services	30 443	1%	31 874	1%	50 201	1%	53 213	1%
Interest earned from Receivables	85 286	2%	89 294	2%	93 759	2%	99 384	2%
Interest earned from Current and Non Current Assets	20 000	0%	20 940	0%	21 987	0%	23 306	0%
Rental from Fixed Assets	11 950	0%	12 512	0%	13 137	0%	13 926	0%
Licence and permits	13 465	0%	14 098	0%	14 803	0%	15 691	0%
Operational Revenue	37 288	1%	39 041	1%	40 993	1%	43 452	1%
Non-Exchange Revenue								
Property rates	587 176	13%	622 442	11%	653 565	11%	692 778	11%
Fines, penalties and forfeits	40 162	1%	42 049	1%	44 152	1%	46 801	1%
Licences or permits	421	0%	441	0%	463	0%	491	0%
Transfer and subsidies - Operational	1 389 344	32%	1 575 705	28%	1 705 009	29%	1 808 806	29%
Interest	21 321	0%	22 323	0%	23 440	0%	24 846	0%
Total Revenue (excluding capital transfers and contributions)	4 378 337	100%	4 945 302	88%	5 259 820	89%	5 576 904	89%
Revenue from Service Charges	2 128 532	49%	2 460 396	50%	2 583 416	49%	2 738 420	49%

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus.

Revenue generated from rates, services charges and operational grants forms a significant percentage of the revenue basket for the Municipality. Service charges revenues comprise more than 50% of the total revenue mix. In the 2022/23 financial year, revenue from services charges totalled R2.128billion or 49 per cent. This increases to R2.460 billion, R2.583billion and R2.738billion in the respective financial years of the MTREF. This growth can be mainly attributed to the supplementary valuation rolls and the increased share that the sale of electricity and water contributes to the total revenue mix, which in turn is due to rapid increases in the Eskom tariffs for bulk electricity and bulk water. The above table includes revenue foregone arising from discounts and rebates associated with the tariff policies of the Municipality. Details in this regard are contained in MBRR SA1.

Operating Grants & Subsidies are the second largest revenue source totalling 28 per cent in 2023/24 and increase to 29 per cent in 2025/26. Property rates are the third largest revenue source totalling 11 per cent or R622 million rand in 2023/24 and increases to R692million by 2025/26. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

1.2.1 Operating Transfers and Grant Receipts

MULTI YEAR BUDGET GRANTS AND SUBSIDIES AS PER DIVISION OF REVENUE BILL	Budget Year +1 2022/23	Budget Year +1 2023/24	Budget Year +1 2024/25
OPERATIONAL GRANTS			
Equitable Share	1 318 621 000	1 441 144 000	1 542 151 000
TOTAL OPERATIONAL GRANTS			
Integrated Urban Development Grant	149 891 622	168 628 566	160 189 344
Public Transport Network Grant	82 498 861	82 336 798	84 427 172
Financial Management Grant (FMG)	2 400 000	2 400 000	2 538 000
Extended Public Works Programme (EPWP)	11 794 000	-	-
Infrastructure Skills Development Grant (ISDG)	5 500 000	5 500 000	5 500 000
Integrated National Electrification Programme Grant	-	-	9 000 000
TOTAL OPERATIONAL GRANTS (CONDITIONAL)	252 084 483	258 865 364	261 654 516
TOTAL OPERATIONAL GRANTS	1 570 705 483	1 700 009 364	1 803 805 516

1.3 Expenditure by Type

Description	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Expenditure					
Employee related costs	1 167 117	1 146 368	1 258 954	1 417 184	1 497 774
Remuneration of councillors	41 917	40 917	43 514	45 994	48 616
Bulk purchases - electricity	976 580	976 580	1 162 130	1 216 750	1 273 937
Inventory consumed	307 541	303 865	336 483	352 292	368 844
Debt impairment	-	-	272 220	285 014	298 410
Depreciation and amortisation	260 000	260 000	272 220	285 014	298 410
Interest	42 336	42 536	44 535	46 629	48 820
Contracted services	871 101	850 197	839 992	872 969	914 579
Transfers and subsidies	17 000	11 100	11 622	12 168	12 740
Irrecoverable debts written off	260 000	260 000	-	-	-
Operational costs	264 438	317 799	308 363	336 195	351 832
Losses on disposal of Assets	-	-	-	-	-
Other Losses	-	-	-	-	-
Total Expenditure	4 208 030	4 208 050	4 550 034	4 870 209	5 113 961

The Municipality's expenditure framework for the 2023/24 budget and MTREF is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan.
- Operational gains and efficiencies will be directed to funding the capital budget and other core services; and
- Strict adherence to the principle of no project plans no budget. If there is no business plan no funding allocation can be made.

The following table is a high-level summary of the 2023/24 budget and MTREF (classified per main type of operating expenditure):

1.3.1 Summary of operating expenditure by standard classification item

Description	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget		Budget Year 2023/24		Budget Year +1 2024/25		Budget Year +2 2025/26	
R thousand								
Expenditure								
Employee related costs	1 146 368	27%	1 258 954	28%	1 417 184	29%	1 497 774	29%
Remuneration of councillors	40 917	1%	43 514	1%	45 994	1%	48 616	1%
Bulk purchases - electricity	976 580	23%	1 162 130	26%	1 216 750	25%	1 273 937	25%
Inventory consumed	303 865	7%	336 483	7%	352 292	7%	368 844	7%
Debt impairment	-	0%	272 220	6%	285 014	6%	298 410	6%
Depreciation and amortisation	260 000	6%	272 220	6%	285 014	6%	298 410	6%
Interest	42 536	1%	44 535	1%	46 629	1%	48 820	1%
Contracted services	850 197	20%	839 992	18%	872 969	18%	914 579	18%
Transfers and subsidies	11 100	0%	11 622	0%	12 168	0%	12 740	0%
Irrecoverable debts written off	260 000	6%	-	0%	-	0%	-	0%
Operational costs	317 799	8%	308 363	7%	336 195	7%	351 832	7%
Losses on disposal of Assets	-	0%	-	0%	-	0%	-	0%
Other Losses	-	0%	-	0%	-	0%	-	0%
Total Expenditure	4 208 050	100%	4 550 034	100%	4 870 209	100%	5 113 961	100%

The budgeted allocation for employee related costs for the 2023/24 financial year totals R1.258 billion, which equals 28 percent of the total operating expenditure. Salary increases have been factored into this budget at a percentage increase of 5.7 per cent for the 2023/24 for the MTREF. Included in the R1.258 billion is the R 20. million for Leave Pay, R 20.6 million Performance Bonus and R 14 million Long Service Awards.

The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the Municipality's budget.

The provision of debt impairment was determined based on an annual collection rate and the Debt Write-off Policy of the Municipality. For the 2023/24 financial year this amount increased to R272 million. While this expenditure is considered to be a non-cash flow item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

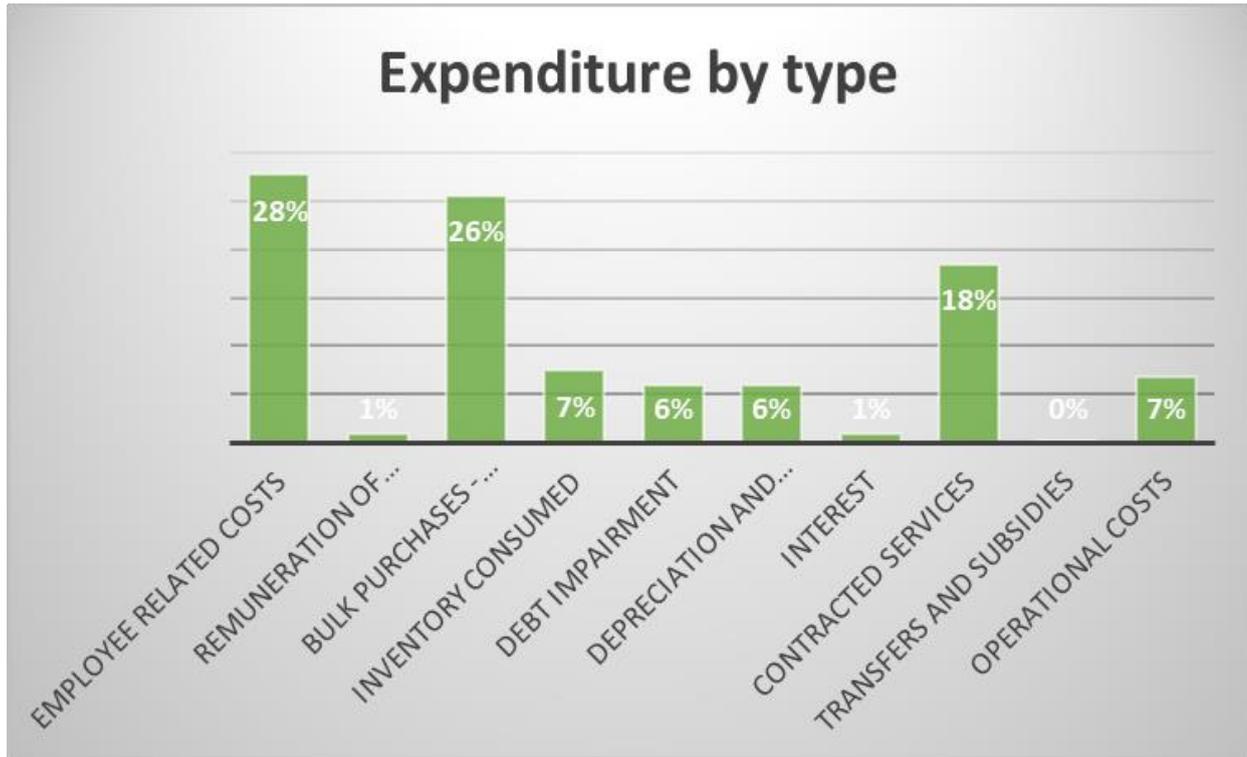
Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R272 million for the 2023/24 financial and equates to 6 per cent of the total operating expenditure.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 1 percent (R44 million) of operating expenditure.

Bulk purchases are directly informed by the purchase of electricity from Eskom and water from Lepelle Water. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. Bulk purchases make up 26 percent (R 1.1 billion) of operating expenditure. The expenditures include distribution losses.

Contracted services in 2022/23 financial year budget were R 850 million currently decreased to R 839 million for 2023/24.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Printing and stationary, subsistence and travelling, attending of conferences and workshops have significantly been reduced or limited to zero growth. Other expenditure makes up 7 percent (R308 million) of operating expenditure.



1.4 Funding of Operating Budget

Funding is obtained from various sources, the major sources being service charges such as electricity, water, sanitation, and refuse collection, property rates, grants and subsidies received from National government.

1.4.1 Grant Allocations

Municipalities play a critical role in furthering government’s objective of providing services to all. Cities are also driving South Africa’s growth and development. However, to play these roles, cities need to be supported and funded. Local Government conditional grants are being reformed to provide targeted support to different types of municipalities. The following projected grant allocations to the municipality in terms of the 2023/24 Division of Revenue Bill have been included in this medium-term budget.

MULTI YEAR BUDGET GRANTS AND SUBSIDIES AS PER DIVISION OF REVENUE BILL	Budget Year +1 2022/23	Budget Year +1 2023/24	Budget Year +1 2024/25
OPERATIONAL GRANTS			
Equitable Share	1 318 621 000	1 441 144 000	1 542 151 000
TOTAL OPERATIONAL GRANTS			
Intergrated Urban Development Grant	149 891 622	168 628 566	160 189 344
Public Transport Network Grant	82 498 861	82 336 798	84 427 172
Financial Management Grant (FMG)	2 400 000	2 400 000	2 538 000
Extended Public Works Programme (EPWP)	11 794 000	-	-
Infrastructure Skills Development Grant (ISDG)	5 500 000	5 500 000	5 500 000
Integrated National Electrification Programme Grant	-	-	9 000 000
TOTAL OPERATIONAL GRANTS (CONDITIONAL)	252 084 483	258 865 364	261 654 516
TOTAL OPERATIONAL GRANTS	1 570 705 483	1 700 009 364	1 803 805 516
INFRASTRUCTURE GRANTS			
Intergrated Urban Development Grant	286 057 378	258 688 434	287 487 656
Public Transport Network Grant	131 479 139	133 331 202	127 406 828
Neighbourhood Development Grant	32 168 000	20 000 000	20 000 000
Water Services Infrastructure Grant	72 700 000	76 871 000	80 315 000
Regional Bulk Infrastructure Grant	161 539 000	126 013 000	155 509 000
Integrated National Electrification Programme Grant	17 161 000	18 000 000	9 806 000
Energy Efficiency and Demand Side Management Grant (EEDSM)	4 000 000	5 000 000	5 000 000
TOTAL INFRASTRUCTURE GRANTS	705 104 517	637 903 636	685 524 484
TOTAL DoRB ALLOCATIONS TO THE MUNICIPALITY	2 275 810 000	2 337 913 000	2 489 330 000

1.5 CAPITAL BUDGET

The Capital budget exclusive of VAT is funded by the allocations made to the city by National Government in the form of grants and internally generated funds.



The table below represents the capital budget per vote (Directorate)

MULTI YEAR BUDGET CAPITAL DIRECTORATE	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework					
	Adjusted Budget		Budget Year 2023/24		Budget Year +1 2024/25		Budget Year +2 2025/26	
Vote 1 - CHIEF OPERATIONS OFFICE	229	0%	870	0%	6 562	1%	10 231	1%
Vote 2 - MUNICIPAL MANAGER'S OFFICE	-	0%	3 400	0%	-	0%	-	0%
Vote 3 - WATER AND SANITATION	317 306	44%	315 334	40%	281 215	40%	303 765	40%
Vote 4 - ENERGY SERVICES	78 107	11%	93 530	12%	113 072	16%	105 429	14%
Vote 5 - COMMUNITY SERVICES	28 048	4%	58 297	7%	36 818	5%	38 256	5%
Vote 6 - PUBLIC SAFETY	3 922	1%	12 443	2%	14 952	2%	10 050	1%
Vote 7 - CORPORATE AND SHARED SERVICES	29 989	4%	31 331	4%	13 779	2%	10 208	1%
Vote 8 - PLANNING AND ECONOMIC DEVELOPMENT	8 326	1%	11 614	1%	12 472	2%	9 780	1%
Vote 9 - BUDGET AND TREASURY OFFICE	-	0%	580	0%	-	0%	-	0%
Vote 10 - TRANSPORT SERVICES	69 922	10%	114 330	14%	115 940	16%	110 789	15%
Vote 11 - HUMAN SETTLEMENT	-	0%	-	0%	-	0%	-	0%
Vote 12 - ROADS AND STORM WATER	189 244	26%	155 511	20%	113 685	16%	161 764	21%
	725 093	100%	797 239	100%	708 495	100%	760 271	100%

Water and Sanitation Services has the highest allocation 40% for infrastructure projects.

The Municipality is strategically focusing on renewing its asset with the sole objective of optimizing service delivery, the area of focus is on Wastewater Management and Water Network. While at the same time, investing in the creation of new assets to increase services and economic development in the municipality, major projects undertaken as part of this strategic focus are:

- Building of new Regional Waste Water Treatment Plant
- Building of Regional Water Schemes and acceleration of rural sanitation
- Installation of prepaid water meters

Road and storm water allocation of 20% for completion of infrastructure project, Refurbishment and paving of Roads.



Transport services is allocated 14% for completion of infrastructure project, Refurbishment on Roads, IT System” for Leeto la Polokwane.



THE BENEFITS OF LEETO LA POLOKWANE™

The Municipality aims to achieve the following main objectives through the implementation of Leeto La Polokwane

<p>Reduce traffic congestion currently causing delays, increased travel costs, fuel consumption, accidents and deterring investment</p>	<p>Reduce overcrowded/unsafe/excessive journey times on existing Public Transport (PT) facilities</p>	<p>Coordinate and integrate all public transport modes; (including Non Motorised Transport - (NMT))</p>	<p>Reduce over-reliance on private transport, formalise parking and loading zones</p>	<p>Improve the access to public transport for people with disabilities, the elderly and people with young children, improve pedestrian and bicycle facilities</p>
<p>Increase inner-city revenue through the provision of integrated public transportation</p>	<p>Reduce travel time and providing efficient and easy access to various employment, retail, business, social and tourist activities in the inner city</p>	<p>Reduce user costs to access inner-city</p>	<p>Reduce traffic accidents and minimize impact of accidents on traffic and pedestrian flow</p>	<p>Reduce carbon foot-print of inner-city transport and fuel consumption</p>
<p>Make inner-city pedestrian and cycling friendly</p>	<p>Improve access between residential areas and major economic nodes</p>	<p>Drive an implementation programme for new and attractive road based public transport</p>	<p>Integrate land-use development</p>	

The funds available for capital expenditure from conditional grants for the following 3 years are R 613 million, R 554 million and R 596 million respectively.

MULTI YEAR BUDGET CAPITAL FUNDING	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Description			
Intergrated Urban Development Grant	248 745 546	224 946 464	249 989 266
Public Transport Network Grant	114 329 686	115 940 176	110 788 546
Neighbourhood Development Grant	27 972 174	17 391 304	17 391 304
Water Services Infrastructure Grant	63 217 391	66 844 348	69 839 130
Regional Bulk Infrastructure Grant	140 468 696	109 576 522	135 225 217
Integrated National Electrification Programme Grant	14 922 609	15 652 174	8 526 957
Energy Efficiency and Demand Side Management Grant	3 478 261	4 347 826	4 347 826
Total DoRA Allocations	613 134 363	554 698 814	596 108 247
Capital Replacement Reserve	184 104 482	153 796 007	164 162 541
TOTAL FUNDING	797 238 845	708 494 821	760 270 789

The funds available for capital expenditure from **Cash Replacement Reserve** (Own funds) for the following 3 years are R 184 million, R153 million and R 164 million respectively. The following CRR funding is broken down by directorate.

MULTI YEAR BUDGET CAPITAL FUNDING	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Description			
Vote 1 - CHIEF OPERATIONS OFFICE	-	4 823 109	8 491 646
Vote 2 - MUNICIPAL MANAGER'S OFFICE	3 400 000	-	
Vote 3 - WATER AND SANITATION	16 845 399	5 709 756	3 043 903
Vote 4 - ENERGY SERVICES	65 693 972	75 680 253	75 163 371
Vote 5 - COMMUNITY SERVICES	33 807 658	22 828 710	21 733 994
Vote 6 - PUBLIC SAFETY	12 442 686	14 951 934	10 049 625
Vote 7 - CORPORATE AND SHARED SERVICES	31 331 160	13 779 364	10 207 511
Vote 8 - PLANNING AND ECONOMIC DEVELOPMENT	4 052 120	4 910 791	3 693 024
Vote 9 - BUDGET AND TREASURY OFFICE	580 000	-	
Vote 10 - TRANSPORT SERVICES	-	-	-
Vote 11 - HUMAN SETTLEMENT	-	-	-
Vote 12 - ROADS AND STORM WATER	15 951 488	11 112 090	31 779 467
TOTAL CAPITAL REPLACEMENT RESERVE	184 104 482	153 796 007	164 162 541

1.7 OVERVIEW OF BUDGET RELATED POLICIES

The MFMA and the Municipal Budget and Reporting Regulations require budget related policies to be reviewed, and where applicable, to be updated on an annual basis. The main purpose of budget related policies is to govern and guide the budget process and inform the projections of the medium term.

The following are budget related policies which have been approved by Council or have been reviewed /amended and / or are currently being reviewed / amended in line with National Guidelines and other legislation.

Assets Management Policy

The objective of this policy is to ensure the effective and efficient control of the municipality's assets through proper recording of assets from authorisation to acquisition and to subsequent disposal; providing for safeguarding procedures, setting proper guidelines as to authorised utilisation and prescribing for proper maintenance. To assist officials in understanding their legal and managerial responsibilities with regard to assets.

Billing Policy

The objective of this policy, is to ensure that the Municipality:

- establish a sound customer management system;
- establish mechanisms for users of services and ratepayers to give feedback to the municipality regarding the quality of services;
- take reasonable steps to ensure that users of services are informed of the costs of service provision, the reason for the payment of service fees, and the manner in which monies are utilized;
- take reasonable steps to ensure the accurate measurement of consumption of services;
- ensure the receipt by persons liable for payments of regular and accurate accounts that indicate the basis for calculating the amounts due;
- provide accessible mechanisms for those persons to query or verify accounts and metered consumption, and appeal procedures which allow for prompt redress for inaccurate accounts;
- provide accessible mechanisms for dealing with complaints, prompt replies and corrective action;
- provide mechanisms to monitor response times to such complaints;
- Provide accessible pay points and other mechanisms for settling accounts or for making pre-payments for services.

Borrowing Policy

The objectives of this Policy are to: -

- Manage interest rate and credit risk exposure;
- Maintain debt within specified limits and ensure adequate provision for the repayment of debt;
- To ensure compliance with all Legislation and Council policy governing borrowing of funds.

Budget and Virement Policy

- The budget and virement policy sets out the budgeting principles which Polokwane Municipality will follow in preparing each annual budget. The policy aims to give effect to the requirements and stipulations of the Municipal Finance Management Act in terms of the planning, preparation and approval of the annual budgets.
- The policy shall apply to all the relevant parties within the Polokwane Municipality that are involved throughout the budget process.
- The policy shall establish and maintain procedures to ensure adherence to the IDP review and budget processes

Cash Management and Investment Policy

The objectives of the Investment Policy are: -to manage the investments of the municipality in such a manner that it will not tie up the municipality's scarce resources required to improve the quality of life of the citizens; that sufficient cash resources are available to finance the capital and operating budgets of the municipality; and to gain the highest possible return on investments during periods when excess funds are not being used, without unnecessary risk.

Claim Committee and loss Policy

The Committee shall focus on the following goals and functions in order to meet the purpose identified:

- (i) Review, consider and discuss all claims and losses received;
- (ii) Settle, repudiate or refer back for further information all claims tabled before the Committee which falls within its mandate;
- (iii) Attend meetings arranged for purposes of discussion and finalisation
- (iv) Seek advice from any Third Party in considering and finalising claims before the Committee as the Committee may deem necessary.

Consumer deposit Policy

This policy aims to ensure that, amongst other things:

- To reduce the risk and liability of the Municipality by ensuring that deposits held on owners accounts are always equal to twice the average monthly consumption of any consumer, and may be adjusted to comply with the latter when and if the deposit is not equal to average the monthly consumption or as determined by CFO from time to time

Cost Containment Policy

This policy aims to ensure that, amongst other things:

- to regulate spending and to implement cost containment measures at Polokwane Local Municipality.

Credit Control and Debt Collection Policy

The objectives of Credit Control Policy are:

- To provide procedures and mechanisms to collect all the monies due and payable to the Municipality arising out of the supply of services and annual levies, in order to ensure financial sustainability and delivery of municipal services in the interest of the community
- To limit risk levels by means of effective management tools.
- To provide for restrictions, limitations, termination of services for non-payment.

The objective of Debt Collection Policy is:

- To implement procedures which ensure the collection of debt, meeting of service targets and the prevention of escalation in arrear debt

Expenditure Management

The objective of the policy is to:

- Set out a framework for the municipality to deal with:
 - All expenditure related transactions;
 - To establish and maintain procedures to ensure adherence to the Municipality's IDP review and budget processes; and
- as far as possible, the municipality will strive to ensure that all payments to creditors are made within 30 days of receiving the invoice or statement; whichever is the latest as prescribed by the Municipal Finance Management Act, 2003 (Act No.53 of 2003); and
- Ensure that the principles applied, as a result of this policy, will enhance and support a healthy working capital position for the municipality.

Fare Policy and Fare Structure

The purpose of this Policy is to set out the framework and clarify the governing principles in respect of –

- the determination of Fares charged on the Leeto la Polokwane
- the AFC System and how it functions.
- the Roles and Responsibilities of the AFC Contractor
- guide principles for establishment of a by-laws
- guide with the process which will result in Fare determination and collection for Leeto La Polokwane

Funding and Reserve Policy

The objectives of the funding and reserves policy are as follows:

- To comply with the legislative requirements
- To ensure that the Municipality's Operating and Capital budgets are adequately funded;
- To ensure that the Municipality's provisions and reserves are maintained at the required levels, in order to mitigate unfunded liabilities in future financial years

Indigent and Social Assistance Policy

The objectives of this Policy are to: -

- Provide a framework within which the Municipality can exercise its executive and legislative authority with regard to the implementation of financial aid to indigent and poor households in respect of their municipal account;
- Determine the criteria for qualification of Indigent and poor households;
- Ensure that the criteria are applied correctly and fairly to all applicants;
- Allow the municipality to conduct in loco visits to the premises of applicants to verify the actual status of the household with respect to meeting the criteria on an indigent household.
- Allow the Municipality to maintain and publish the register of names and addresses of account holders receiving subsidies (financial aid in respect of the Municipal Services account

Integrated Customer Policy

The objective of this policy is to provide a policy framework for the circumstances under which deposit must be paid, the determination of the amount of the deposit that must be paid and the refund or forfeiture of deposit.

Inventory Policy

This policy aims to ensure that, amongst other things:

- To implement appropriate internal controls and effective inventory management system to ensure that goods placed in stores are secured and only used for the intended purposes.
- To determining and setting of inventory levels that includes minimum and maximum stock levels mad lead times whenever goods are placed in stock.
- To monitoring and review of service provider's performance to ensure compliance with specifications and contract conditions.

Leave Policy

To ensure that employees know their entitlement with regard to the allocation of leave, the responsibility to apply for leave in the prescribed manner(s) and for good governance of leave in Polokwane Municipality.

Performance Management System Policy (Organisational and Employee Management)

- The overall objective of implementing and sustaining effective employee performance management is to build human capital at strategic and operational levels throughout the municipality.
- To achieve this objective an Organisational and Employee Performance Management System is implemented to provide administrative simplicity, maintain mutual respect between managers and employees, and add value to day to day communication about performance and development issues

Property Rates Policy

The key objectives of the policy are to:

- ensure that all owners of rateable property are informed about their liability to pay assessment rates;
- specify relief measures for ratepayers who may qualify for relief or partial relief in respect of the payment of rates through exemptions, reductions and rebates contemplated in section 8 of this policy and section 15 of the Act;
- set out the criteria to be applied by the Council if it increases rates and levies differential rates on different categories of property;
- provide for categories of public benefit organisations, approved in terms of Section 30(1) of the Income Tax Act, 1962 (Act no 58 of 1962) as amended, which ratepayers are eligible for exemptions, reductions and rebates and therefore may apply to the Council for relief from rates;

- recognise the state, organs of state and owners of public service infrastructure as property owners;
- not discourage the development of property;
- ensure that all persons liable for rates are treated equitably as required by the Act;
- determine the level of increases in rates; and
- Provide for exemption, rebates and reductions

Subsistence and Travel Policy

Subject to the provisions of the standard Conditions of Services and any other Agreement with the Bargaining Council applicable to the Council of its employees, the objective of the policy is:

- To fairly compensate persons / employees representing the Council for essential additional expenses incurred by them in the execution of their official duties.
- To ensure uniformity in the payment of subsistence and traveling allowances.

Supply Chain Management Policy

The objective of the supply chain management policy is

- To give effect to the provisions of section 217 of the Constitution of the Republic of South Africa, 1996;
- To give effect to the provisions of the Local Government: Municipal Finance Management Act, (Act No. 56 of 2003)
- To give effect to the provisions of the Preferential Procurement Policy Act 5 of 2000 and regulations 2011
- To give effect to the Municipal Supply Chain Management Regulations
- The Broad Based Black Economic Empowerment Act 53 of 2003
- The prevention and combating of corruption Activities Act 12 of 2004.

Tariff Policy

- To comply with the provisions of section 74 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000).
- To prescribe procedures for calculating tariffs where the Municipality wishes to appoint service providers in terms of section 76(b) of the Act.
- To give guidance to the Portfolio Committee for Finance regarding tariff proposals that must be submitted to Council annually during the budgetary process.
- To ensure that there is consistency in how the tariffs are applied throughout the Municipality.
- To ensure municipal services are financially sustainable, affordable and equitable.
- Determining cost effective tariff as far as possible.

- To ensure affordability of basic services to the community.

Unauthorised, Irregular, Fruitless and Wasteful Expenditure Policy

This policy aims to ensure that, amongst other things:

- Unauthorised, irregular, or fruitless and wasteful expenditure is detected, processed, recorded, and reported in a timely manner;
- Officials and councillors have a clear and comprehensive understanding of the procedures they must follow when addressing unauthorised, irregular, fruitless and wasteful expenditure;
- Polokwane Municipality' s resources are managed in compliance with the MFMA, the municipal regulations and other relevant legislation; and
- All officials and councillors are aware of their responsibilities in respect of unauthorised, irregular, fruitless and wasteful expenditure.

RECOMMEND

1. That the annual budget of the municipality and municipal entity (Polokwane Housing Association) for the financial year 2023/24 and the multi-year and single-year capital appropriations as set out in the following tables be approved and adopted:
 - 1.1 Budgeted Financial Performance (revenue and expenditure by standard classification) as contained in Table A2;
 - 1.2 Budgeted Financial Performance (revenue and expenditure by municipal vote) as contained in Table A3;
 - 1.3 Budgeted Financial Performance (revenue by source and expenditure by type) as contained in Table A4 and D2; and
 - 1.4 Multi-year and single-year capital appropriations by municipal vote and standard classification and associated funding by source as contained in Table D3.
2. The financial position, cash flow budget, cash-backed reserve/accumulated surplus, asset management and basic service delivery targets are approved as set out in the following tables:
 - 2.1 Budgeted Financial Position as contained in Table A6 and D4;
 - 2.2 Budgeted Cash Flows as contained in Table A7 and D5;
 - 2.3 Cash backed reserves and accumulated surplus reconciliation as contained in Table A8;
 - 2.4 Asset management as contained in Table A9; and
 - 2.5 Basic service delivery measurement as contained in Table A10.

3. The Council of Polokwane Municipality, acting in terms of section 75A of the Government: Municipal Systems Act (Act 32 of 2000) approves and adopts with effect from 1 July 2023: as set out in the Proposed Tariffs booklet:

- 3.1 the tariffs for property rates
- 3.2 the tariffs for electricity
- 3.3 the tariffs for the supply of water
- 3.4 the tariffs for sanitation services
- 3.5 the tariffs for solid waste services

4. That the following budget related policies be approved for implementation in 2023/24.

1. Asset Management Policy
2. Billing Policy
3. Borrowing Policy
4. Budget and Virement Policy
5. Cash management and Investment Policy
6. Claims committee and loss Policy
7. Consumer Deposit Policy
8. Cost Containment Policy
9. Credit control and debt collection Policy
10. Expenditure Management Policy
11. Fare Policy and Fare Structure
12. Funding and reserves Policy
13. Indigent and Social Assistance Policy
14. Integrated Customer Care Policy
15. Inventory Policy
16. Leave Policy
17. Performance Management System Policy (Organisational and Employee Management Policy)
18. Property Rates Policy
19. Subsistence and Travelling Policy
20. Supply chain management Policy
21. Tariff Policy
22. Unauthorised, Irregular, Fruitless and Wasteful Expenditure Policy

PART 2 LEGISLATIVE MANDATE

IDP – Schedule of Community consultations

2.1 Introduction: Public Participation

Section 152 of the Constitution (108 of 1996) provides objectives of local government. One of the objectives is to encourage the involvement of communities and community organizations in the matters of local government.

Similarly, section 16 of Municipal Systems Act (32 of 2000) mandate municipalities to develop a culture of municipal governance that complements formal representative government with a system of participatory governance, and must for this purpose encourage, and create conditions for, the **local community** to participate in the affairs of the municipality, including in:

- The preparation, implementation, and review of its Integrated Development Plan (IDP).
- The establishment, implementation, and review of its Performance Management System (PMS).
- Monitoring and review of its performance, including the outcomes and impact of such performance.
- The preparation of its Budget.
- Strategic decision relating to the provision of municipal services.

In compliance with the above-mentioned legislations, Polokwane Municipality undertook Community Consultation on the draft IDP/Budget in all 7 Clusters during the month of April each year.

Discussion

From the Previous financial year (**April 2022**), Polokwane Municipality moved back to conduct **Physical Public Participation** Process on the Draft IDP/Budget Process. This Public Participation Process is conducted in all seven (7) Municipal Clusters in order to get input and comments from the community as specified in Section 152 of the Constitution (108 of 1996) that indicate that, one of the objectives of local Government is to **encourage the involvement of communities and community organizations in the matters of local government**.

In line with the above-mentioned legislative mandate, and the approved Corporate Calendar of the City of Polokwane, the full month of April (**30 days legislated timeframe**) is already reserved for the

IDP/Budget Public Participation Process. Furthermore, the month of April each financial year is the IDP Community Consultation month with one (1) Joint Portfolio Committee scheduled to deal with the compliance report (Sub sec 52(d) Report).

Proper alignment of the dates for the April IDP/Budget Public participation has been done. Hence, there was no clashes of dates for the (Joint Portfolio Committee, MAYCO, Council) wherein the compliance reports will be tabled.

The table below indicates the **2023/24** Draft IDP/Budget Public Participation schedule that was held in all the seven (7) Municipal Clusters during the month of **April 2023**.

The dates for the 2023/24 Draft IDP/Budget Public Participation meetings have been scheduled and held as follows:

Date	Municipal Cluster / Sector	Venue	Time
05 April 2023	Traditional Leaders	New Peter Mokaba Stadium (Press Theatre)	10h00 -13h00
11 April 2023	Moletjie Cluster	Moletjie Moshate	10h00 -13h00
12 April 2023	Sebayeng /Dikgale Cluster	Bana Bathari Primary School	10h00 -13h00
13 April 2023	City Cluster	Jack Botes Hall	18h00 -20h00
14 April 2023	Mankweng Cluster	Mankweng Community Hall	10h00 -13h00
17 April 2023	Seshego Cluster	Ngoako Ramahlodi Sports Complex	10h00 -13h00
19 April 2023	SDA 1	Greenside Primary School	14h00 – 17h00
20 April 2023	Molepo /Chuene /Maja Cluster	Mamatsha (Sehlale all-stars Sports Ground) Ward 04	10h00 -13h00

Date	Municipal Cluster / Sector	Venue	Time
24 April 2023	Aganang Cluster	Tibane Sports Ground Ga-Matlala.	10h00 -13h00

The Executive Mayor with the Members of Mayoral Committee and Management team convened consultation meetings with communities and stakeholders in all clusters as indicate above.

In all the Meetings, the Municipality presented progress Report on previous financial year projects which was then be followed by presentation of new projects and their budgets. Proposed tariffs increases was also Presented to the community for their inputs and comments in all the 7 Municipal clusters.

The CFO Office Presented the Proposed Tariffs Increase and Draft Budget Summary together with indigent support.

For the first time since the arrival of Leeto bus; the Municipality conducted Public Participation on **1st Leeto fare increase** and Peter Mokaba Suites Rental Tariff Increase to be effected from 1 July 2023.

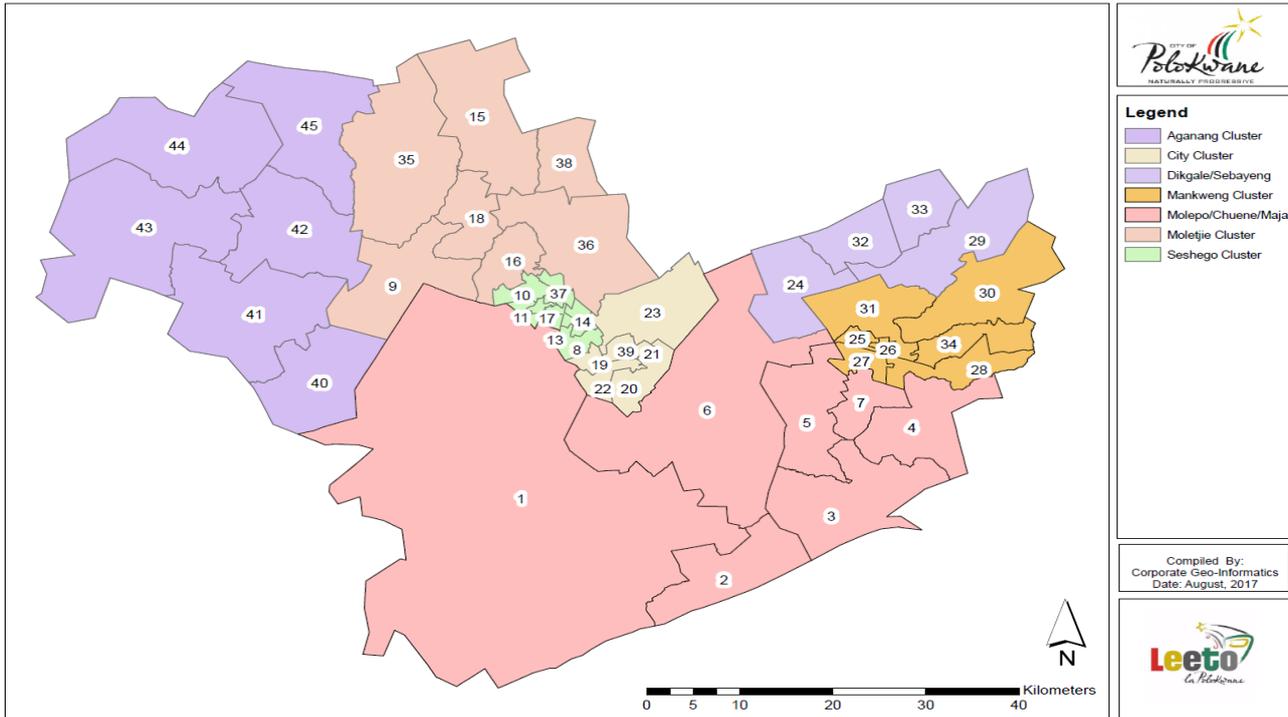
Community was then allowed to break away into wards to review their needs guided by what has been budgeted in the draft IDP. The Review of Wards Needs list was led by Ward Councillors but the report back was by member of the community.

Polokwane municipality is made up of **45 wards**, which are grouped into **7 Clusters** for administrative purpose, namely:

	Clusters Name	Wards No.
1	Mankweng Cluster	06,07,25,26,27,28, 34
2	Moletjie Cluster	09,10,15,16,18,35, 36,38
3	Molepo / Chuene / Maja Cluster	1,2,3,4,5
4	Sebayeng / Dikgale Cluster	24,29,32,33,30,31
5	Aganang Cluster	40,41,42,43,44,45
6	City Cluster	08;19,20,21,22,23,39
7	Seshego Cluster	11,12,13, 14,17,37

Polokwane Cluster Map Reflecting Location of 45 Wards

Map: Polokwane Cluster Map



Source: Polokwane G.I.S SBU:

2.2 Legislation compliance status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting

Reporting to National Treasury in electronic format was fully complied with monthly. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the Municipality’s website. The Section 71 reports and datastrings are also uploaded on the National Treasury upload portal within 10 working days.

2. Internship programme

The Municipality is participating in the Municipal Financial Management Internship programme and has employed 4 interns undergoing training in various divisions of the Budget and Treasury Office.

3. Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

4. Audit Committee

An Audit Committee has been established and is fully functional.

5. Service Delivery and Implementation Plan

The detail SDBIP document is at a draft stage and will be finalised after approval of the 2022/23 MTREF in June 2022 directly aligned and informed by the 2022/23 MTREF.

6. Annual Report

Annual report is compiled in terms of the MFMA and National Treasury requirements.

7. MFMA Training

The MFMA training module in electronic format is presented at the Municipality's internal centre and training is ongoing.

PART 3 BUDGET INPUTS PER DIRECTORATE

3.1 MUNICIPAL MANAGER'S OFFICE

Risk management– outline the top risks and remedial program/action to mitigate the risks.				
#	Risk	Root cause	Residual risk	Summary of mitigating action
1.	Ageing of infrastructure (Energy, Water, Roads, and Facilities)	<ul style="list-style-type: none"> • Insufficient funds for capital replacements • Lack of infrastructure maintenance plan. • Lack of infrastructure investment plan for new assets • Appointment of incompetent services providers due to misrepresentation of competency • Abandoning of projects by contractors • Shortage of skilled personnel • High vacancy rate • Inadequate plant and machinery 	22 High	<ul style="list-style-type: none"> • Assets register to be linked with budgeted maintenance plan. • Training and development of employees • Partnerships with alternative development funders for development master plans and maintenance plans • Public Private Partnerships for infrastructure development and maintenance • Procurement of additional yellow fleet • Ad hoc and re-active maintenance • Refurbishment of some municipal infrastructure in underway • Critical posts are being identified to be prioritized. • Reprioritizing of funding towards capital replacements
2.	Electricity losses (technical and non-technical losses)	<ul style="list-style-type: none"> • Illegal connections • Vandalism of infrastructure • Cable theft • Ageing of electricity infrastructure • Tempering of the electric meters • Meters that are not on the system • Meters that are not working (faulty meters) • Ghost venders 	16 High	<ul style="list-style-type: none"> • Installation of early warning systems for cable theft and vandalism of infrastructure • Installation of smart meters at identified tempering hot spot areas. • Installation of high security meter boxes at identified hot spot areas. • Community awareness of cable theft • Meter auditing. • Replacing of conventional meters with prepaid meters • Replacement of copper with aluminium cables • Replacement of steel meter boxes polyethylene

Risk management– outline the top risks and remedial program/action to mitigate the risks.

#	Risk	Root cause	Residual risk	Summary of mitigating action
3.	Water Scarcity	<ul style="list-style-type: none"> • Illegal Land use • Inadequate water resources • Water loses due to illegal connections. • Water loses due aging of infrastructure. • Rapid population growth in the city • Global warming • Non-adherence to water conservation strategies by users 	16 High	<ul style="list-style-type: none"> • Upgrading of existing water resources and drilling of additional boreholes • Meter auditing. • Replacing of brass/smart conventional meters with prepaid meters • Check meters have been installed to measure water losses. • Phase 2 of Replacement of asbestos pipes is in a planning stage. • Replacement of above fire hydrant with underground fire hydrant to avoid water theft.
4.	Poor performance of allocated grants	<ul style="list-style-type: none"> • Termination of the contracts which results in poor spending of the grant. • Ineffective procurement strategy • Delays in completion of projects. • Under-performance of service providers 	20 High	<ul style="list-style-type: none"> • Project forward planning • Decentration of project planning and implementation to infrastructure directorates • Signing of individual performance plans • Revised procurement strategy • Multiyear planning • Project implementation audit by internal audit • MPAC oversight and site visits
5.	Cash flow constraints	<ul style="list-style-type: none"> • Low Revenue collection • Low Revenue Base • Budget overspending • Unrealistic budget plans • Non-payments of services and facilities when hiring sports and recreation facilities (free utilization of revenue generating facilities) 	20 High	<ul style="list-style-type: none"> • Implementation of revenue enhancement strategy. • Development of cost activity plans in line with the allocated budget • Identification of other sources of revenue • Implementation of credit control policy and indigent policy.
6.	Negative Audit Outcome	<ul style="list-style-type: none"> • Non-compliance to regulations • Poor internal controls • Poor record keeping • Inadequate of internal AFS reviews and Annual Performance report 	15 Medium	<ul style="list-style-type: none"> • Compilation of quarterly financial statement • Auditing of half year and annual financial statements • Investigation of all UIFW expenditures • Bi-weekly Operational Clean Audit meetings • AGSA action plans in place

Risk management– outline the top risks and remedial program/action to mitigate the risks.

#	Risk	Root cause	Residual risk	Summary of mitigating action
7.	Fraud and Corruption	<ul style="list-style-type: none"> • Nonadherence to internal controls. • Non compliance.to policies and legislatives • Unethical and dishonest staff, Councillors, and external stakeholders • Conflict of interest. • Non reporting of fraud related cases • Non and false declaration by officials • Selling of low-cost houses 	15 Medium	<ul style="list-style-type: none"> • Investigation to be conducted as a deterrence measure. • Fraud Awareness campaigns • Fraud and Ethics Survey • Review of the Fraud Risk management plan • Promotion of Fraud Hotline and community members are encouraging to report • Investigation is conducted for all reported cases
8.	Theft and vandalism of municipal infrastructure eg, (Cable theft, public toilets, water infrastructure etc)	<ul style="list-style-type: none"> • Inadequate security measures (such as security fence) • Shortage of security personnel. • Project implemented without security consideration. • Lack of alarm systems and & panic button. • Lights not working. • Projects located in remote areas • Incomplete projects. • High demand of copper • High rate of unemployment 	16 High	<ul style="list-style-type: none"> • Installation of high mast lights and perimeter fencing • Installation of additional of additional CCTV, alarm systems and response personnel • Establishment of Community safety forum municipal wide • Awareness campaign are being conducted. • Community policing forum • Access control devices installed in some municipal buildings. • Law enforcement officers and security officers have been appointed. • Replacement of steel meter box with plastic meter box • Regular inspection of hotspot areas
9.	Cyber-attack	<ul style="list-style-type: none"> • Poor configuration of security systems • Lack of cyber security expertise • Lack of development and implementation internal management processes of cyber security (Classification of access to data \User Management) • Lack of ICT Security Awareness 	15 Medium	<ul style="list-style-type: none"> • Information Security awareness for staff members • Update and upgrade software • Management of Malware Protection solution • Performing monthly data backup • Monitoring activities on the Firewall <ul style="list-style-type: none"> • Monitoring of third-party security posture • Least Privilege Access • Vulnerability scanning

Risk management– outline the top risks and remedial program/action to mitigate the risks.

#	Risk	Root cause	Residual risk	Summary of mitigating action
10.	Slow economic growth and development	<ul style="list-style-type: none"> • High levels of unemployment • Impact of load shedding • Lack of investment incentive policy • Global economic factors 	15 Medium	<ul style="list-style-type: none"> • Strengthen relationship with all economic sectors. • Implementation of economic recovery plans • Promote Polokwane to investors. • Promotion of dialogue between all stakeholders • Strengthen the empowerment of micro, small and medium enterprises. • Implementation of investment incentives policy

3.2 ROADS AND TRANSPORTATION SERVICES DIRECTORATE

Leeto La Polokwane

The aim of Leeto La Polokwane is to integrate various public transport modes across the municipality as well as capacitating current public transport operators who are directly affected by the System as per the requirements of the NLTA.

1. Systems Planning and Operations



The City continues to provide public transport services to the residents of Polokwane through the Leeto La Polokwane bus service. The phase 1A operations services the communities /commuters from the Central Business District (CBD) to Seshego, Flora Park, Nirvana-Westenburg with 11 buses operating interchangeably amongst the routes on daily basis. The buses are all universally accessible to also transport people with disabilities. Operation of Leeto La Polokwane is in two (2) shifts between 05:00 am and 20:00 hours Monday to Friday; between 07:00 and 17:00 on Saturdays and between 07:00 and 15:30pm on Sundays and Public holidays.

The focus area during the 2023/24 financial year would be to improve the phase 1 A operations and to expand into other phases.

2. Intelligent Transport Systems Modelling

Intelligent Transport Systems (Automated Fare Collection – AFC and Public Transport Management System - PTMS) have been developed and are fully operational. The Municipality has met the full requirements for an Account-Based Ticketing (ABT) compliant Automated Fare Collection (AFC) system in line with the National Department of Transport's requirements. The ABT-compliant AFC system has been undergoing a pilot phase since December 2022 and is earmarked for full operation during the 2023/2024 financial year. During the 2023/24 financial year, the Intelligent transport systems will be operated, monitored, maintained, and improved on an ongoing basis to ensure sufficient monitoring of the public transport operations.

Other ways to improve ridership, safety, and convenience of the Leeto La Polokwane Bus Service, such as route and system optimisation, and installation of surveillance cameras and WIFI on routes and buses, are earmarked for implementation during the same financial year.

3. Public Transport Regulation and Monitoring

The Polokwane Municipality Public Transport Operating License Committee continues to provide guidance to the Municipal Manager, as it related to the request for comments on Operating License applications from the Limpopo Regulatory Entity.

The Directorate also plans to partner with various stakeholders to tackle the challenge of illegal public transport operations in the Municipality, especially along the Leeto La Polokwane Phase1A operations. The Public Transport Regulations and Monitoring unit also has the responsibility to monitor the Leeto La Polokwane operations to ensure that the Vehicle Operating Company (VOC) adheres to the signed

Vehicle Operating Company Agreement (VOCA) signed between the Polokwane Municipality and Esilux Pty (Ltd) (VOC).

The VOCA was concluded in terms of Regulation 36 of the Municipal Supply Chain Management (SCM) Regulations: Municipal Finance Management Act (MFMA), for Provision of Public Passenger Transport Services. Furthermore, the VOCA being a Service Delivery Agreement as contemplated in Section 81 of Municipal Systems Act No. 32, 2000.

Leeto La Polokwane system marketing remains one of the catalysts towards Leeto La Polokwane brand positioning thus increasing ridership and sustainability of the system. Customer Relationship Management (CRM), customer education and information-sharing initiatives remain the key focus areas.

Further, preparations for negotiation of the 12-year VOCA have commenced in the 2022/23 financial year. In this regard, a Process Agreement for negotiation of the Agreement and the Value Chain Agreement are in place. The Industry Transition workstream continued engaging the Phase 1A affected taxi associations: Flora Park Pietersburg (FPTA), Seshego Polokwane (SPTA) and Westenburg (WTA), and the VOC, Esilux, on the streamlining the 3-year interim Agreement, especially elements such as the business structure (shareholding) and standing kilometres.

The National Department of Transport (NDoT) has also urged the City to explore possibility of extending the service to further phases. In this regard, the workstream is coordinates engagements with the affected taxi operators in terms of undertaking Travel Demand Surveys administered by the Planning and Operations workstream.

Some of the engagement projects under the Industry Transition workstream for the 2023/24 financial year will include conclusion of the 12-year VOCA in line with Section 41 (3) of the National Land Transport Act, 2009 and implementation of value chain business opportunities per signed Value Chain Agreement. Phase 1B and 2 affected taxi operators will be engaged as part of extending the service to other areas, so is engagement of the FPTA on the introduction of a pilot feeder service using minibus taxi (MBT) vehicles on the F1 route as per concept document developed by the Intelligent Transport System Modelling (ITSM) workstream.

4. IRPTN Infrastructure Projects

Completed Infrastructure Projects

- 4.65km of dedicated Bus route completed.
- 31.49km of CBD routes have been rehabilitated in Polokwane City.
- 20.41km bus routes have been upgraded in Seshego.
- The upgrading of the Daytime Layover facility (interim depot) is completed.
- 17km of Non-motorised Transport facilities have been completed.

Projects under implementation 2022/2023 FY

- The widening of the Sandriver Bridge on the Trunk Route – 85%
- The construction of the Depot Civil works in Seshego (New contract)– 5%
- The upgrading of the Trunk route (0.5km) (New contract)– 5%
- The Refurbishment of the ablution facility and ramps at the Daytime Layover facility (New contract)-5%
- The Construction of the Bus Station Upper structure and ablution facility - 40%
- The construction of the Bus Depot Upper structures - new contractor to be appointed
- The upgrading of the Transit Mall phase 1-100%
- Public Transport Facility upgrade (PT facility upgrade) – Designs completed.

Projects to be implemented during the 2023/2024 FY.

- The upgrading of the Trunk route
- The completion of the construction of the Bus Depot Upper structures
- Rehabilitation of Feeder Routes in Polokwane City
- Rehabilitation and upgrading of Trunk Extensions in Seshego
- The upgrading of the Transit Mall phase 2
- Upgrading of Public Transport Facilities





Widening of the sand river bridge project



Leeto La Polokwane

4.5. Public Transport Infrastructure Development/Roads and Infrastructure

The SBU is intending to upgrade roads from gravel to paving of internal streets and upgrade from gravel to surfacing of access roads of approximately 24km, Patch 50 000m² of potholes, construct 10 low level bridges, construct 0.4km of storm water, construct, 3km sidewalks, grade 3000km, re-gravel 40km, planning to install traffic lights and sign at Southern Gate way intersection, planning to upgrade the Indian centre taxi rank, complete the first phase of the station and complete first phase of the Depo in the next financial year. The Construction of the Bus Station is in progress and the Construction of the Superstructures and buildings at the Bus Depot will start in the next financial year after completion of civil works.

Below is summarized projections of road earmarked for upgrading from gravel to tar, per Polokwane Municipal clusters:

Molepo Chuene Maja Cluster

- 6.3 km of roads is projected for upgrading from gravel to paving and surfacing.
- The projects are at Preliminary and Design stage.
- 2 low level bridges to be constructed.

Mankweng Cluster

- 3 km of roads is projected for upgrading from gravel to paving and surfacing.
- The projects are at Preliminary and Design stage.
- 2 low level bridges to be constructed.

Dikgale Sebayeng Cluster

- 2,3km of roads is projected for upgrading from gravel to paving and surfacing.
- The projects are at Preliminary and Design stage.
- 2 low level bridges to be constructed.

Moletjie Cluster

- 1.2 km of roads is projected for upgrading from gravel to paving and surfacing.
- The projects are at Preliminary and Design stage.
- 2 low level bridges to be constructed.

Seshego Cluster

- 4.5km of roads are earmarked for Paving in Seshego cluster
- 1 low level bridges to be constructed.
- 0,4km of storm water will be upgraded.

Aganang Cluster

- 5.2km of roads is projected for upgrading from gravel to paving and surfacing.
- The projects are at Preliminary and Design stage.
- 2 low level bridges to be constructed.

City Cluster

- 1.5km of roads is projected for upgrading from gravel to paving and surfacing.
- Traffic light to be installed: 1 intersection.
- Refurbishment of taxi rank in the city cluster.



Routine maintenance (Speed hump marking)

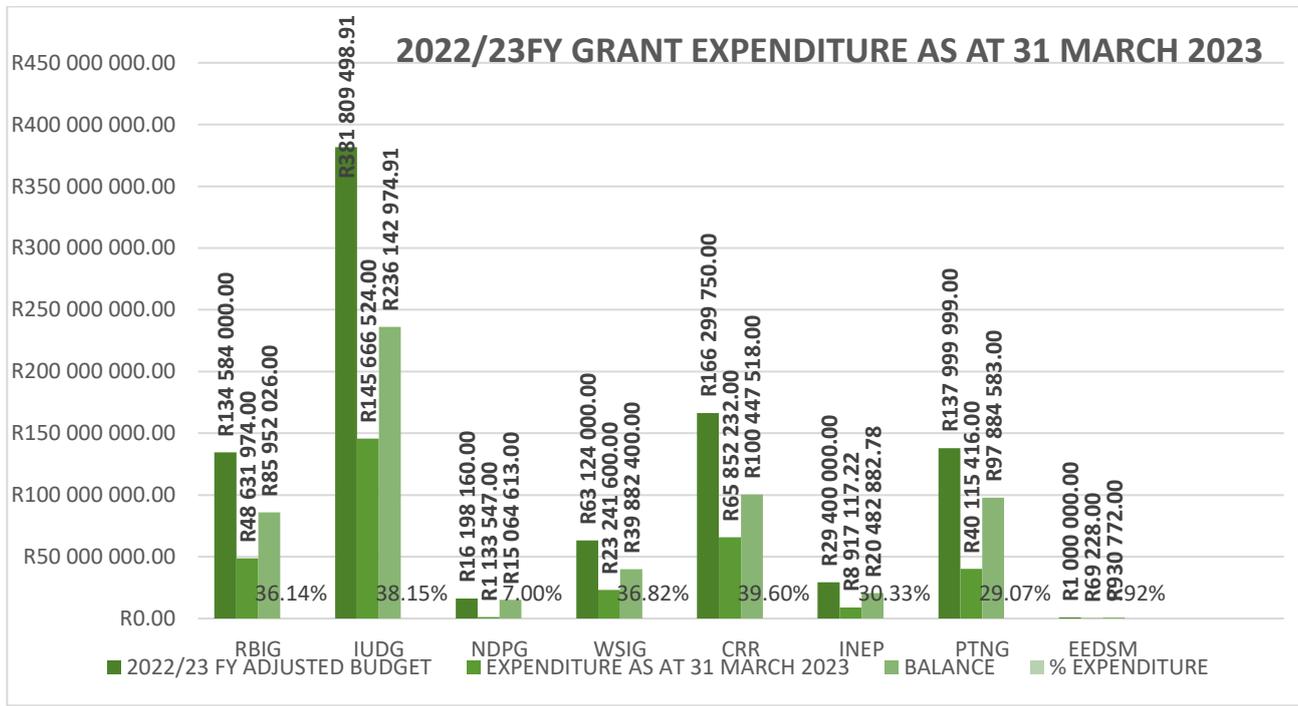
3.3 CHIEF OPERATIONS OFFICE

PROJECT MANAGEMENT UNIT

As at end of quarter 3 the overall performance on the capital program is 33%

The breakdown is provided in the next table.

GRANTS ALLOCATION AND EXPENDITURE FOR 2022/23 FINANCIAL YEAR [all expenditure is as at March 2023]



GRANT	% EXP	Comments
RBIG	36.14%	The municipality has experienced frustrations with the IRS approval process and this has impacted the municipality's ability to conduct long term planning due to uncertainty of budgets. This process is now in its final stages where provisional approval has been obtained and it is expected that the extra funds will be gazette for the next financial year.
IUDG	38.15%	Currently spending on IUDG is behind due to the delays in appointing bid committees, therefore delays with appointing a new Consultants panel as the previous one had expired on 30 April 2022, to mitigate the delays, panels have been appointed for the Contractors and planning and design has been fast tracked to ensure projects are ready for implementation by 15 April 2023. Projects for 2023/24 will also be ready for implementation on 01 July 2023.

GRANT	% EXP	Comments
NDPG	7,00%	Currently spending on NDPG is behind due to the delays in appointing bid committees, this resulted in delays with appointing Contractors until the panel of consultants expired and new consultants had to be appointed to manage the projects. Currently 2 projects of the 3 that were advertised are on construction and one is still on design review by the newly appointed consultant.
WSIG	36,82%	Currently spending on NDPG is behind due to the delays in appointing bid committees, this resulted in delays with appointing Contractors until the panel of consultants expired and new consultants had to be appointed to manage the projects. 6 projects that were advertised are on construction and one is still on design, Contractor are procuring materials through cessions to ensure expenditure by end of June 2023.
PTNG	29.07%	Some contracts were terminated and new contractors to be appointed

Intervention measures for poor spending challenges

- Appointment of Consultants and allocation to projects
- Appointment of panels for Contractors
- Expedite appointment of contractors for projects that are currently on advert
- Intensive monitoring of projects on construction
- Intervention meetings for projects that are delayed
- Corrective contractual measures for poor performing service providers

What are the lessons learned to address business continuity, infrastructure project delivery, etc.?

- Projects for most grants are planned on a multi-year basis, this ensures that at the start of the FY projects are ready for implementation.
- There has been a growing trend on a worldwide shortage on materials, this results in unplanned escalations as the markets are not predictable and further results in long lead times for special materials. This mostly affects water projects.
- The project management space has rapidly evolved and adjusted to new ways of communication, reporting, meetings, and media platforms.
- The worldwide pandemic has had a negative financial impact on all fronts, and this is evident in the ability of service providers to fund and meet their project obligations.
- The utilization of panels of Contractors to implement projects fast tracks the procurement process which would otherwise be delayed.

PMU Operational Activities

The Municipality has a functional Project Management Unit that has been responsible for planning, implementation and contract management of most of municipal capital infrastructure projects. The organogram locates PMU within SPME Directorate which is responsible for Performance, Monitoring and Evaluation

The PMU comprises of the following staff component: 1 manager, 1 assistant manager implementation, 1 assistant manager compliance (non-technical – EPWP, vacant) , 5 project managers and 1 admin assistant and 9 data capturers (8 are 6 month contract workers).–As from 31 March 2023, project planning and implementation has been decentralized from the Project Management Unit to the various relevant directorates.

The PMU will remain responsible for:

- Support on contract management
- Monitoring and evaluation of project performance and expenditure by allocation of a dedicated person allocated to support each directorate
- Coordination of various grant performance and reporting processes
- Institutional coordination of PSP performance for quarterly reporting
- Implementation of EPWP program and related compliance.

The PMU thrives on the backbone of continuous learning and development for improved project and program management. In terms of the IUDG policy Framework – the national IUDG management unit supports the capacity building of the PMU utilizing IUDG funds. Due to the constant improvements and introduction of the new software programs and other related manuals/guidelines governing the PMU functions, it is important that the officials are equipped with the latest and relevant information for the benefit of the whole Municipality by attending training programs pertinent to their line of work.

3.4 PLANNING AND ECONOMIC DEVELOPMENT

The central and strategic location of City of Polokwane, which is complemented further by the National Road N1 highway, which strategically links the City of Polokwane to the south with Gauteng and to the north with Zimbabwe, and Polokwane International airport. The City is seen as a gateway to Africa, particularly for the neighbouring Southern African countries such as Zimbabwe, Mozambique and Botswana.

The City of Polokwane is not only earmarked as one of the Provincial Growth Points in Limpopo and as a Special Economic Zone (SEZ) in the Provincial SDF and Limpopo Development Plan 2030.

Located within the Capricorn District, City of Polokwane is the economic hub of Limpopo Province and is strategically located to be the administrative and economic capital of the Province.



Polokwane meaning "Place of Safety" in Sotho, is a City and also the Capital City of the Limpopo Province, Polokwane is South Africa's largest urban centre north of Gauteng.

Polokwane municipality comprises of a total area of +/- 539 982.5 Ha and is located in the central part of the Limpopo Province. Polokwane Municipality is located within the Capricorn District in the Limpopo Province and accounts for 3% of the Province's total surface area of ±124 000 km². In terms of its physical composition Polokwane Municipality is 23% urbanised and 71% still rural. The remaining area (6%) comprises small holdings and institutional, industrial and recreational land.

It is the economic hub of Limpopo Province and is strategically located to be the administrative and economic capital of the Province. It is situated at the cross roads of important national and provincial roads which radiate out into the hinterland providing good access to other towns. There is a definite opportunity for Polokwane to become a logistics hub and freight interchange within the region, also given

its proximity to the neighbouring countries of Botswana, Zimbabwe, Mozambique and Swaziland. Three of the four Spatial Development Initiatives pass through Polokwane, which repeat the City’s strategic location and its importance as far as the economy of the Province is concerned.

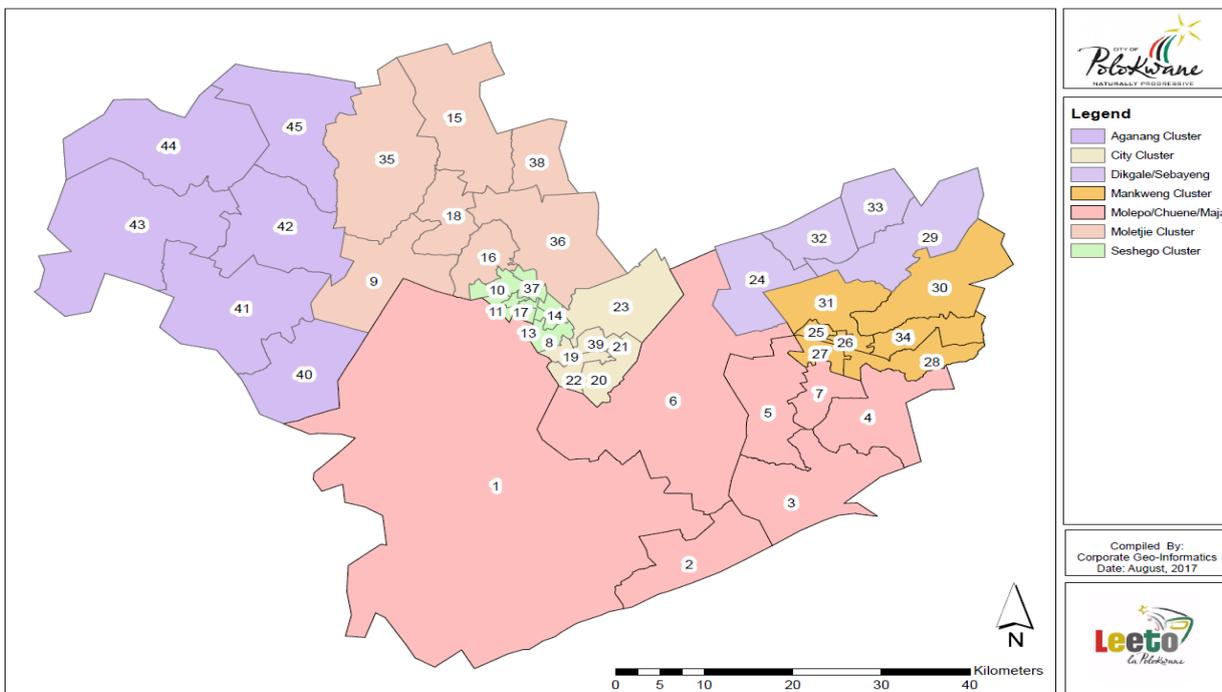
The municipal spatial pattern reflects that of the historic apartheid city model characterised by segregated settlement. At the centre of the area is the Polokwane economic hub, which comprises the CBD, industrial area, and range of social services and well established formal urban areas servicing the more affluent residents of Polokwane.

Situated on the outskirts in several clusters are less formal settlement areas which are experiencing enormous influx from rural urban migration trends. These areas are in dire need of upgraded services and infrastructure, both social and engineering, and are struggling to cope with the informal influx of more people who want access to an improved quality and standard of living. Polokwane municipality is made up of Forty-Five (45) wards,

The main 7 Clusters of settlements are:

- City
- Seshego
- Mankweng
- Sebayeng/Dikgale
- Molepo/ Chuene/ Maja
- Moletjie
- Aganang

Map: Polokwane Cluster Map



Source: Polokwane G.I.S :2021

Seshego: located west of the CBD. It is nearest to the economic core of all settlement areas and thus has the best access to the formal economy of Polokwane;

Mankweng: located 30km to the east of the city. It constitutes a large area and is mixed formal and informal. It accommodates the University of Limpopo and is a long established settlement area.

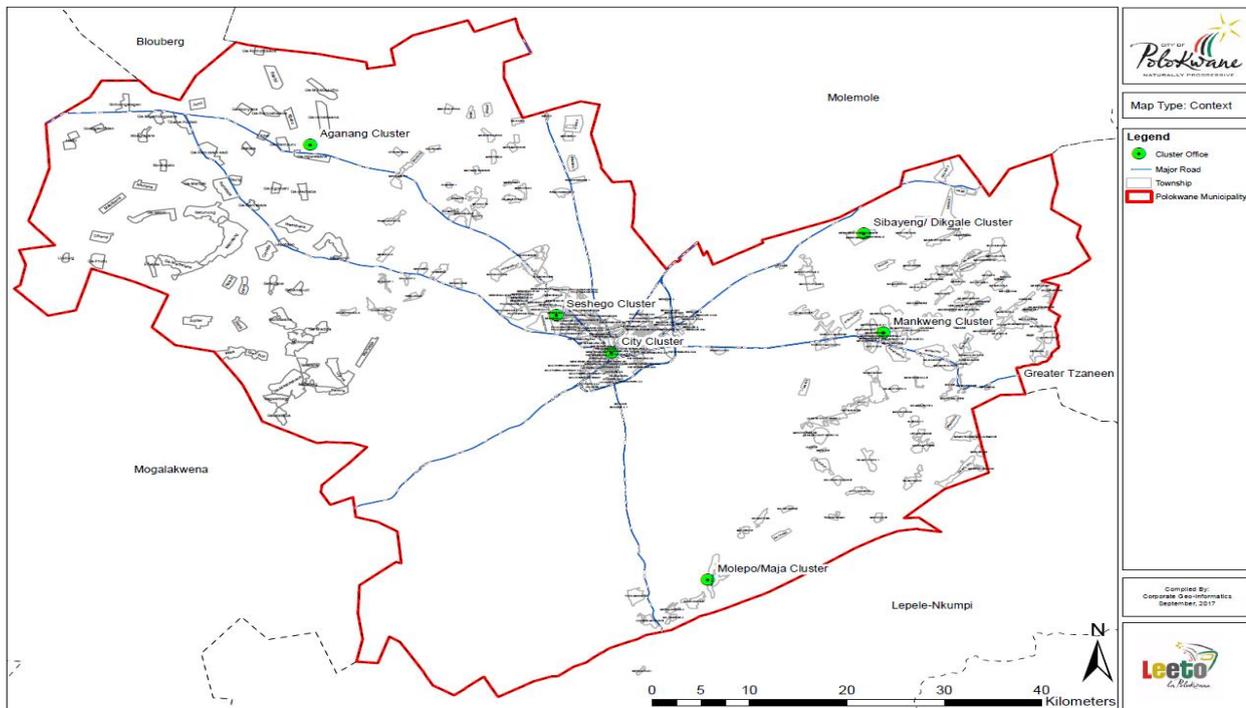
Sebayeng: located 30 km to the north-east of the city centre and is less formal and newer than Mankweng. The area is experiencing influx and is growing at a rapid rate.

Maja: is located 20km to the south and comprises an informal settlement area, with very limited services and infrastructure. The settlement area sits on the fringe of the rural hinterland and is hence surrounded by a vast clustering of rural / semi-rural areas.

Moletjie: It is about 32 km northeast of City of Polokwane and comprises an informal settlement area, with very limited services and infrastructure. The settlement area sits on the fringe of the rural hinterland and is hence surrounded by a vast clustering of rural / semi-rural areas.

Aganang: is situated 45 km west of Polokwane. It is a rural Cluster and has 4 Traditional Authorities namely Moletši, Matlala, Maraba and Mashashane. The area has been incorporated into Polokwane Local Municipality and is now serving as the seventh cluster area for Polokwane. The area is purely rural and has no township; it has potential in Agriculture and Tourism.

Map: Polokwane Municipal Jurisdiction



Source: Polokwane G.I.S :2021

Polokwane City is the vibrant capital of Limpopo Province, situated on the Great North road to Zimbabwe; it is the largest Municipality that serves as a Capital of Limpopo with major economic centre. Its proximity to the neighbouring countries of Botswana, Zimbabwe, Mozambique and Swaziland, as well as its convenient distance from the Kruger National Park and Magoebaskloof that makes it a perfect gateway to Africa and attractive tourist destination in itself.

MUNICIPAL LAND ANALYSES

#	NAME	NUMBER OF UNITS	Activity to date
1	Polokwane X72	800 Residential 1	Under sales of sites 100 sites
2	Polokwane X79	500 Residential 1	Under sales of sites 100 sites
3	Polokwane X78	2863x "Residential 1"; 5x "Residential 2"; 7x "Residential 3"; 2x "Business 3"; 1x "Special"; 5x "Institutional" (Church) 7x "Educational" 4x "Municipal"; 13x "Public Open Spaces" 1x "RSA"	Planned for social housing and walk-up RDP Planned for leases (Business sites) Recreational facilities under implementation
4	Polokwane X108	200 Industrial 2 Sites	Part of the Precinct review
5	Polokwane X126	500 Residential 1 Erven	Planned for land for relocation of the remaining informal settlement
6	Polokwane X124	19 erven zoned "Special": "Business 2: 1 Erf ±6 650m². "Municipal": 1 Erf ±917m²	Long term Leased development
7	Polokwane X127	500 Residential 1 Erven	Planned for land for relocation of the remaining informal settlement
8	Southern Gateway X1 PICC	The "Special" zoned Erf for a Convention Center: Tunnel Level Basement Level, Ground Floor First Floor Second Floor The "Special" zoned Erf for a Hotel The "Public Open Space" zoned Erf will be used as a Green Belt Buffer	Sourcing of funds
9	Polokwane X106	190 Residential Erven	Student accommodation and Social Housing

#	NAME	NUMBER OF UNITS	Activity to date
10	Polokwane X107	142 Residential Erven	Student accommodation and Social Housing
11	Polokwane X133	3000 sites 208, 422 Ha 138,1129 ha	Beneficiaries allocated land for RDP and Gap Housing. Services installed and now occupied
12	Polokwane X134	2591 sites 178.4699 Ha	Planned to address the Housing backlog dated back before 2009 Services installed by COGHSTA
13	Nirvana X 5	105 sites 8. 92224 Ha	Planned for Middle Income Housing
16	Bendor X 126	Mixed use development	Long term Leased development Township approved for engineering services and Development
17	East Ridge X 3	Mixed use development	Long term Leased development Township approved for engineering services and Development
18	Polokwane X 136	Commercial	Long term Leased development Township approved for engineering services and Development
19	Polokwane X 138	Mixed use development	Long term Leased development Township approved for engineering services and Development
20	East Ridge X 3	Mixed use development	Long term Leased development Township approved for engineering services and Development
21	Pietersburg X 40	Gap Housing	Township approved for engineering services and Development
21	Kingdom Park	High density mixed housing development (50% BnG, 30% Gap and 20% high income or open market)	Township establishment stage.

The Municipality is currently intending to develop the Land Audit report in order to account on the opportunities that the land may impact looking beyond 2030 vision. The map below provides the developable properties within the register of the Municipality.

LAND AVAILABILITY ANALYSIS

The municipality owns a sizable number of land parcels within the urban area. This includes erven within proclaimed townships, farm portions, agricultural holdings and proclaimed townships for mixed housing developments primarily to cater for the housing gap which is outlined in detail in the Housing Chapter.

Land with Township Establishment in progress.

PROPERTY DESCRIPTION	SIZE
Portion of portion 7 of the Farm Palmiefontein 24KS	104.8367Ha
Farm Weltevreden 746 KS	Part of 5 980.00 Ha

Although the Municipality does not own land in the Tribal Authority's area of jurisdiction, the provisions of the development objectives and development planning in general still vests within the Municipality's guidelines and control. These processes are illustrated in detail in the Spatial Planning and Land Use Management Act 16 of 2013 (SPLUMA) By-Laws as well as Proclamation R188 of 1969 regulations.

2.15. SPATIAL INTERPRETATION OF THE POLOKWANE MUNICIPALITY

2.15.1 Key guiding policies and municipal By-laws

SDF

EGDP

URS/CBD Development Plan

Density policies

Rural Settlement Strategy

Telecommunication mast policy

Spaza and Tavern Policy

IUDF

2.15.2 Economic opportunities and growth

Polokwane Municipality is a gate way to Africa

SEZ/Industrial park development

Post incubation hub at Polokwane extension 26

Cargo Hub/Agro-processing HUB

Truck-Inn/Logistic HUB

Development of Science Park

Eco-estate around game reserve

Arts and Cultural Hub around the Bakoni Malapa

Urban Renewal projects (development of the High rise office and residential accommodation)



Integrated Urban Development Framework Plan

The future of the Polokwane City, we tend to develop policies that demand integration of all resources and different directorate to interact with one another. Looking at the directionless, the Municipality tends to shift away from purpose built (Future planning) and concentrate on basic services rather advance proactive Plans that aim at advancing service delivery mechanism looking at the 2030-2050 urbanization challenges. Government policies are being development with a long terms vision, but it is left with the planners to properly re-shape the city toward the future needs. Advance skills and commitment of the planners is required. The Integrated Urban Development Framework (IUDF) is one of the fundamental policies of the Government that seek to action the National Development Plan for the future needs.

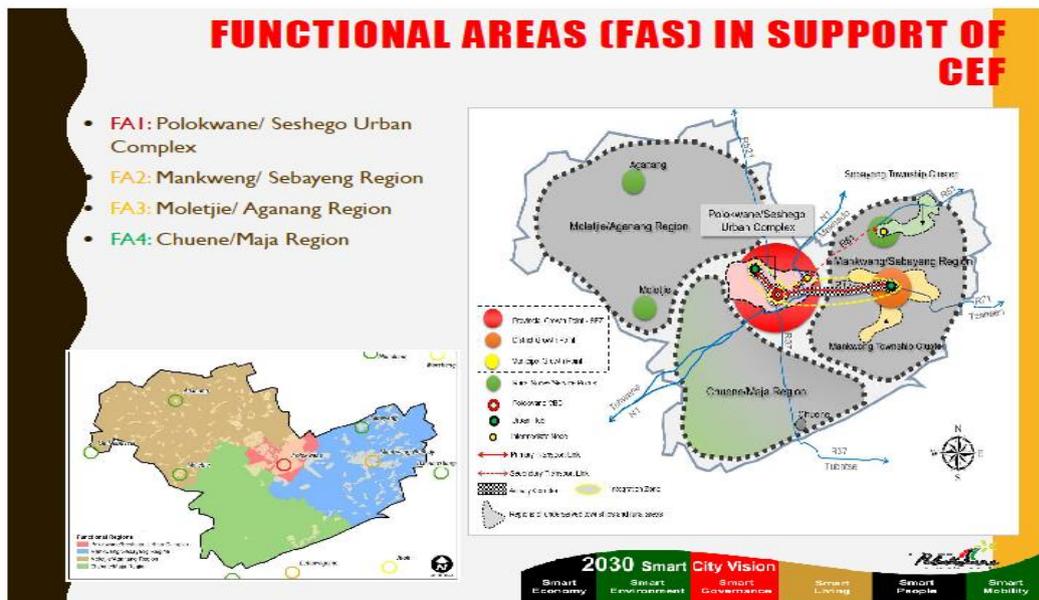
The purpose of the Integrated Urban Development Framework (IUDF) is to fundamentally provide a micro plan for a specific area with proper development guides. In this case, The CBD and parts of the Industrial area and some neighbourhoods where left without being guided by any of those SDA's. In terms of Table 66 of the current Spatial Development Framework, 2010, it was noted that the IUDF must be developed. Therefore, the proposed development strategy seeks to incorporate those SDA's in to an Integrated Urban Framework Plan that details the Future and Integrated plan for the Provincial growth point.

The Integrated Urban Development Framework (IUDF) is a response to our urbanisation trends and the directive by the National Development Plan (NDP) to develop an urban development policy that will cater for the increasing numbers by ensuring proper planning and necessary infrastructure to support this growth. Polokwane Municipality has to develop its own Integrated Urban Framework Plan that will

propose a detail plan on the City Development Strategy looking towards on a sustainable urbanisation model at the following key policy levers:

- Integrated urban planning and management
- Integrated transport and mobility
- Integrated sustainable human settlements
- Integrated urban infrastructure
- Efficient land governance and management
- Inclusive economic development
- Empowered active communities.
- Effective urban governance.
- Sustainable finances

The budget was allocated for the development of the said document but is subject to the finalisation of the Draft SDF in order to be aligned.



ECONOMIC SPIN-OFF DEVELOPMENTS

Motor City Baobab Boulevard Development (Notorial long term lease)

Almost 50% of the development in this leased development has been constructed and is expected to be fully developed in the next 2-3 years for approved related development which is 60% Motor related business and 40% other retail businesses.



Motor City Baobab Boulevard Development

2.18.3 Polokwane International Convention Centre (PICC)

The Polokwane International Convention Centre will be located at Southern Gateway Extension 1 Township on Portions 407, 408, 409, 410, 411 and 412 of the farm Sterkloop 688 LS Limpopo Province. The property is situated on the corner of the N1 southbound (Pretoria road) and Lawton Road, in the south-western corner of Polokwane City adjacent to the Nirvana suburb and Ivydale Agricultural Holdings. Southern Gateway Extension 1 is a Municipal township located on portion 83, 84, 85, 86, 87 and 77 of the holding Ivydale, see attached map. As part of the township establishment process, an EIA scoping was conducted, a Geo-technical report was prepared, a flood line certificate prepared and a Traffic Impact Assessment conducted.

The following uses were approved as part of the conditions of establishment of the township. The “Special” zoned Erf for a Convention Centre consisting of the following components:

- Tunnel Level
- Basement Level,
- Ground Floor
- First Floor
- Second Floor

The “Special” zoned Erf for a Hotel

The “Public Open Space” zoned Erf will be used as a Green Belt Buffer.

The set amendment provides opportunity for the opening of the Hi-Tech industrial park and mixed uses from the N1 South By-Pass to the N1 North By-pass in order to create a sense of sustainability to the city through which gates are connected as identified. In the past, the western by-pass proposal should be thorough review in order to deal with the connectivity and future land development.

Urban Renewal projects

Major projects being embarked by the City of Polokwane:

- The replacement of 177km of AC (asbestos cement) pipes in the municipality's jurisdiction;
- to replace conventional water and electricity meters with smart meters in a number of areas in the City;
- the introduction of a rapid bus service;
- a waste management project;
- as well as a major student accommodation drive to support the growing number of students in the city.
- Other Public Private Partnership on Mixed use development through a Long term development
- Water Master Plans
- Urban Renewal projects etc.

Key strategic/Catalytic development projects on the Long Terms Development leases and other Municipal initiative includes:

Development of the Polokwane Towers (office accommodation and other SOE)

Development of the Eco-estate on the part of the Game reserve or theme park

Proposed Sasol Depot at the proposed Polokwane Extension 136

Support initiatives for SEZ:

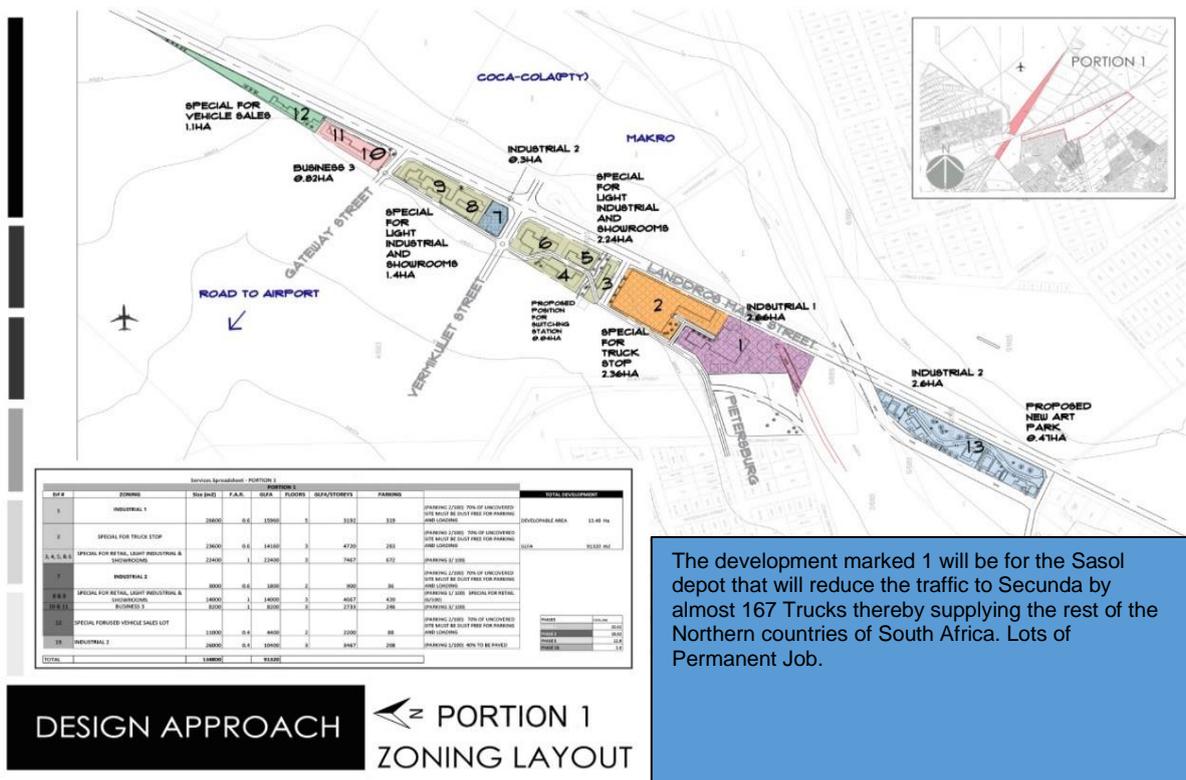
Cargo and Logistic Hub

The State of Province Address 2019, the Limpopo Premier Honorable Mathabatha has highlighted the progress made with regard to the proposed SEZ in the province and the District and provincial SDF identified Polokwane for SEZ base on the Agro-processing and Logistics.

Polokwane was identified and has positive factors that in terms of the regional logistics hub and business travel centre that will see the construction of an International Convention Centre being complemented to attract the events, conference and exhibition industry. The Municipality has finalised the feasibility study in order to determine if the SEZ looking at the key analyses and the use of the airport will suffice. Defining the spatial location becomes the key spatial issue for consideration by looking at the main economic centre such as the CBD, Industrial areas and the transportation linkages within and around the area. Polokwane position itself well since it intends to use its land parcels through a long term development leases to address the need of the Municipality.

Truck-inn and Cargo HUB (Polokwane extension 136)

The Figure below illustrates the approved Township with the uses as highlighted. The Long term development leases were awarded in line with the development of the Cargo and Logistic Hub concept. An industrial Township with the following uses:



- Industrial zone properties for Sasol depot, Tankers park-inn, cargo truck-inn, Vehicle sales lot.
- Public Garage
- Special for other uses.

Municipal proposed Truck inn facility

Planning and Economic development together with Transportation services has since completed feasibility study and obtained the Council resolution for the release of land through PPP for the establishment of the Truck inn facility at portion 20 of the Farm Doornkraal 688LS.



Agro-Processing.

Industrial Development

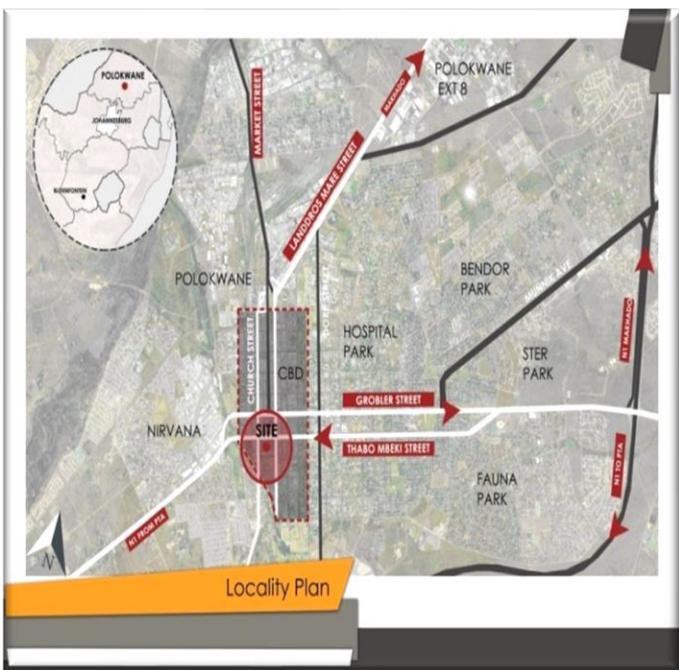
Polokwane Municipal Economic growth is being hampered by the less production in terms of the Manufacturing sector. The Municipality has dedicated the land on the Old N1 Road (North) now known as the Landros Mare Street as part of the Commercial and Industrial Development. In order to improve the Airport through SEZ establishment that will complement the Agro-processing and Logistic Hub within the area. The main issue for the success of the industrial development is cantered around the following key factors for the success of the industries:

- power supply.
- communications - including transport, telecommunications.
- labour supply - including workers with the right skills.
- access to market - where the goods are sold.
- grants and financial incentives - usually from governments.
- raw materials.

City wide Development initiatives

The Municipality has developed the Urban Renewal Strategy and the CBD Development Plan, 2016. The

ideal was to rejuvenate the city to be a functional business zone with Mixed Land Use Development that will complement the cities vision of being the SMART CITY. The Urban Development Framework developed by the National Department of COGTA laid a several levers that now incorporated in the CEF approved by CoGTA as presented above. The municipality strive to align the said Policy with the URS and CBD Plan for its identified projects. This includes re-investing in engineering for more compactable city through high density development and office and Business development. The first approach was to look at the development of the Municipal Towers with the current Municipal offices with major development such as the Hotel, restaurant, Cinema, Theatre to mentioned the few. Figure represents the Location and intended development within the Municipal Precinct.



The proposed idea will strengthen the attraction of the Investors and office accommodation on the scattered Municipal services points around the city. The downtown area is mostly affected by the illegal land uses. It is from the said plans that the Municipality must enable major urban regeneration through Private Public Partnership for developing the area. The Municipality has since started with the project for the assessment of the existing building, its life span and the structural integrity of the building and universal access to the building. This will enable to determine the future needs of the student accommodation and building funding source.

Commercialisation of Municipal Facilities/Properties

The municipality has number of the community facilities and other amenities that need urgent attention. This includes the Peter Mokaba stadium, the game reserve, Jack Botes hall Airport, Library Garden and Showground that may pose positive impact to the community if well managed. Some of these activities

need expertise from the people who are specialising in such field. Learning from other cities that own such facilities, the majority are outsourced through the services of the private companies to generate more revenue and lessen the burden of expenditure by the Municipality. For example, the Game reserve may be turned in a Eco-estate that promote the men contact with the nature. The stadium for multipurpose centre Bakoni Malapa for Innovation art and cultural Hub as it is strategically located within the Corridors.

The Spatial Development Vision is set out in Chapter 6 of the SDF, 2010. In addition to the SDF vision, the Municipality adopted a new spatial agenda in support of the SDF. The first three years of the CEF aligns with the MTEF approved by the Polokwane Local Municipality. The 3-year capital expenditure programme does differentiate between funding sources, namely NDPG, IUDG, INEP, WSIG, RBIG etc. The majority of funding over the 3-year period is DoRA allocations, with the most significant contribution from the Regional Bulk Infrastructure Grant (RBIG).

While this alignment is crucial for sustainable service delivery provision it is imperative that the municipality adopts a planning model that supports integrated urban development as well as key municipal performance outputs per functional area.

SPATIAL PLANNING PROJECT AS PRESENTED FOR THE CEF AND BUDGET FOR THE YEAR 2020 AND BEYOND.

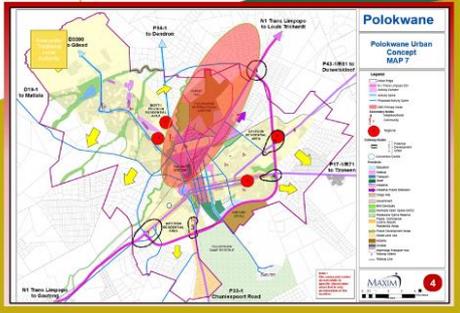
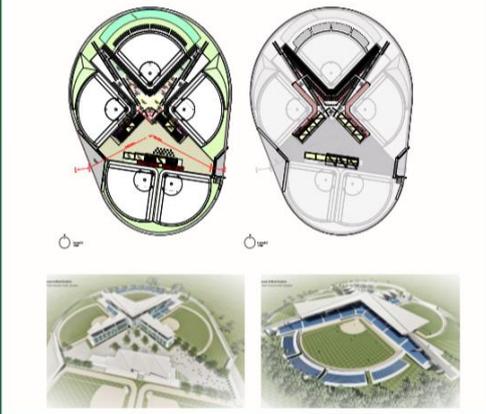
The projects planned as per the Capital expenditure framework as adopted are being prioritised as per the required revised and approved budget. The projects are within the functional area asper the IUDF spatial distribution of resources ranging from short term, medium term, and long term.

List of Catalytic Land Development Projects

Project specification Catalytic	Narration and Term of development (short, Medium, long)	Development location & artistic view
<p>Science Park</p>	<p><u>Science and Research Park</u> to be establish at weltevreden Farm at the southern part of the new interchange at N1-By-pass.</p> <p>The Municipality has already awarded the land amount to 274ha land for development of the Science Park.</p> <p>LEDA- Limpopo Connexion is the Project Owner. Environmental Impact Assessment (EIA) and ROD Issued. The development form part of the Dilokong Corridor in Support of National Development Plan.</p> <p>Polokwane Local Municipality and LEDA are finalising the discussions on the Lease Agreement.</p> <p>Progress Polokwane Municipal Planning Tribunal approved the Township on the 26 April 2022 to be known as Iyypark Ext 63. The General Plan has also been approved. The applicant is busy finalizing the Proclamation of the Township</p>	

Project specification Catalytic	Narration and Term of development (short, Medium, long)	Development location & artistic view
<p>Arts and Cultural Hub</p>	<p>Located along the R37, Dilokong Corridor.</p> <p>Provincial State theatre development is projected to cost R 500 000 000.00 on construction.</p> <p>Bakoni Malapa Arts and Culture Hub as proposed, will support the issues of artists in terms of the film and recording studio, theatre and incubation stall.</p> <p>This will increase tourism at the Municipal facility. That will form a belt of the sport precinct as proposed in the SDF, that stretches from Peter Mokaba Stadium.</p> <p><u>Estimated Economic Spinoffs.</u></p> <p>350 temporary jobs during construction and 50 permanent jobs upon completion.</p> <p><u>Progress</u></p> <p>EIA ROD issued Clause 32 Land Development Application approved by the MPT. Consultant for the bulk infrastructure on the Ground Finalizing the Deed of Donation with DSAC.</p>	<p>OPTION 1 as recommended</p> 
<p>Industrial Park or SEZ N1 North Corridor</p>	<p>The proposal for the SEZ or Industrial Park site identification around the airport will be a key towards application for the expansion of the Municipal Boundary further to the North in order to cater for at least 200km² of land.</p> <p>Since the northern part of the city boarder with Molemole Municipality just 5-10 km</p>	

Project specification Catalytic	Narration and Term of development (short, Medium, long)	Development location & artistic view
	<p>from the City, it is prudent that the Municipality start to request the expansion of the land to at least 40km from the current boundary to include the SEZ development.</p> <p>The Feasibility study has been presented to the Premier Advisory Council and GAAL for inputs before Council Adoption</p> <p>The Municipality will take advantage over the identified Musina/Makhado SEZ and Tubatse SEZ as Logistic Hub.</p> <p>Polokwane as a Capital City, is a gateway to Africa and rest of the world.</p> <p>Several MOU where signed for trade with the African Countries and the Municipality intend to participate in the market to boost in the Economic Growth through Manufacturing and processing of raw materials.</p>	
<p>Agro-processing</p>	<p><u>Agro-processing</u> - the support for the proposed development concept is centred on the Logistic and Agro-processing taking advantage of the transport modes available that includes:</p> <p>Air network (airport).</p> <p>Rail network (railway Station).</p> <p>Roads network (Bus, taxi station).</p> <p>Several MOU where signed for trade with the African Countries and the Municipality intend to participate in the market to boost in the Economic Growth through Manufacturing and processing of raw materials.</p>	

Project specification Catalytic	Narration and Term of development (short, Medium, long)	Development location & artistic view
<p>TOD precinct</p>	<p><u>Industrial and Commercial Development</u></p> <p>This will comprise of the Sasol Depot, Truck-Inn; Tanker and public garage with subservient uses.</p> <p>Truck Inn will provide safer place for petroleum products in a safe place.</p> <p>The development is aimed as well have industrial village with the estimated total 80 243 employment during the construction phase and 16 557 permanent jobs within a period of 2 years and beyond. Bendor Extension 126.</p>	 
<p>Softball stadium</p>	<p><u>International Softball stadium</u> - Polokwane Municipality has receive funding from SRSA through the UIDG to design and construct an international softball stadium over the next 3 years.</p> <p>85M budget allocated for the 2019/20, 2020/2021 and 2021/2022 FY. For the 2022/2023 there was no allocation. Polokwane Municipality has made a pocket of land available within its sport precinct hub for this development. The Concept designs have been approved with all stakeholders. The municipality is engaging DCOG support on maximisation of this project to showcase Realtime spatial transformations,</p> <p>Progress- Contractor on Site, physical progress is at 67%. Contractor busy with first floor seating.</p>	

Project specification Catalytic	Narration and Term of development (short, Medium, long)	Development location & artistic view															
<p>Post incubation Hub</p>	<p>The Post Incubation Hub is the initiative that was developed and meant to cater for light industrial space to SMMEs for at least a period of 9 years 11 months on the site.</p> <p>The proposed development will be through the support from the department of small business development. The Municipality is working on the application for funding.</p> <p>The Sites are Zoned Industrial 1 and support SMMEs within the Municipality.</p>																
<p>Academic hospital</p>	<p><u>Academic Hospital -</u></p> <p>Polokwane Local Municipality and Edupark donated Remaining Extent of Erf 6861 Pietersburg Extension 30, measuring 19.90 Hectares. The aforesaid Donation was in line with a Council Resolution dated 28th of February 2012.</p> <p>The Site Development Plan is approved and the Conveyancer is in the Process of transferring the property to DPWI.</p> <p>The is estimated to Cost R4.5 Billion for the next 5 years with a potential to create 2400 jobs, 400 Internships and 120 SMMEs benefiting.</p> <p>The Contract is already appointed and waiting for site handover.</p>	<table border="1" data-bbox="1018 1435 1414 1554"> <thead> <tr> <th></th> <th>"INSTITUTION"</th> <th>"RESIDENTIAL 3"</th> </tr> </thead> <tbody> <tr> <td>Coverage</td> <td>60%</td> <td>60%</td> </tr> <tr> <td>FAR</td> <td>1.0</td> <td>1.2</td> </tr> <tr> <td>Height</td> <td>5 storeys</td> <td>2 storey</td> </tr> <tr> <td>Total Parking</td> <td colspan="2">1420 bays as represented by the annexure74</td> </tr> </tbody> </table>		"INSTITUTION"	"RESIDENTIAL 3"	Coverage	60%	60%	FAR	1.0	1.2	Height	5 storeys	2 storey	Total Parking	1420 bays as represented by the annexure74	
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Project specification Catalytic	Narration and Term of development (short, Medium, long)	Development location & artistic view
<p>Eco-Estate at Game reserve</p>	<p><u>Eco-Estate at Game reserve</u> -proposal for the Eco-estate will boost the Polokwane Game reserve for tourism and accommodation facilities and attract investors on the South eastern part of the City as the future expansion of the City. This will be a high marketed residential development where man is in contact with nature.</p> <p>Progress- Township application process will start in the 2023/2024 FY and proposed Budget of R 3 000 000.00</p>	
<p>Ga-Rena Phase 2</p>	<p>Development of social housing at Annadale extension for rental now at construction phase.</p> <p>Planning, Social and Economic 100% Complete on Planning 100% Complete Construction Within the Functional Area 1</p>	
<p>Regional Plant</p>	<p>RWWTP- The construction of the Regional Waste Water Treatment Plant is there to support the city expansion and the future development. Continuation on the project will continued as from 2022/2023FY since affected by the COVID-19 Pandemic.</p> <p>Completion of Polokwane Waste Water to treat additional 20ML/day. Treat additional 20ML of waste water daily and there are plans future reclamation. The project has a job creation target of 200.</p>	

CITY DEVELOPMENT STRATEGY, 2040

The Municipality plans to develop an Integrated City Development Strategy with a 2040 vision, which will

be guided by the IUDF levers and programmes. The City Development Strategy is to provide a framework and strategy to unlock the development potential of Polokwane towards becoming a sustainable smart city.

The strategy should inter alia detail the following:

- Strategic land for investment (T.O.D, Compact City and Industrial development)
- Future growth of the City
- Revenue enhancement strategy
- Integrated Municipal Plans (Transport, Land Use (Commercial, Residential, Institutions and recreational), Infrastructure Master Plans.
- Creation of the Various precinct (Sports and Cultural precinct)

This will cover the land development that will enable to support the city to become a Metropolitan Municipality and expand the key section 2 of the Municipal Structures Act. According to the analyses, there is potential for the Polokwane Municipality to be self-sustain Municipality.

SPATIAL TRANSFORMATION AGENDA AND TECHNICALASSESSMENTS

The Polokwane Municipal area has been divided into the following four (4) Functional Areas as shown in the conceptual map in Figure 19, namely:

- ▪ Polokwane/Seshego Urban Complex
- ▪ Mankweng/Sebayeng Region
- ▪ Moletjie/Aganang Region
- ▪ Chuene/Maja Region

The total population for 2017 for the municipal area is estimated at 900,909 people, of which 308,509 people (34%) are concentrated in the Polokwane/Seshego Urban Complex, followed by 283,983 people (32%) in the Mankweng/Sebayeng Region, 255,463 (28%) in the Moletji/Aganang Region and only 52,954 (6%) in the Chuene/MajaRegion.

It is projected that the population for 2030 will grow to 1,093,345 people with the following composition for the functional areas, namely: Polokwane/Seshego Urban Complex –439,858 people(40%);

- Mankweng Sebayeng Region–324,583 people(30%);
- Moletjie/Aganang Region –272,082 people(25%);and
- Chuene/Maja Region–57,139 people(5%).

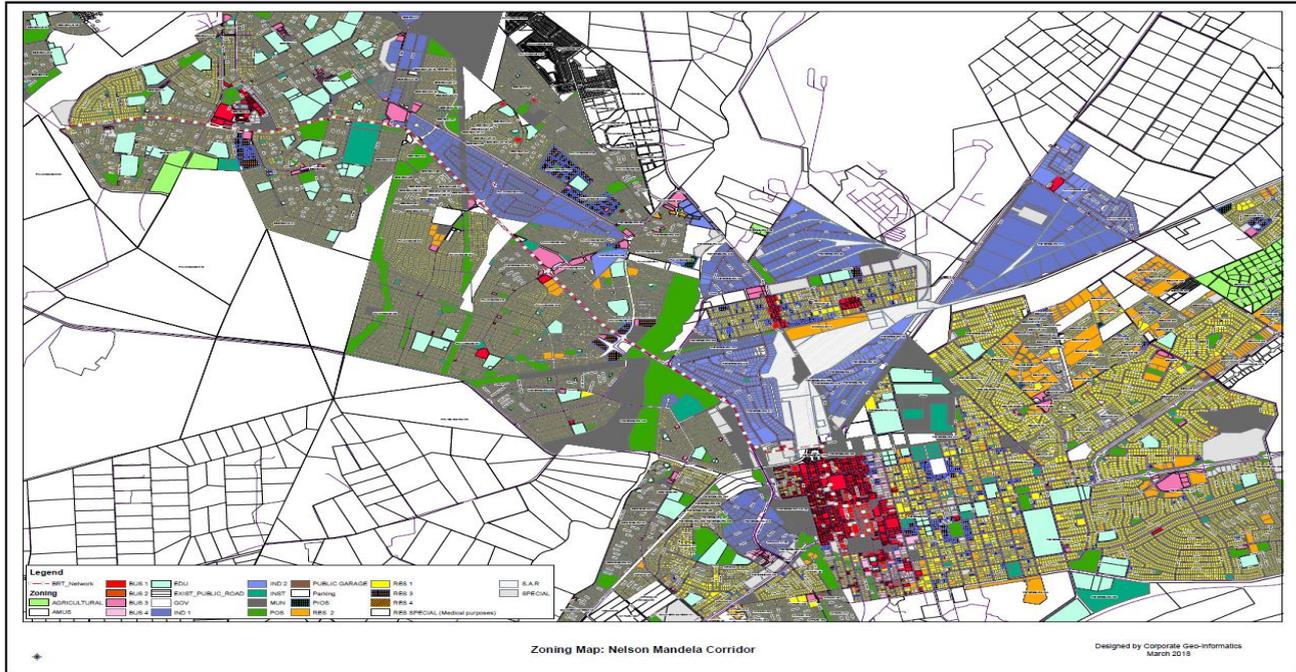
Demographic overview of Functional Areas

	Municipal Wide	Polokwane/ Seshego Urban Complex		Mankweng/ Sebayeng Region		Moletjie/ Aganang Region		Cheune/ MajaRegion		
Wards		8,11,12,13,14,17, 19,20,21,22,23,37, 39		3,4,5,6,7,24,25,26, 27,28,29,30,31,32, 33,34		9,10,15,16,18,35, 36,38,40,41,42,43, 44,45		1,2		
Total Area(km2)	5,054	259	5%	1,469	29%	1,940	38%	1,387	27%	
Geographical Area Type										
Population Urban	35.4%	97%		16%		0%		4%		
Population Tribal or Traditional area	62%	1%		81%		99%		77%		
Population Farm area	3%	1%		3%		1%		19%		
Population										
Population2011	728,632	222,036	30%	251,564	35%	219,794	30%	35,238	5%	
Population2017	900,909	308,509	34%	283,983	32%	255,463	28%	52,954	6%	
Population2030(projected)	1,093,662	439,858	40%	324,583	30%	272,082	25%	57,139	5%	
PopulationDensity2017(people/km2)	178	1,190		193		132		38		
TotalPopulationGrowth2017to2030	21.4%	43%		14%		7%		8%		
PopulationAverageAnnualGrowthRate2017to2030	1.5%	2.8%		1.0%		0.5%		0.6%		
TotalPopulationGrowthinNumbers2017to2030	192,753	131,349	68%	40,600	21%	16,619	9%	4,185	2%	
Households										
Households2011	207,727	73,420	35%	68,474	33%	56,130	27%	9,703	5%	
Households2017	248,345	86,719	35%	77,576	31%	67,530	27%	16,520	7%	
Households2030(projected)	339,510	139,342	41%	99,263	29%	81,064	24%	19,841	6%	
HouseholdDensity2017(households/km2)	49	334		53		35		12		
HouseholdSize2017	3.6	3.6		3.7		3.8		3.2		
TotalHouseholdGrowth2017to2030	36.7%	61%		28%		20%		20%		
HouseholdAverageAnnualGrowthRate2017to2030	2.4%	3.7%		1.9%		1.4%		1.4%		
TotalHouseholdGrowthinNumbers2017to2030	91,166	52,623	58%	21,687	24%	13,534	15%	3,321	4%	
Household Income										
Household Income: Low Low	27%	68,224	20.6%	17,857	34.0%	26,408	28.7%	19,411	26%	4,264
Household Income: Low	41%	101,504	29.6%	25,662	43.9%	34,044	50.2%	33,907	51%	8,409
Household Income: Middle	26%	63,474	35.8%	31,011	20.1%	15,559	19.7%	13,330	21%	3,451
Household Income: High	6%	15,142	14.1%	12,190	2.0%	1,565	1.3%	882	2%	396
Households Dwelling Types										
Dwelling Type :Formal	90%	224,054	85.8%	74,396	92.7%	71,908	92.9%	62,742	90.0%	14,871

The highest population growth is expected for the Polokwane/ Seshego Urban Complex, which is estimated to accommodate 68% of the total growth of the Municipality's population from 2017 to 2030. It is therefore the area with the highest pressure for investment and development. Notably, the Polokwane/Seshego Urban Complex is also the most urbanized area, with 97% of its population residing in urban areas, where the highest percentage of informal dwelling occurs. The Moletjie/ Aganang and Chuene/Maja Functional Areas are primarily rural areas with low growth rates and high numbers of low-income households.

CATALYTIC URBAN DEVELOPMENT PROGRAMME

The Municipality has identified catalytic projects to support their Vision 2030 and Smart City objectives. The IUDG presentation provide sin greater detail the catalytic projects, the progress with planning and design and cost requirements. The following provides a summary that illustrates the efforts already made in the City to move towards a Smart City.



<p>The Municipality has identified a number of key spatial targeting areas that will further compliment the priority development areas and other areas within the municipality.</p>	
<p>Brownfield Development</p>	<p>Greenfield Development</p>
<p>Urban renewal projects in the CBD- Polokwane Towers.</p> <p>Urban renewal projects in the CBD - Mixed housing around Buite and Bok Streets.</p> <p>Urban renewal projects- Transit Oriented Development (TOD) around Etsoseng, bus station, Train station and Airport.</p> <p>Housing – Mixed housing (Social, Gap and Student housing).</p> <p>Industrial Development - Light industries development (small scale industries Ptb X26).</p>	<p>Polokwane Mixed Housing Development Annadale Ga-Rena Phase 2</p> <p>Commercialisation of the Strategic Assets such as the Game reserve and Eco-estate.</p> <p>Development of the Arts and Cultural HUB (Bakoni Malapa) (feasibility study by DSAC).</p> <p>Logistic or Cargo Hub and Agro-Processing Hub to support SEZ (Feasibility study).</p> <p>Softball stadium (On Going).</p> <p>Academic Hospital (Underway).</p>

PROGRESS WITH THE CATALYTIC PROJECTS AND PROGRAM

CATALYTIC PROJECT NAME	PROJECT STATUS	PROJECT OWNER & PROGRESS (MUNICIPAL OR PROVINCIAL DEPARTMENT)	INVESTMENT TO DATE and (area of projects as per the Spatial Plans)
1. Science Park	Conveyance Notaries is appointed for the drafting of the lease agreement and negotiation (Public to Public Partnership approach) The Record of Decision positive Basic Township establishment studies are underway and lodgement of the Township.	LEDA- Limpopo connection	Planning 100 % for Planning Within the Functional Area 1 Township approved
2. Arts and Cultural Hub	Appointed completed and inception report with draft studies submitted for preparation of the Township by 2021/2022 1 st Quarter. Land subdivision and zoning for a theatre has begun.	Municipal and Department of Sports Arts and Culture Land zoning and donation to the department (municipal) Development of the Provincial Theatre (Department) and will commence for construction in June/July	Planning and Social 100% on Planning 10% Engineering and designs Within the Functional Area 1
3. SEZ (Agro-processing and logistic) N1 North Corridor	Feasibility study commenced and inception report completed.	Polokwane Municipality (Budgeted)	Planning and Social 100% for planning Within the Functional Area 1 Council resolutions in progress
4. Softball stadium	Planning Completed and construction has commenced	Polokwane Municipality and National Department of Sports	Planning and Economic 100% Planning done 67% in Construction

CATALYTIC PROJECT NAME	PROJECT STATUS	PROJECT OWNER & PROGRESS (MUNICIPAL OR PROVINCIAL DEPARTMENT)	INVESTMENT TO DATE and (area of projects as per the Spatial Plans)
5. Post incubation Hub	Engineering assessment completed and the construction taring and fencing of the park to be advertised for the contractor.	Municipality but to seek funding from Department of Small Business Development	Economic and Planning 100% spent for planning 100% spent on Construction and supervision Within the Functional Area 1
6. Academic hospital	Conveyancer finalise deed of donation to the Department of Public works. Zoning already approved	Department of Public Works, Health and social Development/Education.	Planning 100% for Planning 5% construction (preparations for building plans) Within the Functional Area 1
8. Urban renewal- Municipal Tours	Planning for the project to commence in 2021/2022 Financial Year as budgeted. (subject to Budget availability)	Polokwane Municipality	Planning 15%- Within the Functional Area 1
9. Housing – Mixed housing (Social, Gap and Student housing) (Municipal entity)	Annandale extension 2 construction commence for provision of rental housing. Student housing at 106 and 108 underway.	Municipal entity	Planning, Social and Economic 100% Planning 100% Constraction Within the Functional Area 1
10. Urban renewal projects- Transit Oriented Development (TOD): <u>Truck inn</u> (Municipal).	Truck inn land availability approved by Council. Feasibility to commence during 3 rd quarter. Incorporated in the reviewed ITPS and to be part of the freight Plan as project to be implemented in 2021/2022.	Polokwane Municipality Proposal for the PPP/Conditional approval	Planning and Economic 100% feasibility study adopted 50% Land release (intension approved by Council) 0% Township/Zoning approval planning

			Within the Functional Area 1
11. Urban renewal projects in the CBD - Mixed housing around Buite and Bok Streets (Municipal)	Assessment of the land ownership is in progress and development of incentive for developers to be finalised. Application of UDZ underway and to be supported by Council Resolution .	Polokwane Municipality/Private Developers	Planning and Economic 20% Planning-Engagements with Land Owners Within the Functional Area 1
12. Polokwane Mixed Housing Development (leased properties)	Polokwane extension 136, 138 and Bendor 126, East Ridge X 3 approved for mixed use development. Only one Township is not yet finalised due to Civil Aviation Authority (CAA).	Leased properties for revenue enhancement	Planning and Economic 100% Planning 100% Infrastructure financing by DBSA to private developer. All assets to be transferred to the Municipality as per the SLA.



ILLEGAL LAND USES

What is “illegal land use”

An illegal land use occurs when a piece of land and/or building is used by an owner for a different use or under different conditions than specified or provided for in the land use scheme.

In general, the scheme provides for different use zones (zoning) which permits certain uses under each use zone. For example, if a property is zoned “Residential 1” the property may only be used to erect a dwelling unit (house) and to be used by a single family for residential purposes. If the owner now uses it for an office and/or to conduct business, it becomes “illegal” and inconsistent with provisions of the use zone.

The different strategies of handling of illegal land uses

Two basic processes

There are two basic processes to follow in order to enforce the town planning scheme and to ensure that an owner conducts the land use as specified under the specific zoning applicable to his property, namely:

- Civil prosecution through the Magistrate Court; and
- Civil procedures through the High Court.

Under prosecution through the Magistrate Court an owner can be fined or sentenced to imprisonment by a Magistrate should he be found guilty of an illegal land use.

Under prosecution through the High Court the courts will grant an order preventing such an owner to continue with an illegal land use.

The Magistrate Court v.s. the High Court process

Magistrate Court in order to combat illegal land uses. This process was not very successful due to the following constraints, namely:

- Fines issued by Magistrates were small and didn’t discourage owners to discontinue with illegal land use. Owners just incorporated fines as part of their operating costs;
- State prosecutors were not always informed about town planning schemes, the operation and technical aspects which lead to unsuccessful prosecution and the municipality lost several cases;
- Prosecution was not always swift and not within the management of the municipality.

The municipality had to wait prosecution by the State Prosecutor.

Prosecution through the High Court. The high Courts will grant a court order preventing such an owner to continue with an illegal land use. This process seems to be much more successful because:

- The High Court is much more knowledgeable on town planning matters which resulted in a greater success rate in prosecution.
- Court orders will prevent owners to continue with the land use and is not only a “fine”;
- Costs orders granted against transgressors is much higher than a mere fine, which is a bigger deterrent.
- The process and management of the case is much more in the hands of the municipality’s lawyers and advocates.

THE TOWN PLANNING SCHEME AREA OF OPERATION.

The Polokwane Municipality has integrated the two town planning scheme, namely the Polokwane/Perskebuilt Town Planning Scheme, 2016 and Mankweng/Sebayeng/ Aganang and Rural Areas which were in operation covering the areas of Polokwane City. The Integration of the Scheme will open an opportunity in managing land uses within the rural areas as part of spatial transformation. The new Land Use Scheme has been adopted by Council and Proclaimed for implementation as from 19 May 2023 and it is titled Polokwane Integrated Land Use Scheme, 2022.

Current statistics on illegal land uses

The composition of the type of illegal land uses which commonly occur are as follows:

Type of illegal use	Percentage of total illegal uses
Offices	12%
Guest houses and boarding houses/Student accomodation	53%
Mechanical work shops, panel beaters, wood works etc	14%
Place of instruction	18%
Others	3%

The detailed land use survey is at 60% and soon it will be finalized. That will have more on the backroom development since situation has worsen due to the hard lockdown. From the above statistics it can be concluded that the illegal land use trends are now changing and moving towards the dire need for accommodation in Polokwane followed by the places of instruction such as church and schools. Tradesman are now moving away from industrial areas and start to work from their homes. The statistics also tells us about the areas which attention should made to address the illegality.

ISSUES, OPPORTUNITIES AND CONSTRAINTS

The following issues can be summarized as the most relevant facts pertaining to the handling of illegal land uses and the opportunities and constraints evident in the case of Polokwane Municipality, namely:

- The municipality has a well-established and competent Town Planning Unit who will be able to enforce land use regulations subject thereto that sufficient strategy exist and that the necessary resources are provided;
- The city of Polokwane has large pool of expert consultants (e.g. Town Planners and Lawyers) which can advise the municipality on all aspects relevant to combating illegal land uses;
- Despite the competency i.r.o. the SBU and consultants, it appears that the different roles are not clearly defined in the current prosecution of cases. Current operational procedures and communication methods are also cumbersome. Clearly defined procedures and channels of communication should be introduced in order to expedite the legal process;
- The use of land within the current town planning scheme area is relatively under control and can still be managed compared to the situation in larger cities such as Tshwane. The municipality should guard against a situation whereby it gets out of control and whereby the order could not be restored easily;
- The expansion of the scheme and or incorporation of other schemes may put an additional burden on municipal resources. A clear direction and base is necessary in order to succeed in proper land use management in the future;
- The municipality should process application whereby owners wish to change the land use (rezoning) promptly, because ignorance from the municipality's side lead to a situation where owners "take the law in their own hands" and conduct uses illegally;
- Uncontrolled land use lead to the erosion of the municipality's tax base over the long term with drastic results;
- Currently, there exist no clear measurement of performance in order to determine the success or failure of combating illegal land uses;
- Currently, there exist no real database which indicate the total extent of illegal land uses in the scheme area. The only database in existence is based on reported cases, which may only represent a fraction of the real extent;
- There exist a lack of clear direction with this project. Basically officials and Council

knows what to do, but definite actions and realistic targets are not set. The current targets set out in the Service Delivery and Budget Implementation Plan is not clear neither realistic;

- The general public and sometimes even management, is misinformed about the importance of enforcement of the land use scheme and what illegal land uses entails;
- The issue of illegal land use is commonly regarded as a town planning matter only, whilst the origin of illegal land uses mostly start during other processes and/or the lack of strict enforcement by other units within the municipality. For example, illegal buildings and or conversion of houses into offices finally lead to the illegal use thereof. Another example is the illegal conversion of outbuildings into second dwelling units and/or residential buildings;
- The municipality receives the necessary support from certain property owners and established community stakeholder groups (e.g. SAPOA) in dealing with illegal land uses and town planning matters in general;
- Reporting of illegal land uses by members of the public is not always well recorded. A logging system would improve the management.
- Currently, there exist no clear measurement of performance in order to determine the success or failure of combating illegal land uses;
- Currently, there exist no real database which indicate the total extent of illegal land uses in the scheme area. The only database in existence is based on reported cases, which may only represent a fraction of the real extent;

In submission

The Municipality conducted the comprehensive land use survey in order to deal with the illegal land uses across the urban and semi-urban area in order to provides a long term solution in relation to the illegal land use. The comprehensive land use survey will be tabled at Council with its implementation framework for adoption.

STRATEGIC OBJECTIVES (POLICY MAKING LEVEL)

- The municipality must determine the real extent of illegal land uses. This will provide the necessary information in order to make the necessary management decisions;
- The municipality must put a clear and realistic program of action in place to deal with illegal land uses. This program must be agreed upon between all parties concerned with the project in order to determine realistic targets;
- The municipality must also consider a long-term strategy how to deal with illegal land uses i.r.o. new areas to be added under control of a town planning scheme;
- The municipality must be able to measure performance in order to see if illegal land use increases or decreases. This will further inform the budgeting process in order to secure sufficient resources for this action
- The municipality must focus on those areas and type of illegal land uses where the maximum results are possible.

- The municipality must put a comprehensive and multi-disciplinary strategy in place to deal with all aspects of illegal issues, such as illegal land uses and occupation of buildings/land, since they effect each other;
- Initiate a process and campaign whereby the public, councilors and top management is informed about the impact of illegal land uses and why it is necessary to enforce land use regulations.
- Initiate a process of discussion with provincial government on the issue pertaining to the dualistic planning system in order to ensure that the municipality has autonomy over land use control.

OPERATIONAL OBJECTIVES (MANAGEMENT LEVEL)

- Appoint a project management officer responsible for co-ordination of the complete project (illegal land uses);
- Appoint a project Steering Committee responsible for steering of the project (illegal land uses) and which will be able to report back to Council structures in order to measure performance, obtain resources and inform the public of the progress and issues in this regard;
- Introduce a system (Interdepartmental co-coordinating committee) whereby all the different SBU's are involved in the handling and co-ordination of various illegal issues, namely illegal land uses, illegal buildings, dumping, illegal occupation of land and unsafe buildings and living conditions etc
- Undertake a comprehensive land use survey in the whole area covered by the town planning scheme in order to determine the real extent of illegal land uses. This will provide the necessary information in order to make the necessary management decisions;
- Assign experienced professionals and/or staff (permanent and/or consultants) in order to deal with illegal land uses and to compile a detail program of action;
- After results of the survey is submitted, a clear and realistic program of action should be submitted to the Steering Committee on how the illegal land uses will be reduced and what resources are required to meet targets;
- Define the roles of the different parties involved and assign clear tasks.
- Secure sufficient resources by means of finances to deal with illegal land uses and actions to support the project;
- Introduce proper channels of communication with the media in order to report the progress of combating illegal land uses to the general public which will also count as deterrent for other owners who are using property illegally.

- Introduce a logging system whereby reported cases are properly recorded and whereby the process can be managed and monitored;
- Clearly defined procedures and channels of communication should be introduced in order to expedite the legal process
- Introduce a system where consent uses granted are monitored in order to ensure that conditions are being complied with.
- Apart from all the above (new) strategies, the current system must be maintained in order not to create an extensive backlog of cases and ensure continuity.

3.5 CORPORATE AND SHARED SERVICES

Information and Communication Technology Capital Budget

Provision of Laptops for employees

The Municipality is embarking on a project to replace old Computers and Laptop hardware. The Information and Communication Technology space is changing always with new innovative systems not limited software applications. Most of the time if not always when these applications are introduced, there is a need to upgrade the computers and/or Laptop hardware due to compatibility issues. As a result, the Municipality has made available a budget to replace some of the Computers and Laptops to accommodate the technology innovation.

Network Upgrade

The City of Polokwane has a resolution to decentralize services to cluster offices for easy access for community members. As a result, there is a need for network connectivity to the cluster offices to ensure that employees deployed to these offices have access to all the ICT services offered at the Municipal Civic Centre. The Municipality allocated budget to upgrade the connectivity network to the cluster offices to ensure that all services provided at the head office are available at all cluster offices.

Implementation of ICT Strategy

One of the many services that the Information and Communication Technology SBU provides is the Help Desk Service where all ICT service requests are reported. To ensure that this service is offered optimally there is need to have a software application to manage all the service requests. Currently the City is utilizing a Manage Engine Solution, the solution is reaching end of support and there is a need for an upgrade. The Municipality has made available a budget to upgrade the application to a latest version.

Fleet Management Services Capital Budget

Acquisition of Fleet

In the 2022/2023, Fleet Management Services was allocated a budget of **R 20 000 000** to procure 5 units comprising of trucks, machinery and earth moving equipment's as follows:

3 Yellow Fleet consisting as follows:

2 x Graders - delivered

1 x TLB - delivered

2 Waste Compactor trucks – delivered.

However, with the allocated budget in the previous financial year we still have additional requests and needs for fleet. The municipality has a total of 729 fleet units consisting of a mixed fleet of self-propelled and non-self-propelled. 504 municipal owned fleet units, 225 Fleet Africa fleet units with 427 units that is 59% of the overall fleet that had aged (i.e.: as far as 10-20yrs) that is guided by the Fleet Policy. The SBU is allocated a budget of R 20 455 369 for the coming Financial Year.

3.6 ENERGY SERVICES



- The INEP grant for electrification of houses for the next financial year is R 17 million rand which will be allocated according to the approved projects.
- The municipality's service provider is assisting the municipality to replace bypassed electricity meters, with Smart Electrical Meters.
 - The municipality still has ± 2800 conventional electrical meters to be converted to pre-paid. These meters will be changed departmentally and a service provider.
 - The municipality has ± 800 Bulk Meters, which in essence, are all "Smart Meters". About 600 of these Meters are connected to Modems for two-way communication and AMR (automatic reading). All these meters are converted to the software service provider's portal. All meters are functioning well and integration to the municipal system is completed.
- The electrification backlog is approximately 18000 and 2500 for rural and urban respectively. The challenge in urban is to cope with electrification of RDP houses provided by COGHTA while capacity is the main issue in rural. Our annual target is 1000 households depending on the availability of capacity in the Eskom supply areas and the availability of funding.
- The PowerBank project is progressing well, the feasibility studies are completed and National Treasury has issued a PPP number for the project. The second phase is

preparing tender documents to appoint a Service Providers who can fund and install the PowerBanks. The third phase will be the physical installation of the units.

- The municipality is also investigating the development of a Solar Farm which can augment/reduce the bulk supply from Eskom. A feasibility process has been done based on the old allowable capacities before National Government has amended the regulations to 100MW installations without applying for generation licences. The feasibility studies therefore need to be extended to take into consideration the new limits.

3.7 WATER AND SANITATION

- **PLANNED UPGRADING OF THE WASTEWATER TREATMENT PLANTS**

- The City has **three (3)** Wastewater Treatment Plants i.e.
- **Polokwane,**
- **Seshego and**
- **Mankweng.**

Polokwane Wastewater Treatment Plant is the **biggest** with **26 MI/day** capacity and the current load standing at **45 MI/day**. Plans are in place to construct the **100 ML/day Regional Wastewater Treatment Plant** for the whole Polokwane Municipal **sewage load** and to cater for new developments (however there is limited budget). A memorandum of agreement to **refurbish and upgrade** the **over loaded** Polokwane Wastewater Treatment Plant has been signed by the Municipality and **Anglo American**. **The upgrade is now complete and has been commissioned**. **Anglo American** has further approached the **Municipality** on a further support with **Operations and Maintenance** of the **Existing Polokwane Wastewater Treatment plant**.

For the purposes of optimising the wastewater treatment capacity the municipality is currently implementing the following programmes:

- **New** Regional Wastewater treatment 20MI/day (Contractor is on site)
- **Seshego** Wastewater Treatment Plant (Refurbishment – Emergency refurbishment are underway to improve the quality of treatment effluent).
- **Mankweng** Wastewater Treatment Plant (Refurbishment – Emergency refurbishment are underway to improve the quality of treatment effluent).
- **Polokwane** Wastewater Treatment Plant (Refurbishment – Emergency refurbishment are underway to improve the quality of treatment effluent).

NUMBER OF HOUSEHOLDS TO BE PROVIDED WITH CLEAN PORTABLE WATER IN PREVIOUSLY DISADVANTAGED AREAS.

- In line with the with approved SDBIP the municipality intends to Increase percentage of Households with access to sanitation by 0.75% (1800HH) by the 30 June 2024.
- In line with the with approved SDBIP the municipality intends to Increase percentage of Households with access to Water by 0.90% (2160HH) by the 30 June 2024.

3.8 COMMUNITY SERVICES / PUBLIC SAFETY

TRAFFIC AND LICENSING

ACHIEVEMENTS

Safer city projects

➤ By-law and pound operations

The SBU in collaboration with sister departments both external and internally embarked on operations that were aimed at:

➤ Cleaning the entire environment

➤ Inspections- local businesses

➤ Cable theft and

➤ Leeto la Polokwane bus route monitoring

➤ Traffic control at Congested intersections and road constructions

- Nelson Mandela / Vermikuliet street
- Emdo/ Pietersburg's Drive/ Dendron intersection
- R71 Dalmada ring route
- R71 Paledi Mall- Mankweng

➤ Licensing services

- The unit conducted Vehicle registrations and Licensing at the three stations (Polokwane, Aganang and Mankweng) with roadworthy tests conducted only at Polokwane and envisaging to resume with those services at Aganang.
- Conducted learners and driving licence test at the three stations (Polokwane, Aganang and Mankweng)

Events

Traffic control at events.

➤ Weekly stadium precinct patrols and traffic control.

BY-LAW ENFORCEMENT AND SECURITY

The SBU has implemented the 24/7 shift system with the newly appointed Law Enforcement Officers to patrol municipal infrastructure that include amongst other, electric substations; and since then, no substation was tempered with. The SBU will continue to work in collaboration with other Municipal SBU's and other external institutions in conducting:

- Crime prevention operations,
- City cleansing operations,
- School safety campaigns,
- Revenue protection raids,
- Provide safety and security at municipal events and functions,
- Protect municipal properties.

The SBU will need additional Law Enforcement Officers to augment the current ones to fight against crime.

DISASTER MANAGEMENT AND FIRE SERVICES

The SBU will continue to respond to incidents as per reported calls, that includes performing extrications in car crashes and extinguishing all types of fires.

1. Fire prevention system like re-blading, fire hydrants and extinguishers for municipal buildings will be serviced and foam in line with budget allocations for an amount of R3772184.
2. Fire Services will procure branches to the amount of R321 141,00 and other life-saving equipment for R586 049,00
3. Disaster management will continue to distribute relief material items for R5630630 and provide temporary shelters for R 1040000 where possible.
4. High ropes and rescue equipment for an amount of R585 285,00 and Hydraulic of R1 500 000.000 will be procured in the coming financial year.
5. The Unit will further conduct awareness campaigns to Traditional Authorities in the municipality.

WASTE MANAGEMENT SBU

ACHIEVEMENTS

1. Improvement of waste collection in City by renewal of contractors and introduction of in-house waste collection with five new purchased compactors in Seshego and Mankweng. Cleaning and clearing of illegal dumping and servicing of rural skips using new Two (02) grab trucks.
2. Constructed rural transfer station for temporary storage of waste in:
 - Vaalkop
 - Dikgale
 - Makotopong
 - Westenburg still under planning
 - Molepo, still under planning
3. Extension of rural waste management to four new villages which amounts to 51 villages in coverage.
4. Placement of sixty (60) waste skip bins to counteract illegal dumping especially disposal of nappies.

SPORT AND RECREATION

Many sporting and recreational programmes were affected by the Covid-19 health and safety regulations including total ban on any contact sport during the lockdown from March 2020 till January 2021. Many professional and amateur sporting bodies started their training and played matches in various facilities.

Key amongst the sporting programmes is the PSL games especially Nedbank Cup matches 4 hosted at the New Peter Mokaba Stadium and Old Peter Mokaba Stadium.

95% of the PSL matches were played without spectators until April 2022 when the ban on fans to the stadium was partially lifted to accommodate 50% of the fans to the facilities. To this date (May 2022) Sport and Recreation has generated

Revenue Generated by all facilities amounts to R 3,4m less performance as compared to 2019/2020

The Sport and Recreation SBU manages all sporting and recreational facilities within Polokwane Municipality. The SBU also manages sport development programmes throughout the entire municipality. A snapshot of facilities was performed, and the results are not positive in some of the sport and recreational facilities due to lack of maintenance over years.

Facilities in demand for professional and amateur sport development relates to Football activities right across the entire municipality including the villages. The following facilities are in constant demand and use:

New Peter Mokaba Stadium. The facility hosts professional football teams and national events. Currently the facility is not overused.

Old Peter Mokaba Stadium. The facility hosts professional and semi-professional teams including development teams participating in competitions. The facility is currently home ground for Polokwane City FC, TMM FC, Sekhukhune United FC alternative home ground venue. The facility also hosts provincial and national athletics. Its use is not constraint now.

Noordelike Rugby grounds. The facility is currently used as training grounds for Polokwane City FC, Ma-Indies Ladies FC and First Touch Ladies FC.

B & C Rugby field. The facility is used by TTM F.C and Dorp Rugby Club as their practice venue.

Seshego Stadium. Main stadium field pitch has been rehabilitated in the March 2022-May 2022 in order to enable us to qualify for the PSL standard. The B field is used by three development teams, Mighty F.C(amateur in regional league) and Polokwane Over 60 soccer team.

Ngoako Ramahlodi Indoor Sport Centre. The facility hosts more none sport and recreation activities (funerals, weddings, meetings) than sports and recreation related activities. Only karate and basketball practice sessions are held in the facility. The facility has the capacity to host more indoor sports and recreation activities like, hockey, soccer, netball, badminton, volleyball, judo, boxing, table tennis, chess, dance. The playing surface and ablution facilities need refurbishment. All the entrance and emergency doors are damaged and need to be replaced. The position of the fire hose reels in the oval playing area need to be changed as per the fire safety report. The water pressure from the borehole needs to be increased for usage in the ablution facilities during water shortages.

Polokwane Recreation Centre. The facility host gymnastics, karate, cage fighting, badminton, squash, and gymnasium (virgin active). The facility steel structure need refurbishment. The air conditioning system plant need major servicing and planned maintenance. The squash courts playing surface and court lights need to be refurbished.

Polokwane Netball and Volleyball courts. The courts host community development clubs and corporate teams. The playing surface need to be refurbished.

Korfball and Ring Tennis facility. The facility host community development clubs. The korfball playing surface and lights need to be refurbished.

Cricket Club grounds. Facility is leased out to Limpopo Impala Cricket for a period of 4 years and 11 months. The facility is currently overused as majority of the development teams within Polokwane Municipality are using it for practice and sometimes matches. The development teams should be moved to alternative venues such as Nirvana and Westernburg.

Nirvana Soccer and Cricket Stadium. The soccer field has not been in use for a period of 7 years and the integrity of the facility has deteriorated including the pitch. The fence around the soccer pitch has been decimated and requires rehabilitation. The cricket facility is in a better condition, but the fence and the practice nets need rehabilitation.

Westernburg Stadium is used by Magezi F.C (amateur in regional league) and community-based development teams. The parameter fence needs rehabilitation.

Zone 6 Grounds. The field is used by community development teams and regional league teams. The two soccer fields are not in a good playable condition due faulty irrigation system. The toilet facilities need rehabilitation.

Zone 1 soccer and Rugby field. The field is in a bad condition due to over usage and damaged irrigation system. The parameter fence need rehabilitation.

Mohlonong Stadium. The facility is used by the community for sports and recreation activities. The roof of the main building has been damaged by storm. The Athletics and soccer field construction project still not finished.

Tibane Stadium. The facility is not used due to construction of the field which has been ongoing for years. The water supply is still a challenge due that is vandalised borehole that is far from the facility. The All-weather courts need to be refurbished. The Pit latrines need regular maintenance.

Manamela Stadium. The facility is used by the community and for a sport and recreation programmes. The soccer field is fitted with artificial grass.

Polokwane Swimming Pool. The facility is open to the public the whole year due to a water heating system and also host local, provincial and national swimming competitions. The

heating system malfunctions most of the time due to lack of proper maintenance plan. The ablution facilities experience blockages when used to full capacity. The main Olympic pool has leaks losing a lot of water. The entire pool 's plant rooms and chlorine gas rooms need to be refurbished including the purchasing of pool maintenance equipment. The baby pool is closed. The damaged plastic scum channels grids need to be replaced with aluminium grids. The borehole system need to be connected to the main water supply line to assist during water shortages. The parking area need to be fenced off for access control.

Westenburg pool. The pool plant room and chlorine gas area were refurbished in 2020 but still experiencing challenges with the plant room. The plastic scum channels need to be replaced with aluminium scum channel. The parking area need to be closed off for access control. Refurbishment of the first aid room and equipment. Fix geyser and leaking showers and taps.

Nirvana Swimming pool. The pool is closed, and the entire plant room need to be refurbished. The pool also needs pool maintenance equipment and machinery. The pool is also leaking. Parking area need to be closed off for access control.

Seshego Swimming pool. The pool is closed due to maintenance challenges in the plant room. The baby pool need refurbishment. The borehole water needs to be connected to the main system to assist during water shortage. Purchasing of swimming pool maintenance equipment and machinery.

Jimmy Moulder Shooting range (Dalmada): The facility is currently used as training or shooting practise by the South African National defence force and the South African Police Services. The facility buildings need to be renovated\refurbished, electrified, and fencing around the shooting range.

Halls

Mankweng Hall-The hall is used for community related activities like weddings, meetings, funerals and as pay point for SASSA. The major challenge is the parking area space, roof leakage which is caused by lack of maintenance. The doors locking systems need to be changed.

Jack Botes Hall-The hall is used by the community, government, and business sector. The hall is in high demand due to its location in the city centre. The roof needs to be refurbished to stop leakages. The emergency exit and entrance doors need to be fixed as they don't close

properly. The air vent smoke extraction system is faulty and malfunctions during fire safety inspections. The control room fire communication system also needs service. The stage is dilapidating and the project for rehabilitation was stopped.

Nirvana Hall-The hall is used for community related activities like weddings, meetings, funerals and is also in high demand. The major challenge is the parking area space, roof leakage which is caused by lack of maintenance. The doors locking systems need to be changed. The curtains opening and closing control mechanism need to be serviced.

Westernburg Hall- The hall is used for community related activities like weddings, meetings, funerals and as mobile clinic. The major challenge is the parking area space and roof leakage which is caused by lack of maintenance.

Aganang (Ceres) Hall-the hall is used by the community and schools. The roof need structural integrity testing due to the frequent damaged. The ceiling is falling and need to be fixed. Water supply and water pressure is a challenge and causes regular blockages to the toilet system. The windowpanes are broken and main entrance doors locking system need to be changed.

Seema Hall-The hall is used for community related activities like weddings, meetings and school events. The hall is mostly used for free by the traditional authority. The hall uses pre-paid electricity which creates a challenge every time when recharging. The kitchen units need refurbishment. Replacement of damaged chairs and tables.

Jupiter Hall-The hall is used for community related activities like weddings, meetings, funerals and as a clinic. The facility used conventional pit latrine toilet system which need regular maintenance. The kitchen units need refurbishment. Replacement of damaged chairs and tables.

One -Stop Centre (Matlala) hall-the hall is closed due to damaged roof (3-4 years)

Moletji hall-The hall can accommodate 100 people and is mostly used for small meeting and religious events.

General Challenges

- 1.Over utilisation of facilities
- 2.No occupation certificate and Safety grading certificates.

3.Vandalism caused shortage of security

4.Maintenance plans

Newly Developing/Developed Facilities

Mankweng Stadium: Phase two completed in October 2021

Maja Chuene Sports Complex: Facility currently does not have Occupational certificate due to no water provision which hinders operation.

Molepo Sports Complex: Currently being constructed to finalise on outstanding works

International Softball Stadium: In May 2022 the construction was at 43% Completion

Dikgale Sports Complex: Project delayed due to lack of budget in 2021/2022

Extension 44/78 Sports Complex: Completed, to be handed over to Sport and Recreation in the 2021/2022 financial year.

Moletjje Sports Complex: Project Completed have water challenges and difficult to operationalise.

PART 4 - MSCOA

MSCOA ROADMAP

The Municipal Standard Chart of Accounts (mSCOA) standardises the municipal chart across all municipalities and entities in the country using a multi-dimensional chart of standardised segments as prescribed

- Every municipality and municipal entity has a chart of accounts
- The chart of accounts is a listing of all accounts used in the general ledger of a municipality or municipal entity
- The chart is used by the enterprise management system to aggregate information into the financial statements
- Six (6) segments must be complied with on a transaction (posting) level with a seventh (7th) being optional
- mSCOA will impact on Main Accounting System as well as subsystems (SCM, Assets, Billing, etc) - Data must integrate the GL on SCOA segment level.
- mSCOA is not a system change....it is a business process change!

mSCOA objectives

- Modernised financial management through updated systems and technology
- Improved data quality and credibility, enabling deeper data analysis and sector comparisons to improve financial performance.
- Achievement of a greater level of standardisation in LG:
 - Development of uniform data sets critical for 'whole-of-government' reporting.
 - Alignment of the 'local government accountability cycle' by the regulation of budget and in-year reporting formats and the annual report and annual financial statement formats
 - Standardisation of key business processes with the consequential introduction of further consistency in the management of municipal finances

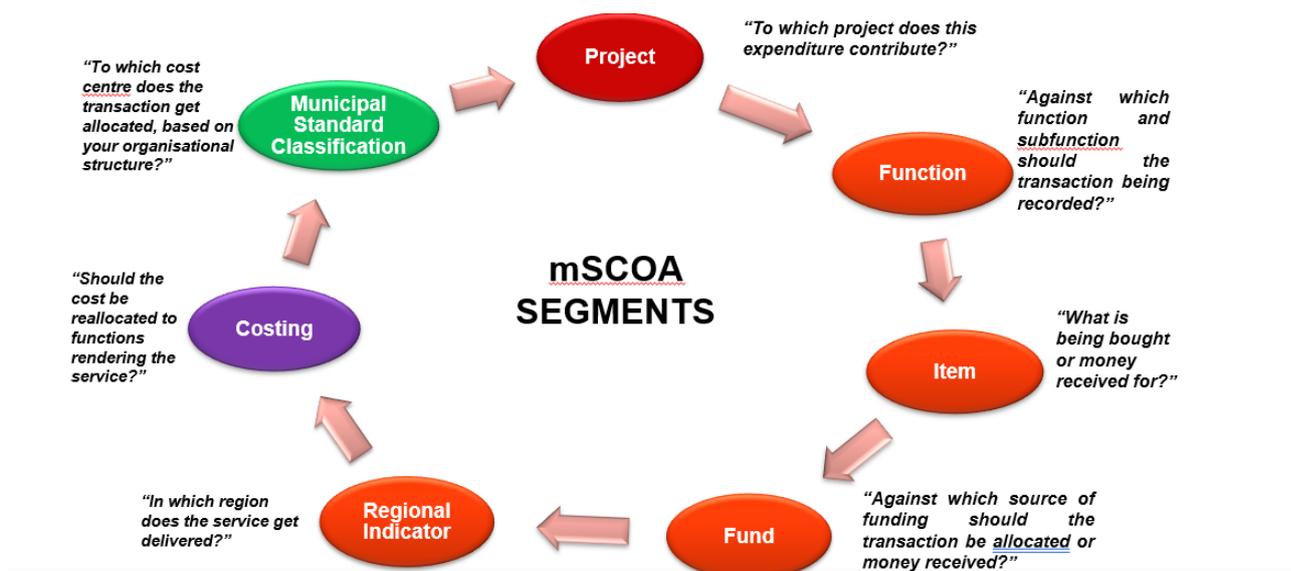
Improved transparency, accountability and governance through uniform recording of transactions at posting account level detail

mSCOA benefits

- Creates stability and consistency by providing a defined structure in the standard set of accounts
- Accurate recording of transactions, therefore reducing material misstatements
- Reduce the month/year end reconciliation processes and journals processed – more accurate and timely financial management impacting positively on audit opinions

- Improved quality of information for budgeting and evidence-based financial management in municipalities to allow for informed decision making
- Improved oversight function by Council as the required information will be tabled for policy decisions, tariff modelling, unfunded mandates and monitoring
- Enables pro-active and preventative support from national and provincial government because of the availability of credible, reliable and timely municipal information
- Ensure alignment between the IDP and budget and implementation of the IDP as all expenditure, both capital and operating, will be driven from a project perspective
- mSCOA relieves reporting fatigue and the cost of reporting - mSCOA does not fix historic information but going forward it forces credible information through its validation principles
- mSCOA provides a guide to minimum business processes in a municipality through the use of multiple segments. It therefore reforms the business of the municipality and not just its finances. This means:
 - Less need for the use of consultants since municipal officials implement business processes on-the-job
 - Consistent and unique skills development across municipalities that enables transition of resources between municipalities and across spheres of government
 - The cornerstone of mSCOA is proper planning and budgeting which improves transparency and accountability leading to a high level of service delivery
 - mSCOA because of the multi-dimensional reporting across segments, brings seamless alignment in the accountability cycle of a municipality
 - Improved measurement of the impact on service delivery in the community

mSCOA segments



Summary of Compliance Rating

mSCOA Audit City of Polokwane



1.8. Summary of Compliance Rating

The diagrams below shows the summary of mSCOA compliance per focus area.

1.8.1 System architecture



Low Compliance

1.8.2 Governance & Institutional Requirements



Compliance

1.8.3 System Functionality



Low Compliance

1.8.4 User Training & Proficiency



Compliance

POLOKWANE MUNICIPALITY MSCOA ROADMAP
Focus Area: Governance & Institutional

Indicators	Implementation Status	Implementation Challenges
Is there a functional mSCOA Steering Committee/structure to drive mSCOA?	There is a functional mSCOA steering committee which is chaired by the DCFO and Manager Budget (mSCOA champion). This committee comprises of more than 40 members from various SBU's	No implementation challenges encountered. The committee is very functional and works towards attaining the milestones as indicated in the roadmap
Is there a road map (action plan) to address gaps and challenges?	A detailed road map was developed and shared with NT. This roadmap also forms part of the mSCOA audit pack	Challenges that have been noted with regards to the integration of sub-systems. Plans are afoot to ensure full integration.
Is progress/ challenges reported to EXCO and Council?	All challenges are reported to council and EXCO when need arises. NT is also consulted in cases whereby advise is need	Delays in getting feedback from NT on how some challenges may be addressed
Has a suitably qualified System Administrator been appointed?	Yes, the municipality has two system administrators appointed with one vacant position on the organogram	No challenges
Is the required ICT policies and securities in place to implement mSCOA?	Yes, policies were reviewed to close the gaps identified during the mSCOA audit	No challenges

System Architecture		
Indicators	Implementation Status	Implementation Challenges
Is the ICT infrastructure (i.e. hardware, software and licences) adequate to run systems solution?	Servers, software and licenses are adequate . However, there is a need to upgrade the network infrastructure and some of the desktop computers	Budget constraints as the upgrade is needed in multiple offices.
Does the information from entities seamlessly integrated with the core EMS?	Partially integrated.	There are some challenges on the Opening Balances. C and F Schedules are running smoothly
Does the municipality generate consolidated budgets, IYM reports and AFS from the core EMS?	All budgets are prepared in the system. Munsoft has introduced Munsoft Reporting tool for IYM and Budgets. AFS are produced on Caseware using MSCOA template	No challenges on MUNSOFT Reporting and Caseware
Can the municipality generate the regulated schedules (A, B and C) from the EMS?	Munsoft Reporting Tool is capable to generate all schedules	None

Indicators	IDP Projects	Budget Management	SCM	Billing Receipting	General Ledger	Inventory	Asset Management	Payroll	Creditors
<u>Which of the following modules on the core EMS is used by the municipality?</u>									
If the module of the core EMS is not used, which 3rd party system is used?	N/A	N/A	N/A	N/A	N/A	N/A	Asset solve	Sage	N/A
Why is the core EMS functionality not used?	N/A	N/A	N/A	N/A	N/A	N/A	Implementation underway	No payroll module on the core financial module	N/A
Does the 3rd party system integrate seamlessly (no manual intervention) with the core EMS?	N/A	N/A	N/A	N/A	N/A	N/A	No	Yes	N/A

Annexure A

MULTI YEAR CAPITAL BUDGET



MULTI YEAR CAPITAL BUDGET	Funding Source	Budget Year 2023/24		Budget Year +1 2024/25		Budget Year +2 2025/26	
		VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE
Cluster- Chief Operations Office							
WIP Renovation of existing Cluster offices2700	CRR	-	-	301 605	346 846	158 812	182 634
WIP Upgrading of Mokolong centre (Aganang cluster)2700	CRR	-	-	301 118	346 286	198 515	228 292
WIP Upgrading of existing Cluster offices	CRR	-	-	305 502	351 327	264 687	304 390
WIP Construction of Segopje Mobile Service Centre	CRR	-	-	338 314	389 061	291 156	334 829
Construction of mobile service sites at Moletjie Cluster	CRR	-	-	435 029	500 283	463 203	532 683
Construction of mobile service sites at Mankweng Cluster	CRR	-	-	435 029	500 283	463 203	532 683
WIP Mobile service sites Rampheri Village	CRR	-	-	338 314	389 061	622 015	715 317
Construction? of new Cluster offices at Seshego	CRR	-	-	338 314	389 061	661 718	760 976
WIP Thusong Service Centre (TSC)2700	CRR	-	-	338 314	389 061	794 062	913 171
Construction of Municipal Depots in the Clusters (Mankwe	CRR	-	-	338 314	389 061	914 855	1 052 083
Construction of Municipal Depot in Moletjie	CRR	-	-	338 314	389 061	914 855	1 052 083
Construction of Municipal Depot in Sebayeng	CRR	-	-	338 314	389 061	914 855	1 052 083
Construction of Municipal Depot in Molepo/Chuene/Majacluster	CRR	-	-	338 314	389 061	914 855	1 052 083
Construction of Municipal Depot in Aganang cluster	CRR	-	-	338 314	389 061	914 855	1 052 083
Construction of Seshego Municipal Cluster Offices	IUDG	869 565	1 000 000	1 739 130	2 000 000	1 739 130	2 000 000
Total Cluster- Chief Operations Office		869 565	1 000 000	6 562 239	7 546 575	10 230 776	11 765 392
Facility Management- Corporate and Shared Services							
Refurbishment of Westernburg Hall3010	CRR	-	-	326 272	375 213	-	-
WIP Refurbishment of Nirvana Hall3010	CRR	-	-	380 650	437 748	-	-
Extension of the Fire and Traffic Training Facility at Lada	CRR	-	-	435 029	500 283	-	-
Upgrading of Seshego Library3010	CRR	-	-	435 029	500 283	-	-
WIP Construction of the City Multi-Functional Youth Development Centre (Planning	CRR	-	-	135 947	156 339	317 625	365 269
WIP Extension of offices at Ladanna electrical workshop	CRR	-	-	326 272	375 213	172 047	197 854
Upgrading of Show ground facility	CRR	-	-	326 272	375 213	172 047	197 854
WIP Upgrading of Traffic Logistics Offices3010	CRR	-	-	380 650	437 748	185 281	213 073
WIP Refurbishment of City Library and Auditorium3010	CRR	-	-	407 840	469 016	198 515	228 292
Refurbishment of Mankweng Library	CRR	-	-	815 679	938 031	-	-
Library Dikgale	CRR	-	-	326 272	375 213	529 374	608 780
WIP Renovation of offices3010	CRR	434 783	500 000	299 082	343 944	145 578	167 415
WIP Aganang Cluster offices refurbishment	CRR	434 783	500 000	326 272	375 213	158 812	182 634
WIP Refurbishment of Mike's Kitchen Building	CRR	-	-	380 650	437 748	569 077	654 439
Library Aganang3010	CRR	-	-	516 597	594 087	436 734	502 244
WIP Municipal Furniture and Office Equipment3010	CRR	468 916	539 253	326 272	375 213	158 812	182 634
WIP Construction of the integrated Control Center at Traffic La	CRR	-	-	380 650	437 748	727 890	837 074
Refurbishment of the City Pool3010	CRR	388 620	446 913	435 029	500 283	330 859	380 488
Fencing of New Council Chamber Precinct Area from VIC to th	CRR	1 304 348	1 500 000	217 515	250 142	-	-
Construction of Mankweng Water and Sanitation Centre	CRR	-	-	489 405	562 816	1 124 923	1 293 661
WIP Civic Centre refurbishment3010	CRR	869 565	1 000 000	543 786	625 354	330 859	380 488

MULTI YEAR CAPITAL BUDGET	Funding Source	Budget Year 2023/24		Budget Year +1 2024/25		Budget Year +2 2025/26	
		VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE
WIP Upgrading of Jack Botes Hall	CRR	1 304 348	1 500 000	326 272	375 213	198 515	228 292
WIP Construction of Mankweng Traffic and Licensing Testing Cen	CRR	-	-	1 262 947	1 452 389	727 890	837 074
Refurbishment of Municipal Public toilets3010	CRR	6 000 000	6 900 000	353 461	406 480	198 515	228 292
Total Facility Management- Corporated and Shared Service		11 205 363	12 886 167	10 153 850	11 676 928	6 683 353	7 685 856
Roads & Stormwater - Transport Services							
WIP Rehabilitation of streets in Seshego Cluster (Vukuphile)323	CRR	320 036	368 041	333 886	383 969	-	-
Lining of Earth 500m earth channel near Maseala Primary school	CRR	-	-	720 908	829 044	-	-
WIP Upgrading of storm water system in municipal area (Vukuphil	CRR	287 213	330 295	316 174	363 600	167 131	192 201
WIP Refurbishment of Street Names Boards	CRR	405 945	466 837	537 576	618 212	118 580	136 367
WIP Paving of streets in Molepo	CRR	-	-	515 436	592 751	621 440	714 656
WIP Paving of streets in Aganang Cluster	CRR	-	-	515 436	592 751	621 440	714 656
WIP Paving of streets in Moletjie Cluster	CRR	-	-	515 436	592 751	621 440	714 656
WIP Paving of streets in Seshego Cluster	CRR	-	-	515 436	592 751	621 440	714 656
WIP Paving of streets in Sebayeng /Dikgale Cluster	CRR	-	-	515 436	592 751	621 440	714 656
WIP Paving of streets in Mankweng Cluster	CRR	-	-	515 436	592 751	621 440	714 656
WIP Upgrading of storm water system in Mankweng Unit G next to LG	CRR	-	-	-	-	1 257 263	1 445 852
Paving of Dwars Street Connecting ext 40 and 78	CRR	-	-	815 679	938 031	621 440	714 656
Upgrading of Storm Water in Seshego	CRR	291 902	335 687	641 203	737 383	661 718	760 976
Roads 20 ton Excavator	CRR	2 367 693	2 722 847	-	-	-	-
Roads 4 Ton Truck	CRR	2 403 939	2 764 530	-	-	-	-
WIP Upgrading of storm water system in Laboria next to Jumbo	CRR	-	-	1 651 718	1 899 476	1 124 920	1 293 658
WIP Rehabilitation of Hans Van Rensburg from Hospital to Suid	CRR	-	-	-	-	2 895 017	3 329 270
WIP Rehabilitation of Rabe from Oost to Bok	CRR	-	-	-	-	2 895 017	3 329 270
WIP Rehabilitation of Jorrisen from Munnik Ave to Dahl	CRR	-	-	-	-	2 895 017	3 329 270
Rehabilitation of Beryl from Veldspaat to Mangnesiet	CRR	-	-	-	-	2 895 017	3 329 270
Rehabilitation of Blaauberg from Bulawayo to Doloriet	CRR	-	-	-	-	2 895 017	3 329 270
Rehabilitation of Burger from Hospital to Suid	CRR	-	-	-	-	2 895 017	3 329 270
WIP Rehabilitation of Bodenstein from Schoeman to Oost	CRR	-	-	1 087 574	1 250 710	2 895 017	3 329 270
WIP Rehabilitation of Mohlala from Excelsior to Industrial	CRR	-	-	1 087 574	1 250 710	2 895 017	3 329 270
Roads Motor Grader 6x4	CRR	5 153 307	5 926 303	-	-	-	-
WIP Construction of Non-Motorised Transpor	CRR	4 420 174	5 083 200	506 580	582 567	595 546	684 878
Refurbishment of Damaged Road signage in the City	CRR	301 279	346 471	320 602	368 692	344 093	395 707
WIP Upgrading of road from Ralema primary school via Krukutje	IUDG	3 780 718	4 347 826	6 049 149	6 956 521	4 083 176	4 695 652
WIP Construction of Storm Water in Ga Semanya3230	IUDG	2 937 618	3 378 261	3 478 261	4 000 000	-	-
Tarring of Road from Tshebela to Moshate	IUDG	4 536 862	5 217 391	3 024 575	3 478 261	5 217 391	6 000 000
Paving of internal street at Disteneng-	IUDG	-	-	3 024 575	3 478 261	3 024 575	3 478 261
Paving of road from Sengatane (D3330) to Chebeng(ward 09)	IUDG	-	-	2 722 118	3 130 436	3 561 437	4 095 653
Paving of Bloodriver main road via Mulautsi high school to agriculture houses (w	IUDG	-	-	2 722 118	3 130 436	3 561 437	4 095 653
Paving of streets in Benharris from Zebediela to D19(ward 08)	IUDG	-	-	2 722 118	3 130 436	3 561 437	4 095 653
WIP Upgrading of internal street from gravel to tar in Mankweng Unit A	IUDG	-	-	2 722 118	3 130 436	3 561 437	4 095 653

MULTI YEAR CAPITAL BUDGET	Funding Source	Budget Year 2023/24		Budget Year +1 2024/25		Budget Year +2 2025/26	
		VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE
WIP Upgrading of Storm water Channel at Thutu Street at Seshego zone 4	IUDG	756 143	869 564	2 722 118	3 130 436	2 956 522	3 400 000
Rehabilitation of Crescent and Orient drive in Nirvana	IUDG	1 814 745	2 086 957	2 722 118	3 130 436	2 956 522	3 400 000
WIP Upgrading of Storm Water in Sterpar	IUDG	2 268 431	2 608 696	2 722 118	3 130 436	2 956 522	3 400 000
Paving of internall streets in Mountain view	IUDG	1 739 130	2 000 000	2 722 118	3 130 436	3 561 437	4 095 653
Paving of internal ring roads to University road in Toronto	IUDG	1 304 348	1 500 000	2 722 118	3 130 436	4 695 652	5 400 000
Paving of internal street from Solomondale to D3997 (ward 32)	IUDG	3 024 575	3 478 261	2 722 118	3 130 436	3 561 437	4 095 653
Paving of AKI streets in RDP section SDA1 (Lithuli)	IUDG	2 050 662	2 358 261	3 024 575	3 478 261	5 217 391	6 000 000
Paving of 54th and 58th avenue in Seshego Zone 2	IUDG	3 780 718	4 347 826	3 024 575	3 478 261	4 347 826	5 000 000
Planning for Paving of internal streets in Seshego Zone 1	IUDG	4 626 888	5 320 921	3 024 575	3 478 261	4 347 826	5 000 000
Paving of internal streets at Mankgaile	IUDG	5 293 006	6 086 957	3 024 575	3 478 261	4 083 176	4 695 652
Paving of internal street connecting 137th and Helen Joseph roads in Seshego Zon	IUDG	6 049 149	6 956 521	3 024 575	3 478 261	3 478 261	4 000 000
Paving of 57th street in Seshego Zone 4	IUDG	5 293 006	6 086 957	3 024 575	3 478 261	4 347 826	5 000 000
Paving of 67th	IUDG	5 293 006	6 086 957	3 024 575	3 478 261	4 347 826	5 000 000
Paving of internal street from the hostel to Oliver Tambo road in Seshego Zone 6	IUDG	5 293 006	6 086 957	3 024 575	3 478 261	4 347 826	5 000 000
Planning for Paving of internal streets in Seshego Zone 5	IUDG	5 293 006	6 086 957	3 024 575	3 478 261	4 347 826	5 000 000
Paving of Cebio and Lemur streets in Westernburg RDP Section Phase 2	IUDG	6 049 149	6 956 521	3 024 575	3 478 261	4 083 176	4 695 652
WIP Upgrading of arterial road from Ditshweneng to Maja Moshate	IUDG	2 823 063	3 246 523	2 739 287	3 150 180	4 824 259	5 547 898
Paving of internal street in Gadikgale (Moshate)	IUDG	869 565	1 000 000	2 608 696	3 000 000	-	-
WIP Upgrading of stormwater in Polokwane ext 76	IUDG	1 512 287	1 739 130	2 608 696	3 000 000	2 608 696	3 000 000
Paving of internal street in Moletjie Ga-Makibelo to Hlahla ring road(ward 38)	IUDG	3 024 575	3 478 261	2 268 431	2 608 696	4 083 176	4 695 652
Sports Complex Laastehoop	IUDG	-	-	1 304 348	1 500 000	1 304 348	1 500 000
Greening Programme for Disteneng	IUDG	434 783	500 000	608 696	700 000	869 565	1 000 000
Drilling of Boreholes at (Disteneng)	IUDG	2 173 913	2 500 000	-	-	-	-
Upgrading of streets in Nirvana extension	IUDG	3 478 261	4 000 000	-	-	-	-
Paving of streets in Sebayeng /Dikgale Cluster (Ward 29) Pa	IUDG	4 347 826	5 000 000	-	-	-	-
Paving of internal streets in Seshego Cluster (Ward 14)	IUDG	4 347 826	5 000 000	-	-	-	-
Paving of streets in Aganang Cluster (Ward 45) Paving of in	IUDG	4 347 826	5 000 000	-	-	-	-
Paving of streets in Mankweng Cluster(Ward 7 and 27) Paving	IUDG	4 347 826	5 000 000	-	-	-	-
Paving of streets in Moletjie Cluster (ward 35) (Paving of	IUDG	4 347 826	5 000 000	-	-	-	-
Paving of streets in SDA1 (Paving of Dwars Street connectin	IUDG	4 347 826	5 000 000	-	-	-	-
Construction of overhead bridge at Outspan street	IUDG	-	-	-	-	4 347 826	5 000 000
Construction of overhead bridge at Southern Gateway	IUDG	-	-	-	-	4 347 826	5 000 000
Construction of Safe Hub	NDPG	869 565	1 000 000	-	-	-	-
Construction of Access Roads	NDPG	869 565	1 000 000	-	-	-	-
WIP Hospital view additional roads	NDPG	4 559 409	5 243 320	4 045 369	4 652 174	3 478 261	4 000 000
WIP Nelson Mandela Bo-okelo Crossing	NDPG	10 592 187	12 181 015	6 522 037	7 500 343	6 086 956	6 999 999
WIP Stormwater Canal	NDPG	11 081 447	12 743 664	6 823 898	7 847 483	7 826 087	9 000 000
Total Roads & Stormwater -Transport Services		155 511 230	178 837 915	113 685 038	130 737 794	161 764 409	140 664 704
Water Supply and reticulation - Water and Sanitation Services							
Water 1 X TLB Bobcat	CRR	650 000	747 500	-	-	-	-

MULTI YEAR CAPITAL BUDGET	Funding Source	Budget Year 2023/24		Budget Year +1 2024/25		Budget Year +2 2025/26	
		VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE
Water 2X Double Cab 4x4 Diesel LDV 2.2lt or 110kw Upwards	CRR	2 400 000	2 760 000	-	-	-	-
Water 15X Double Cab 4x2 Diesel LDV 2.2lt or 110kw Upwards (with police type ca	CRR	7 500 000	8 625 000	-	-	-	-
Installation of Prepaid Water Meters at Seshego Cluster(Phase 2)	CRR	-	-	1 359 466	1 563 386	794 062	913 171
Installation of Prepaid Water Meters at Mankweng ward 25 and 26	CRR	1 295 399	1 489 709	1 903 252	2 188 740	992 577	1 141 464
Water Tractor 4 x 4 with grass slasher	CRR	1 500 000	1 725 000	-	-	-	-
WIP Aganang RWS (2) (Mahoi and Rammetloana ceres and Sechaba	IUDG	11 860 670	13 639 771	16 664 385	19 164 043	8 695 652	10 000 000
WIP Mashashane Water Works33600	IUDG	9 510 397	10 936 957	8 998 110	10 347 827	10 222 816	11 756 238
WIP Mankweng RWS phase 1033600	IUDG	3 780 718	4 347 826	8 128 544	9 347 826	7 716 083	8 873 495
WIP Boyne RWS phase 1033600	IUDG	8 998 110	10 347 826	8 128 544	9 347 826	9 565 217	11 000 000
WIP Laastehoop RWS phase 1033600	IUDG	3 780 718	4 347 826	7 145 557	8 217 391	8 510 168	9 786 693
Houtriver RWS	IUDG	7 901 702	9 086 957	7 145 557	8 217 391	5 217 391	6 000 000
WIP Chuene Maja RWS phase 933600	IUDG	8 998 110	10 347 827	7 145 557	8 217 391	4 347 826	5 000 000
WIP Sebayeng/Dikgale RWS 233600	IUDG	5 293 006	6 086 957	7 145 557	8 217 391	8 299 830	9 544 805
WIP Moletjie East RWS 233600	IUDG	7 513 043	8 639 999	7 145 557	8 217 391	7 826 087	9 000 000
WIP Mothapo RWS33600	IUDG	8 771 267	10 086 957	7 145 557	8 217 391	7 712 570	8 869 456
WIP Molepo RWS phase 1033600	IUDG	8 998 110	10 347 827	7 145 557	8 217 391	7 977 643	9 174 289
WIP Olifantspoort RWS (Mmotong wa Perekisi) 233600	IUDG	9 396 976	10 806 522	7 145 557	8 217 391	9 565 217	11 000 000
Polokwane Bulk Water Supply	RBIG	43 997 391	50 597 000	22 620 000	26 013 000	56 964 348	65 509 000
WIP Badimong RWS phase 1033600 roll over	WSIG	2 608 696	3 000 000	-	-	-	-
Construction of VIP at Maripathegong village	WSIG	-	-	2 608 696	3 000 000	2 608 696	3 000 000
Thakgalang Rural Sanitation Phase 1	WSIG	8 695 652	10 000 000	-	-	-	-
WIP Moletjie North RWS33600	WSIG	5 293 006	6 086 957	3 478 261	4 000 000	4 347 826	5 000 000
WIP Moletjie South RWS33600	WSIG	9 587 901	11 026 086	5 217 391	6 000 000	3 478 261	4 000 000
Kalkspruit Water Supply(Aganang)	WSIG	2 476 370	2 847 826	4 681 021	5 383 174	41 467 863	47 688 042
WIP Bakone RWS	WSIG	11 871 456	13 652 174	30 110 397	34 626 957	9 240 832	10 626 957
WIP Aganang RWS (3)	WSIG	22 684 310	26 086 957	20 748 582	23 860 869	8 695 652	10 000 000
Total Water Supply and reticulation - Water and Sanitation Services		215 363 008	247 667 459	191 811 105	220 582 771	224 246 617	257 883 610
Sewer Reticulation - Water and Sanitation Service							
WIP Regional waste Water treatment plant33350	RBIG	96 471 304	110 942 000	86 956 522	100 000 000	78 260 870	90 000 001
Sewer Combination Trucks/Super Suckers	CRR	5 000 000	5 750 000	2 447 038	2 814 094	1 257 264	1 445 854
Total Sewer Reticulation - Water and Sanitation		101 471 304	116 692 000	89 403 560	102 814 094	79 518 134	91 445 854
Energy Services - Energy							
Retrofit Street Lights in the Municipal area with Solar ligh	CRR	-	-	1 739 130	2 000 000	-	-
WIP Electrification Of Urban Households in Extension 40	CRR	-	-	1 739 130	2 000 000	-	-
Installation of Apollo lights at Westerberg (Grand Canyon St	CRR	-	-	1 739 130	2 000 000	-	-
WIP Replacement of Oil RMU's and Substation switchgear	CRR	-	-	-	-	2 173 913	2 500 000
Electrification of Urban household?s in Seshego Zone 8 Exte	CRR	1 304 348	1 500 000	1 304 348	1 500 000	-	-
WIP Retrofit high mast lights with LED lights	CRR	1 304 348	1 500 000	1 304 348	1 500 000	-	-

MULTI YEAR CAPITAL BUDGET	Funding Source	Budget Year 2023/24		Budget Year +1 2024/25		Budget Year +2 2025/26	
		VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE
Installation of Solar Street lights along Matlala road	CRR	1 739 130	2 000 000	1 739 130	2 000 000	-	-
Installation of street lights along Nelson Mandela Drive fr	CRR	1 739 130	2 000 000	1 739 130	2 000 000	1 739 130	2 000 000
Installation of Solar System at the New Peter Mokaba Stadium	CRR	2 608 696	3 000 000	1 739 130	2 000 000	1 739 130	2 000 000
WIP Design and construct 66kV line between Alpha and Matlala substations	CRR	869 565	1 000 000	8 695 652	10 000 000	-	-
Installation of High Mast lights-(Rural Areas)	CRR	4 782 609	5 500 000	4 782 609	5 500 000	5 217 391	6 000 000
WIP Design and construction 66kV Distribution substation Matlala	CRR	21 346 146	24 548 068	17 419 386	20 032 294	20 815 547	23 937 879
WIP Refurbishing of Ivydale networks	CRR	1 304 348	1 500 000	-	-	-	-
LV Networks:Installation of street lights in the CBD street	CRR	-	-	-	-	1 739 130	2 000 000
Increase license area assets34400	CRR	-	-	1 304 348	1 500 000	1 304 348	1 500 000
Plant and Equipment34400	CRR	1 304 348	1 500 000	1 304 348	1 500 000	1 304 348	1 500 000
Design and Construction of New Pietersburg 11kv substation	CRR	4 347 826	5 000 000	-	-	-	-
Acquisition of fleet- Cherry Picker	CRR	2 173 913	2 500 000	2 173 913	2 500 000	-	-
SCADA on RTU34400	CRR	3 478 261	4 000 000	3 478 261	4 000 000	4 347 826	5 000 000
WIP Upgrade Gamma Substation and install additional 20MVA trans	CRR	-	-	5 217 391	6 000 000	13 043 478	15 000 000
WIP Install New Bakone to IOTA 66KV double circuit GOAT line	CRR	17 391 304	20 000 000	14 782 609	17 000 000	21 739 130	25 000 000
LDV LIGHT DELIVERY VEHICLE	CRR	-	-	3 478 260	3 999 999	-	-
WIP Replacement of Streetlights and design of PV systems on Municipal Buildings	EEDSM	3 478 261	4 000 000	4 347 826	5 000 000	4 347 826	5 000 000
WIP Electrification Of Urban Households in Extension 40	INEP	-	-	-	-	5 918 261	6 806 000
Electrification Of Urban Households in Extension 76 (Disteneng)	INEP	-	-	4 347 826	5 000 000	2 608 696	3 000 000
Electrification of Urban household?s in Seshego Zone 8 Exte	INEP	14 922 609	17 161 000	11 304 348	13 000 000	-	-
WIP Install New Bakone to IOTA 66KV double circuit GOAT line	IUDG	9 434 783	10 850 000	17 391 304	20 000 000	17 391 304	20 000 000
Total Energy Services - Energy		93 529 625	107 559 068	113 071 557	130 032 291	105 429 458	121 243 877
				-	-	-	-
Disaster and Fire - Public Safety							
Obsolete fire equipment: Lighting and high mast	CRR	-	-	307 938	354 129	149 889	172 372
Flir/Thermal Imaging Camera	CRR	-	-	307 053	353 111	162 692	187 096
New Breathing Apparatus	CRR	-	-	307 938	354 129	163 123	187 591
Gas detection equipment	CRR	-	-	307 938	354 129	163 123	187 591
New skid units	CRR	-	-	310 153	356 676	164 201	188 831
65 and 100 mm Large Fire bore hoses with stortz coupling	CRR	-	-	303 028	348 482	173 941	200 032
6 floto pumps2600	CRR	-	-	306 249	352 186	175 205	201 486
Compressors	CRR	-	-	316 795	364 314	167 434	192 549
38mm small Fire hoses with instantaneous couplings	CRR	-	-	312 852	359 780	177 099	203 664
Resuscitation equipment	CRR	-	-	305 724	351 583	187 807	215 978
6 Electric seimisable portable pump2600	CRR	-	-	329 936	379 426	175 957	202 351
Planning for Construction of New Fire Station at Molepo/Chuene/Maja Cluster (Pla	CRR	-	-	321 223	369 406	196 018	225 421
New Moletji Fire Station (Planning)	CRR	-	-	343 984	395 582	181 521	208 749
Upgrading of Fire Training facility2600	CRR	-	-	341 770	393 036	193 492	222 516
Industrial lifting rescue equipment 2600	CRR	-	-	362 317	416 665	189 592	218 031
Extension of Silicon Fire station2600	CRR	-	-	375 601	431 941	196 058	225 467
New Matlala Fire station2600	CRR	-	-	407 219	468 302	209 252	240 640

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		VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE
Miscellaneous equipment and gear/ Ancillary equipment	CRR	292 642	336 538	330 378	379 935	175 957	202 351
16 x Multipurpose branches(Monitors)2600	CRR	321 141	369 312	305 846	351 723	190 515	219 092
Rescue ropes/high angle2600	CRR	585 285	673 078	337 086	387 649	175 957	202 351
Industrial Fire Fighting portable Pumps	CRR	622 466	715 836	364 531	419 211	189 386	217 794
Acquisition of fire Equipment2600	CRR	586 049	673 956	305 806	351 677	334 017	384 120
Hydraulic equipment	CRR	1 584 210	1 821 842	311 684	358 437	176 468	202 938
Total Disaster and Fire - Public Safety		3 991 793	4 590 562	7 523 049	8 651 506	4 268 704	4 909 010
Traffic & Licencing - Public Safety							
Procurement of 2 x equipped mobile Bus	CRR	1 082 016	1 244 318	1 154 708	1 327 914	1 349 905	1 552 391
Upgrading of City traffic & licencing centre	CRR	3 254 521	3 742 699	3 288 071	3 781 282	2 117 498	2 435 123
Procurement of office cleaning equipment?s41400	CRR	-	-	200 000	230 000	-	-
Purchase alcohol testers41400	CRR	-	-	-	-	260 870	300 001
Installation of Traffic Lights Within City CBD	CRR	725 423	834 236	734 112	844 229	529 374	608 780
Total Traffic & Licencing - Public Safety		5 061 960	5 821 254	5 376 891	6 183 425	4 257 647	4 896 294
Environmental Management - Community Services							
Upgrading of Tom Naude Park43300	CRR	-	-	-	-	264 687	304 390
WIP Upgrading of Mankweng Unit C Park	CRR	-	-	261 795	301 064	198 515	228 292
WIP Upgrading of Mankweng Unit A Park	CRR	-	-	261 795	301 064	198 515	228 292
Purchase of Watering Tanks for Street Trees	CRR	-	-	543 786	625 354	-	-
Development of Heroes Acre in Silicon Cemetery	CRR	-	-	325 030	373 785	264 687	304 390
Fencing of municipal parks43300	CRR	-	-	261 795	301 064	397 031	456 586
Upgrading of Environ-mental Education Centre43300	CRR	-	-	815 679	938 031	-	-
Purchase of land for New Mankweng Cemetery	CRR	-	-	338 314	389 061	529 374	608 780
WIP Paving of internal Street at Silicon Cemetery	CRR	-	-	543 786	625 354	330 859	380 488
Upgrading of perimeter fence at Game Reserve	CRR	-	-	407 840	469 016	529 374	608 780
WIP Construction of Ablution facilities at Tom Naude Park	CRR	725 423	834 236	679 733	781 693	-	-
WIP Upgrading of municipal nursery (cooling system and construction of propagat	CRR	928 922	1 068 260	230 799	265 419	264 687	304 390
4 X Security Tractor 4X4 with hydraulic System 75HP	CRR	2 293 850	2 637 928	-	-	-	-
WIP Upgrading of Game Reserve facilities	CRR	1 304 348	1 500 000	1 087 573	1 250 709	-	-
Grass cutting equipment?s43300	CRR	2 608 696	3 000 000	257 988	296 686	264 687	304 390
Development of a regional parks In Rural Areas	IUDG	894 657	1 028 856	1 172 023	1 347 826	2 608 696	3 000 000
WIP Greening programme	IUDG	1 024 575	1 178 261	529 301	608 696	1 739 130	2 000 000
Total Environmental Management - Community Services		9 780 471	11 247 542	7 717 237	8 874 823	7 590 242	8 728 778
By-Law Enforcement -Public Safety							
Supply of flags	CRR	-	-	54 379	62 536	-	-
Supply and installation of prohibited signs	CRR	-	-	67 973	78 169	-	-
Fiber splicing equipment	CRR	-	-	-	-	104 551	120 234
CCTV and Access control maintenance tool Kit	CRR	83 376	95 882	-	-	105 875	121 756

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		VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE
Provision two way radios	CRR	216 641	249 137	140 375	161 431	95 287	109 580
Purchase of firearms	CRR	173 913	200 000	260 645	299 742	158 812	182 634
Supply and Delivery of guard houses	CRR	286 041	328 947	305 103	350 868	291 156	334 829
Provision of access control equipment	CRR	434 783	500 000	543 786	625 354	370 562	426 146
Installation of CCTV cameras within the City CBD/ INSTALLATION OF CCTV CAMERA & FIBRE NETWORK	CRR	694 179	798 306	679 733	781 693	397 031	456 586
Total By-Law Enforcement - Public Safety		1 888 933	2 172 273	2 051 994	2 359 793	1 523 274	1 751 765
Waste Management - Community Services							
Construction of ramp at Dikgale transfer station	CRR	-	-	-	-	198 515	228 292
Mankweng depot truck wash bay	CRR	290 964	334 609	-	-	-	-
Seshego depot truck wash bay	CRR	291 433	335 148	-	-	-	-
Purchase of truck washing machines	CRR	310 304	356 550	-	-	-	-
Construction of septic tank at Mankweng transfer station	CRR	434 783	500 000	-	-	-	-
Purchase of street pavement bins	CRR	-	-	321 223	369 406	198 515	228 292
Extension of boardroom at waste offices	CRR	-	-	543 786	625 354	-	-
Purchase of Educational and Awareness equipment	CRR	434 783	500 000	310 153	356 676	-	-
WIP control No dumping Boards43400	CRR	434 783	500 000	266 844	306 871	66 172	76 098
Gates and parameter fence at Ladanna depot	CRR	-	-	815 679	938 031	-	-
Procurement of Concrete Street Bins	CRR	-	-	679 733	781 693	158 812	182 634
WIP Seshego transfer station	CRR	-	-	299 082	343 944	860 233	989 268
WIP Westernburg Transfer Station	CRR	-	-	299 082	343 944	860 236	989 271
240 litre bins43400	CRR	869 565	1 000 000	380 650	437 748	198 515	228 292
6 &9 M3 Skip containers43400	CRR	1 304 348	1 500 000	380 650	437 748	198 515	228 292
Extension of landfill site(Weltevrede)43400	CRR	869 565	1 000 000	471 155	541 828	661 718	760 976
2X Waste TLB Bobcat	CRR	2 586 080	2 973 992	-	-	-	-
2X Security TLB Backhole	CRR	3 478 482	4 000 254	-	-	-	-
2 x Waste 12 Ton 6x4 wheel refuse skip loader truck 6 Cylinder turbo diesel eng	CRR	4 166 140	4 791 061	-	-	-	-
2 x Waste 6x4 16 Ton RORO with an 11 Ton meter hydraulic crane refuse truck.(ROR	CRR	5 510 786	6 337 404	-	-	-	-
Ga- Maja transfer station	IUDG	869 565	1 000 000	1 512 287	1 739 130	4 782 609	5 500 000
Ga- Chuene transfer station	IUDG	869 565	1 000 000	1 512 287	1 739 130	5 652 174	6 500 000
Molepo Transfer Station	IUDG	434 783	500 000	-	-	-	-
Total Waste Management - Community Services		23 155 929	26 629 319	7 792 611	8 961 503	13 836 014	15 911 416
Sport & Recreation - Community Services							
WIP Nirvana stadium outside field and ablution facilities	CRR	-	-	347 170	399 246	-	-
Procurement of Conference Table and Chairs for (Peter Mokaba Basement Boardroom	CRR	-	-	319 009	366 860	189 251	217 639
Nirvana Soccer Grounds and Cricket Grounds Refurbishment	CRR	-	-	310 417	356 980	232 925	267 864
Establishment of artificial grass surfaces in stadiums	CRR	-	-	338 314	389 061	475 775	547 141
WIP Construction of clear view fencing around the playing areas.	CRR	-	-	347 170	399 246	526 728	605 737
Grass Cutting equipment45100	CRR	597 651	687 299	316 174	363 600	180 366	207 421

MULTI YEAR CAPITAL BUDGET	Funding Source	Budget Year 2023/24		Budget Year +1 2024/25		Budget Year +2 2025/26	
		VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE
Procurement of fields maintenance equipment?s	CRR	672 893	773 827	338 314	389 061	330 859	380 488
Procurement of Sports Fields Poles and Nets	CRR	644 759	741 473	338 314	389 061	488 348	561 600
Refurbishment of the Westernburg Swimming Pool	CRR	-	-	543 786	625 354	330 859	380 488
Refurbishment of the Seshego Swimming Pool	CRR	-	-	543 786	625 354	394 384	453 542
Refurbishment of the Nirvana Swimming Pool	CRR	967 146	1 112 218	407 840	469 016	262 040	301 346
Upgrading of Seshego Stadium	CRR	1 739 130	2 000 000	1 739 130	2 000 000	1 739 130	2 000 000
Fencing of Molepo Dam	CRR	-	-	4 347 826	5 000 000	8 695 652	10 000 000
Construction of Sebayeng / Dikgale Sport Complex45100	IUDG	2 532 325	2 912 174	7 523 887	8 652 470	-	-
Molepo Sports Complex	IUDG	6 956 522	8 000 000	1 739 130	2 000 000	1 739 130	2 000 000
WIP Upgrading of Mankweng Stadium-roadworks	IUDG	1 266 541	1 456 522	-	-	-	-
WIP Construction of Softball stadium in City Cluster45100	IUDG	4 347 826	5 000 000	-	-	-	-
WIP EXT 44/78 Sports and Recreation Facility45100	IUDG	5 293 006	6 086 957	-	-	-	-
Total Sport & Recreation - Community Services		25 017 799	28 770 469	19 500 268	22 425 308	15 585 448	17 923 265
Cultural Services - Community Services							
Purchase of the fridge for the museum	CRR	50 921	58 559	-	-	-	-
Purchase of the museum shelves	CRR	-	-	217 515	250 142	79 406	91 317
New exhibition Irish House46400	CRR	-	-	307 317	353 415	198 515	228 292
Pur-chase of Art works46400	CRR	-	-	326 272	375 213	211 750	243 513
Public Art sculpture46400	CRR	-	-	325 651	374 499	264 687	304 390
installation of the Boardwalk at Bakone Malapa	CRR	-	-	325 651	374 499	330 859	380 488
Collection development -books46400	CRR	291 902	335 687	305 103	350 868	158 812	182 634
Total Cultural Services - Community Services		342 823	394 246	1 807 509	2 078 635	1 244 029	1 430 633
Information Services - Corporate and Shared Services							
WIP Implementation of ICT Strategy5210	CRR	249 464	286 884	258 252	296 990	198 515	228 292
Provision of Laptops PCs and Peripheral Devices5210	CRR	466 344	536 296	380 650	437 748	397 031	456 586
WIP Network Upgrade5210	CRR	362 712	417 119	407 840	469 016	794 062	913 171
Total Information Services - Corporate and Shared Services		1 078 520	1 240 298	1 046 742	1 203 753	1 389 608	1 598 049
City Planning - Planning and Economic Development							
WIP Establishment of Arts and Cultural HUB at Bakoni Malapa	CRR	86 957	100 000	-	-	-	-
WIP Implementation of the ICM program (IUDF)	CRR	130 435	150 000	-	-	-	-
WIP Upgrading of the R293 area Townships	CRR	-	-	-	-	252 515	290 392
Development of the Agro-processing/Logistics Hub or Special Economic Zone	CRR	-	-	-	-	397 031	456 586
WIP Township establishment at portion 151-160 of the Farm Sterkloop 688 LS	CRR	576 252	662 690	-	-	-	-
Township establishment on various municipal farm portions	CRR	-	-	1 558 460	1 792 229	1 739 130	2 000 000
WIP Township Establishment for the Eco-estate at Game Reserve	CRR	2 150 076	2 472 587	2 260 870	2 600 000	1 304 348	1 500 000
WIP Provision of short term engineering services for Bakone Malapa	IUDG	7 561 437	8 695 653	7 561 437	8 695 653	6 086 956	6 999 999
Total City Planning - Planning and Economic Development		10 505 156	12 080 930	11 380 767	13 087 882	9 779 980	11 246 978

MULTI YEAR CAPITAL BUDGET	Funding Source	Budget Year 2023/24		Budget Year +1 2024/25		Budget Year +2 2025/26	
		VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE
Councillors							
Purchase of Vehicles for Office Bearers (Mayor and Speaker)	CRR	3 400 000	3 910 000	-	-	-	-
Total Councillors		3 400 000	3 910 000	-	-	-	-
GIS - Planning and Economic Development							
WIP Post Incubation Hub-Installation of services at the Township	CRR	1 108 401	1 274 661	1 091 461	1 255 180	-	-
Total GIS - Planning and Economic Development		1 108 401	1 274 661	1 091 461	1 255 180	-	-
Budget and Treasury Office							
SCM Forklift	CRR	580 000	667 000	-	-	-	-
Total Budget and Treasury Office		580 000	667 000	-	-	-	-
Fleet Management - Corporate and Shared Services							
2X security Panel van	CRR	1 260 000	1 449 000	-	-	-	-
Purchase of Water Tanker Trucks x10	CRR	-	-	2 256 713	2 595 220	1 098 452	1 263 220
Acquisition of fleet - Refuse Trucks	CRR	17 787 277	20 455 369	322 059	370 368	1 036 098	1 191 513
Total Fleet Management - Corporate and Shared Services		19 047 277	21 904 369	2 578 772	2 965 588	2 134 550	2 454 733
Total - Transport Services							
WIP Environmental Management in Polokwane City6100	PTNG	1 304 348	1 500 000	1 227 757	1 411 921	1 304 348	1 500 000
WIP Ditlou intersection	PTNG	3 043 478	3 500 000	869 565	1 000 000	-	-
WIP Environmental Management Seshego & SDA16100	PTNG	1 304 348	1 500 000	1 304 348	1 500 000	1 304 348	1 500 000
WIP Occupational Health & Safety (OHS) Management	PTNG	1 304 348	1 500 000	1 637 010	1 882 562	1 739 130	2 000 000
Control Centre	PTNG	2 782 609	3 200 000	2 173 913	2 500 000	1 739 130	2 000 000
WIP Refurbishment of Daytime Layover Buildings	PTNG	6 521 739	7 500 000	1 637 010	1 882 562	-	-
Walk-in centre (refurbishment)	PTNG	5 739 130	6 600 000	3 247 360	3 734 464	1 875 503	2 156 828
WIP widening of sandriver bridge(trunk)	PTNG	6 521 739	7 500 000	4 782 609	5 500 000	-	-
WIP Construction of bus depot Civil works 108/2017 WP3	PTNG	13 913 043	15 999 999	-	-	-	-
WIP Upgrading of Transit Mall	PTNG	5 913 043	6 799 999	2 619 216	3 012 098	6 086 956	6 999 999
WIP Construction of Bus station upper structure(general joubert str)	PTNG	12 608 696	14 500 000	2 173 913	2 500 000	-	-
Construction of bus station in Seshego	PTNG	4 782 609	5 500 000	17 826 087	20 500 000	21 739 130	25 000 000
PT facility upgrade6100	PTNG	8 155 773	9 379 139	13 478 261	15 500 000	24 347 826	28 000 000
WIP Construction & provision of Bus Depot Upper structure in Seshego	PTNG	17 391 304	20 000 000	21 658 780	24 907 597	15 869 565	18 250 000
WIP Upgrad & constr of Trunk route 108/2017 WP1	PTNG	23 043 478	26 500 000	41 304 348	47 500 000	34 782 609	40 000 000
Total Transport - Transport Services		114 329 685	131 479 138	115 940 177	133 331 204	110 788 545	127 406 827
TOTAL DRAFT CAPITAL		797 238 843	916 824 669	708 494 827	814 769 051	760 270 789	828 947 040
Intergrated Urban Development Grant	IUDG	248 745 546	286 057 378	224 946 469	258 688 439	249 989 267	287 487 657
Public Transport Network Grant	PTIG	114 329 685	131 479 138	115 940 177	133 331 204	110 788 545	127 406 827

MULTI YEAR CAPITAL BUDGET	Funding Source	Budget Year 2023/24		Budget Year +1 2024/25		Budget Year +2 2025/26	
		VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE
Neighbourhood Development Grant	NDPG	27 972 173	32 167 999	17 391 304	20 000 000	17 391 304	20 000 000
Water Services Infrastructure Grant	WSIG	63 217 391	72 700 000	66 844 348	76 871 000	69 839 130	80 315 000
Regional Bulk Infrastructure Grant	RBIG	140 468 695	161 538 999	109 576 522	126 013 000	135 225 218	155 509 001
Integrated National Electrification Programme Grant	INEP	14 922 609	17 161 000	15 652 174	18 000 000	8 526 957	9 806 001
Energy Efficiency and Demand Side Management Grant (EEDSM)	EEDSM	3 478 261	4 000 000	4 347 826	5 000 000	4 347 826	5 000 000
Total DoRA Allocations		613 134 360	705 104 514	554 698 820	637 903 643	596 108 247	685 524 484
Capital Replacement Reserve	CRR	184 104 482	211 720 155	153 796 007	176 865 408	164 162 541	143 422 556
TOTAL FUNDING		797 238 843	916 824 669	708 494 827	814 769 051	760 270 789	828 947 040

MULTI YEAR BUDGET		Budget Year 2023/24		Budget Year +1 2024/25		Budget Year +2 2025/26	
Description		VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE
Vote 1 - CHIEF OPERATIONS OFFICE		869 565	1 000 000	6 562 239	7 546 575	10 230 776	11 765 392
Vote 2 -MUNICIPAL MANAGER'S OFFICE		3 400 000	3 910 000	-	-	-	-
Vote 3 - WATER AND SANITATION		316 834 312	364 359 459	281 214 665	323 396 865	303 764 751	349 329 464
Vote 4 - ENERGY SERVICES		93 529 625	107 559 068	113 071 557	130 032 291	105 429 458	121 243 877
Vote 5 - COMMUNITY SERVICES		58 297 023	67 041 576	36 817 625	42 340 268	38 255 733	43 994 093
Vote 6 - PUBLIC SAFETY		10 942 686	12 584 089	14 951 934	17 194 724	10 049 625	11 557 069
Vote 7 - CORPORATE AND SHARED SERVICES		31 331 160	36 030 834	13 779 364	15 846 269	10 207 511	11 738 638
Vote 8 - PLANNING AND ECONOMIC DEVELOPMENT		11 613 557	13 355 591	12 472 228	14 343 062	9 779 980	11 246 978
Vote 9 - BUDGET AND TREASURY OFFICE		580 000	667 000	-	-	-	-
Vote 10 - TRANSPORT SERVICES		114 329 685	131 479 138	115 940 177	133 331 204	110 788 545	127 406 827
Vote 11 - HUMAN SETTLEMENTS		-	-	-	-	-	-
Vote 12 - ROADS AND STORM WATER		155 511 230	178 837 915	113 685 038	130 737 794	161 764 409	140 664 704
Total expenditure		797 238 843	916 824 669	708 494 827	814 769 051	760 270 789	828 947 040

MULTI YEAR OPERATIONAL RAL ROADS	Funding Source	Budget Year 2023/24		Budget Year +1 2024/25		Budget Year +2 2025/26	
		VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE
Roads & Stormwater - Transport Services							
RAL Complete the incomplete road from Kordon to Gilead road	IUDG	-	-	3 024 575	3 478 261	4 083 176	4 695 652
RAL Completion of road from Phomolong to Makgwareng	IUDG	3 024 575	3 478 261	6 049 149	6 956 521	4 083 176	4 695 652
RAL Paving of Sekoala primary school road to mehlakong (ward	IUDG	-	-	6 049 149	6 956 521	4 083 176	4 695 652
RAL Paving of streets in Molepo Maja Chuene Cluster(ward 2)	IUDG	4 347 826	5 000 000	-	-	-	-
RAL Upgrading of access road in Ga Makgoba	IUDG	4 536 862	5 217 391	7 561 437	8 695 653	4 083 176	4 695 652
RAL Upgrading of access Roads from Ga Thaba in Molepo Chuen	IUDG	5 179 584	5 956 522	3 024 575	3 478 261	2 192 816	2 521 738
RAL Upgrading of arterial road D3383 in Setumong via Mahoai	IUDG	5 293 006	6 086 957	3 024 575	3 478 261	4 083 176	4 695 652
RAL Upgrading of arterial road D3355 from Monotwane to Matla	IUDG	4 914 934	5 652 174	5 293 006	6 086 957	4 083 176	4 695 652
RAL Upgrading of arterial road D3377 from Setumong to Dibeng	IUDG	-	-	-	-	-	-
RAL Upgrading of arterial road D3377 from Setumong to Dibeng via GaSelolo	IUDG	500 000	575 000	-	-	-	-
RAL Upgrading of arterial road D3997 from GaMokgopo to Ga Ma	IUDG	-	-	3 024 575	3 478 261	4 083 176	4 695 652
RAL Upgrading of arterial road from Ditshweneng to Maja Mosh	IUDG	-	-	-	-	-	-
RAL Upgrading of arterial road from Moetagare in to Setumong	IUDG	-	-	-	-	-	-
RAL Upgrading of arterial road from Moetagare in to Setumong D3382	IUDG	500 000	575 000	-	-	-	-
RAL Upgrading of Arterial road in Ga Rampheri	IUDG	-	-	-	-	-	-
RAL Upgrading of arterial road in Magongwa village from road	IUDG	3 024 575	3 478 261	3 024 575	3 478 261	4 083 176	4 695 652
RAL Upgrading of arterial road in Tshware from Taxi rank via	IUDG	5 293 006	6 086 957	5 293 006	6 086 957	4 083 176	4 695 652
RAL Upgrading of Boshega to Tshebela to Boyne Road	IUDG	4 536 862	5 217 391	5 293 006	6 086 957	4 083 176	4 695 652
RAL Upgrading of Internal Street in Ga Ujane to D3363 (ward	IUDG	3 780 718	4 347 826	3 610 586	4 152 174	2 778 828	3 195 652
RAL Upgrading of road D3432 from Ga-Mosi(Gilead road) via Sengatane to Chebeng(ward 16)	IUDG	2 260 869	2 599 999	3 024 575	3 478 261	4 083 176	4 695 652
RAL Upgrading of road from Ga Mamphaka to Spitzkop (ward 34)	IUDG	4 536 862	5 217 391	3 024 575	3 478 261	4 083 176	4 695 652
RAL Upgrading of road from Maja Moshate to Feke	IUDG	1 130 435	1 300 000	3 043 478	3 500 000	4 083 176	4 695 652
RAL Upgrading of road from Mohlonong to Kalkspruit	IUDG	4 536 862	5 217 391	3 024 575	3 478 261	3 478 261	4 000 000
RAL Upgrading of road from Monyoaneng to Lonsdale	IUDG	3 780 718	4 347 826	3 024 575	3 478 261	3 478 261	4 000 000
RAL Upgrading of road from Nobody Traffic circle to Moshate	IUDG	3 780 718	4 347 826	3 024 575	3 478 261	4 083 176	4 695 652
RAL Upgrading of road from Segwasi to Spitzkop	IUDG	-	-	-	-	-	-
RAL Upgrading of road from Silicon to Matobole	IUDG	4 423 441	5 086 957	3 024 575	3 478 261	4 083 176	4 695 652
RAL Upgrading of road from Spitzkop to Segwasi	IUDG	5 293 006	6 086 957	9 073 724	10 434 783	4 083 176	4 695 652
RAL Upgrading of road from Titibe to Marobala and Makgoba	IUDG	4 536 862	5 217 391	4 914 934	5 652 174	4 083 176	4 695 652
RAL Upgrading of road in ga Thoka from reservoir to Makanye	IUDG	1 739 130	2 000 000	4 310 019	4 956 522	2 344 046	2 695 653
RAL Upgrading of roads from gravel to tar Nobody traffic circle	IUDG	-	-	-	-	-	-
Total Roads & Stormwater -Transport Services		80 950 851	93 093 479	93 761 819	107 826 092	83 686 204	72 770 612

Polokwane Municipality is building these roads on behalf of a third party i.e. Road Agency Limpopo, thus the expenditure will have no effect on the asset register of the municipality, hence going forward the municipality will plan for these projects under the operational expenditure.

ANNEXURE B

Municipal annual budget MTREF & Supporting tables.

2023/24 ANNUAL BUDGET and MTREF



REFERENCE	TABLE LISTING - A SCHEDULE
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2023/24 ANNUAL BUDGET and MTREF



Municipal annual budgets and MTREF & supporting tables

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Preparation Instructions

Municipality Name: LIM354 Polokwane ▼

CFO Name: Thabo Nonyane

Tel: 015 290 2049

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E-Mail: thabon@polokwane.gov.za

Budget for MTREF starting: 2023 ▼

Budget Year: 2023/24

Does this municipality have Entities? No ▼

If YES: Identify type of report: Parent Municipality ▼

LGDB Export

Name Votes & Sub-Votes

Printing Instructions

Showing / Hiding Columns

Hide Pre-audit columns on all

Hide Reference columns on all

Showing / Clearing Highlights

Clear Highlights on all sheets

Important documents which provide essential assistance

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Organisational Structure Votes		Complete Votes & Sub-Votes	Select Org. Structure
Vote 1 - Chief operations office	Vote 1	Chief operations office	
Vote 2 - Municipal managers office	1.1	Chief operations office (administration)	1.1 - Chief operations office (administration)
Vote 3 - Water and sanitation	1.2	Legislative support	1.2 - Legislative support
Vote 4 - Energy services	1.3	Legal services	1.3 - Legal services
Vote 5 - Community Services	1.4	Integrated development plan	1.4 - Integrated development plan
Vote 6 - Public safety	1.5	Communications and marketing	1.5 - Communications and marketing
Vote 7 - Corporate and Shared Services	1.6	Project management unit	1.6 - Project management unit
Vote 8 - Planning and Economic Development	1.7	Performance management unit	1.7 - Performance management unit
Vote 9 - Budget and Treasury office	1.8	Cluster office	1.8 - Cluster office
Vote 10 - Transport Operations	1.9	Executive support	1.9 - Executive support
Vote 11 - Human Settlement	1.10		1.10 -
Vote 12 -	Vote 2	Municipal managers office	
Vote 13 -	2.1	Council	2.1 - Council
Vote 14 -	2.2	Municipal manager	2.2 - Municipal manager
Vote 15 -	2.3	Risk management	2.3 - Risk management
	2.4	Internal audit	2.4 - Internal audit
	2.5		2.5 -
	2.6		2.6 -
	2.7		2.7 -
	2.8		2.8 -
	2.9		2.9 -
	2.10		2.10 -
	Vote 3	Water and sanitation	
	3.1	Water and sanitation admin	3.1 - Water and sanitation admin
	3.2	Reticulation, distribution and maintenance	3.2 - Reticulation, distribution and maintenance
	3.3	Operations and waste water	3.3 - Operations and waste water
	3.4	Quality monitoring services	3.4 - Quality monitoring services
	3.5	Reticulations, distribution and maintenance, water demand and conservation	3.5 - Reticulations, distribution and maintenance, water demand and conservation
	3.6	Reticulations, distribution and maintenance, water demand and conservation	3.6 - Reticulations, distribution and maintenance, water demand and conservation
	3.7	Infrastructure development	3.7 - Infrastructure development
	3.8		3.8 -
	3.9		3.9 -
	3.10		3.10 -
	Vote 4	Energy services	
	4.1	Energy services admin	4.1 - Energy services admin
	4.2	Energy operation and maintenance administration	4.2 - Energy operation and maintenance administration
	4.3	Energy services: 66KV	4.3 - Energy services: 66KV
	4.4	Energy services: 11KV	4.4 - Energy services: 11KV
	4.5	Energy services: Planning and development	4.5 - Energy services: Planning and development
	4.6		4.6 -
	4.7		4.7 -
	4.8		4.8 -
	4.9		4.9 -
	4.10		4.10 -
	Vote 5	Community Services	
	5.1	Directorate community services	5.1 - Directorate community services
	5.2	Sport and recreation	5.2 - Sport and recreation
	5.3	Sport and facilities maintenance	5.3 - Sport and facilities maintenance
	5.4	Recreation services (swimming pools)	5.4 - Recreation services (swimming pools)
	5.5	Sports facilities maintenance (horticultural services)	5.5 - Sports facilities maintenance (horticultural services)
	5.6	Cultural services (administration)	5.6 - Cultural services (administration)
	5.7	Culture services (art gallery)	5.7 - Culture services (art gallery)
	5.8	Cultural services (libraries)	5.8 - Cultural services (libraries)
	5.9	Cultural service (museums)	5.9 - Cultural service (museums)
	5.10	Other Community Services	5.10 - Other Community Services
	Vote 6	Public safety	
	6.1	Public safety administration	6.1 - Public safety administration
	6.2	Traffic and licencing administration	6.2 - Traffic and licencing administration
	6.3	Traffic and licences (licencing)	6.3 - Traffic and licences (licencing)
	6.4	Traffic and licencing (vehicle testing and drivers licence testing)	6.4 - Traffic and licencing (vehicle testing and drivers licence testing)
	6.5	Traffic and licencing (traffic services)	6.5 - Traffic and licencing (traffic services)
	6.6	Disaster management administration	6.6 - Disaster management administration
	6.7	Disaster management (fire fighting)	6.7 - Disaster management (fire fighting)
	6.8	By law enforcement and security (administration)	6.8 - By law enforcement and security (administration)
	6.9	Security services	6.9 - Security services
	6.10	Other Community Development	6.10 - Other Community Development
	Vote 7	Corporate and Shared Services	
	7.1	Community and shared services	7.1 - Community and shared services
	7.2	Corporate service- Information Communication Technology	7.2 - Corporate service- Information Communication Technology
	7.3	Human Resources Development (administration)	7.3 - Human Resources Development (administration)
	7.4	Human Resources Development (Organisational development)	7.4 - Human Resources Development (Organisational development)
	7.5	Human Resources Development (Learning and development)	7.5 - Human Resources Development (Learning and development)
	7.6	Human Resources Development (EAP)	7.6 - Human Resources Development (EAP)
	7.7	Human Resources (Administration)	7.7 - Human Resources (Administration)
	7.8	Human Resources (Personnel administration)	7.8 - Human Resources (Personnel administration)
	7.9	Human Resources Management (Labour relations)	7.9 - Human Resources Management (Labour relations)
	7.10	Other corporate and shared services	7.10 - Other corporate and shared services
	Vote 8	Planning and Economic Development	
	8.1	Directorate planning and development	8.1 - Directorate planning and development
	8.2	Property management	8.2 - Property management
	8.3	City and regional planning	8.3 - City and regional planning
	8.4	Corporate Geo information	8.4 - Corporate Geo information
	8.5	Building inspections (administration)	8.5 - Building inspections (administration)
	8.6	Economic development and tourism	8.6 - Economic development and tourism
	8.7	Local Economic Development	8.7 - Local Economic Development
	8.8	Investment Promotion	8.8 - Investment Promotion
	8.9	LED (Economic Planning)	8.9 - LED (Economic Planning)
	8.10	Other Planning and Economic Development	8.10 - Other Planning and Economic Development
	Vote 9	Budget and Treasury office	
	9.1	Budget and treasury office	9.1 - Budget and treasury office
	9.2	Expenditure	9.2 - Expenditure
	9.3	Revenue management and customer care	9.3 - Revenue management and customer care
	9.4	Supply Chain Management	9.4 - Supply Chain Management
	9.5	Asset management	9.5 - Asset management
	9.6	Budget and financial reporting	9.6 - Budget and financial reporting
	9.7	Business and financial planning	9.7 - Business and financial planning
	9.8		9.8 -
	9.9		9.9 -
	9.10		9.10 -
	Vote 10	Transport Operations	
	10.1	Transport services	10.1 - Transport services
	10.2	Transport services (Planning and operations)	10.2 - Transport services (Planning and operations)
	10.3	Transport services (Intelligent transport and system modelling)	10.3 - Transport services (Intelligent transport and system modelling)
	10.4	Transport services (Public transport regulation and monitoring)	10.4 - Transport services (Public transport regulation and monitoring)
	10.5	Roads and stormwater (Admin)	10.5 - Roads and stormwater (Admin)
	10.6	Storm water management and traffic engineering	10.6 - Storm water management and traffic engineering
	10.7	Roads and stormwater (Roads and streets)	10.7 - Roads and stormwater (Roads and streets)
	10.8	Roads and stormwater (Stormwater)	10.8 - Roads and stormwater (Stormwater)
	10.9		10.9 -
	10.10		10.10 -
	Vote 11	Human Settlement	
	11.1	Human Settlement	11.1 - Human Settlement
	11.2	Human Settlement Housing admin	11.2 - Human Settlement Housing admin
	11.3	Human Settlement Rental housing and programme implementation	11.3 - Human Settlement Rental housing and programme implementation
	11.4		11.4 -
	11.5		11.5 -
	11.6		11.6 -
	11.7		11.7 -
	11.8		11.8 -
	11.9		11.9 -

11.10		11.10 -
Vote 12		
12.1		12.1 -
12.2		12.2 -
12.3		12.3 -
12.4		12.4 -
12.5		12.5 -
12.6		12.6 -
12.7		12.7 -
12.8		12.8 -
12.9		12.9 -
12.10		12.10 -
Vote 13		
13.1		13.1 -
13.2		13.2 -
13.3		13.3 -
13.4		13.4 -
13.5		13.5 -
13.6		13.6 -
13.7		13.7 -
13.8		13.8 -
13.9		13.9 -
13.10		13.10 -
Vote 14		
14.1		14.1 -
14.2		14.2 -
14.3		14.3 -
14.4		14.4 -
14.5		14.5 -
14.6		14.6 -
14.7		14.7 -
14.8		14.8 -
14.9		14.9 -
14.10		14.10 -
Vote 15		
15.1		15.1 -
15.2		15.2 -
15.3		15.3 -
15.4		15.4 -
15.5		15.5 -
15.6		15.6 -
15.7		15.7 -
15.8		15.8 -
15.9		15.9 -
15.10		15.10 -

LIM354 Polokwane - Contact Information

A. GENERAL INFORMATION

Municipality	LIM354 Polokwane
Grade	B
Province	LIM LIMPOPO
Web Address	www.polokwane.gov.za
e-mail Address	

1 Grade in terms of the Remuneration of Public Office Bearers Act.

B. CONTACT INFORMATION

Postal address:	
P.O. Box	
City / Town	
Postal Code	
Street address	
Building	
Street No. & Name	
City / Town	
Postal Code	
General Contacts	
Telephone number	
Fax number	

C. POLITICAL LEADERSHIP

Speaker:		Secretary/PA to the Speaker:	
ID Number		ID Number	
Title		Title	
Name		Name	
Telephone number		Telephone number	
Cell number		Cell number	
Fax number		Fax number	
E-mail address		E-mail address	

Mayor/Executive Mayor:		Secretary/PA to the Mayor/Executive Mayor:	
ID Number		ID Number	
Title	Executive Mayor	Title	Mrs
Name	Mosema John Mpe	Name	
Telephone number	0152902103	Telephone number	015 290 2103
Cell number	0824417453	Cell number	
Fax number	0152902218	Fax number	015 290 2106
E-mail address	johnmp@polokwane.gov.za	E-mail address	leisellep@polokwane.gov.za

Deputy Mayor/Executive Mayor:		Secretary/PA to the Deputy Mayor/Executive Mayor:	
ID Number		ID Number	
Title		Title	
Name		Name	
Telephone number		Telephone number	
Cell number		Cell number	
Fax number		Fax number	
E-mail address		E-mail address	

D. MANAGEMENT LEADERSHIP

Municipal Manager:		Secretary/PA to the Municipal Manager:	
ID Number		ID Number	
Title	Ms	Title	Ms
Name	Thuso Nemugumoni	Name	Felicity F. Louw
Telephone number	015 023 5101	Telephone number	015 290 2102
Cell number	082 387 9116	Cell number	078 235 9199
Fax number		Fax number	015 290 2106
E-mail address	ramakuntwan@polokwane.gov.za	E-mail address	suzanp@polokwane.gov.za

Chief Financial Officer	Secretary/PA to the Chief Financial Officer
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ID Number		ID Number	
Title	Mr	Title	Ms
Name	Thabo Nonyane	Name	Helen Netshikovhela
Telephone number	015 290 2049	Telephone number	015 290 2049
Cell number	084 586 8765	Cell number	081 313 9197
Fax number	n/a	Fax number	n/a
E-mail address	thabon@polokwane.gov.za	E-mail address	helenn@polokwane.gov.za
Official responsible for submitting financial information		Official responsible for submitting financial information	
ID Number		ID Number	
Title	Mrs	Title	Mr
Name	Zinzi A Mphahlele	Name	Victor Nengovhela (IDP Manager)
Telephone number	015 290 2195	Telephone number	015 290 2523
Cell number	081 578 7894	Cell number	076 279 3075
Fax number	n/a	Fax number	n/a
E-mail address	zinzim2@polokwane.gov.za	E-mail address	VictorN1@polokwane.gov.za
Official responsible for submitting financial information		Official responsible for submitting financial information	
ID Number		ID Number	
Title	Mrs	Title	Ms
Name	Moleboheng Mathebula	Name	Naazneen Hurzuk
Telephone number	015 290 2195	Telephone number	0152902195
Cell number	081 346 4495	Cell number	0827862885
Fax number	n/a	Fax number	N/A
E-mail address	molebohengm@polokwane.gov.za	E-mail address	naazneenh@polokwane.gov.za
Official responsible for submitting financial information		Official responsible for submitting financial information	
ID Number		ID Number	
Title		Title	
Name		Name	
Telephone number		Telephone number	
Cell number		Cell number	
Fax number		Fax number	
E-mail address		E-mail address	
Official responsible for submitting financial information		Official responsible for submitting financial information	
ID Number		ID Number	
Title		Title	
Name		Name	
Telephone number		Telephone number	
Cell number		Cell number	
Fax number		Fax number	
E-mail address		E-mail address	
Official responsible for submitting financial information		Official responsible for submitting financial information	
ID Number		ID Number	
Title		Title	
Name		Name	
Telephone number		Telephone number	
Cell number		Cell number	
Fax number		Fax number	
E-mail address		E-mail address	

Official responsible for submitting financial information		Official responsible for submitting financial information	
ID Number		ID Number	
Title		Title	
Name		Name	
Telephone number		Telephone number	
Cell number		Cell number	
Fax number		Fax number	
E-mail address		E-mail address	
Official responsible for submitting financial information			
ID Number			
Title			
Name			
Telephone number			
Cell number			
Fax number			
E-mail address			

LIM354 Polokwane - Table A1 Budget Summary

Description	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousands										
Financial Performance										
Property rates	485 420	468 974	544 918	587 176	587 176	587 176	587 176	622 442	653 565	692 778
Service charges	1 531 240	1 582 689	1 821 768	2 128 532	2 128 532	2 128 532	2 128 532	2 460 396	2 583 416	2 738 420
Investment revenue	18 823	12 333	9 641	20 000	20 000	20 000	20 000	20 940	21 987	23 306
Transfer and subsidies - Operational	1 292 050	1 386 384	1 215 946	1 348 687	1 389 344	1 389 344	1 389 344	1 575 705	1 705 009	1 808 806
Other own revenue	193 695	206 001	474 278	253 886	253 886	253 886	253 886	265 819	295 843	313 594
Total Revenue (excluding capital transfers and contributions)	3 521 228	3 656 382	4 066 552	4 338 280	4 378 937	4 378 937	4 378 937	4 945 302	5 259 820	5 576 904
Employee costs	922 982	973 200	1 026 750	1 167 117	1 146 368	1 146 368	1 146 368	1 258 954	1 417 184	1 497 774
Remuneration of councillors	38 522	38 692	39 349	41 917	40 917	40 917	40 917	43 514	45 994	48 615
Depreciation and amortisation	711 652	887 679	761 893	260 000	260 000	260 000	260 000	272 220	285 014	298 410
Interest	69 673	61 770	59 778	42 336	42 536	42 536	42 536	44 535	46 629	48 820
Inventory consumed and bulk purchases	967 977	1 062 009	1 219 227	1 284 121	1 280 445	1 280 445	1 280 445	1 498 613	1 569 042	1 642 781
Transfers and subsidies	27 208	127 711	45 240	17 000	11 100	11 100	11 100	11 622	12 168	12 740
Other expenditure	1 136 086	1 159 674	1 773 331	1 395 539	1 427 996	1 427 996	1 427 996	1 420 575	1 494 178	1 564 821
Total Expenditure	3 874 100	4 310 736	4 925 570	4 208 030	4 209 361	4 209 361	4 209 361	4 550 034	4 870 209	5 113 961
Surplus/(Deficit)	(352 872)	(654 355)	(859 018)	130 250	169 576	169 576	169 576	395 269	389 611	462 943
Transfers and subsidies - capital (monetary allocations)	1 026 876	764 993	655 398	808 116	768 695	768 695	768 695	705 105	637 904	685 524
Transfers and subsidies - capital (in-kind)	1 083	-	-	-	-	-	-	-	-	-
	675 086	110 638	(203 620)	938 366	938 270	938 270	938 270	1 100 373	1 027 515	1 148 468
Surplus/(Deficit) after capital transfers & contributions	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	675 086	110 638	(203 620)	938 366	938 270	938 270	938 270	1 100 373	1 027 515	1 148 468
Capital expenditure & funds sources										
Capital expenditure	6 388 056	1 024 443	738 674	847 868	829 358	829 358	829 358	797 239	708 495	760 271
Transfers recognised - capital	1 599 022	853 117	571 639	702 710	668 430	668 430	668 430	613 134	554 699	596 108
Borrowing	101 957	22 918	-	-	-	-	-	-	-	-
Internally generated funds	4 582 093	143 717	165 299	145 158	160 928	160 928	160 928	184 104	153 796	164 163
Total sources of capital funds	6 283 073	1 019 751	736 938	847 868	829 358	829 358	829 358	797 239	708 495	760 271
Financial position										
Total current assets	1 369 797	1 537 481	1 609 525	1 012 655	937 231	937 231	937 231	1 852 689	2 293 668	2 781 941
Total non current assets	17 209 043	14 289 316	14 007 371	18 094 092	18 075 583	18 075 583	18 075 583	14 532 390	14 955 870	15 417 731
Total current liabilities	1 487 118	1 145 636	1 215 089	915 244	765 523	765 523	765 523	1 660 458	1 937 393	2 311 704
Total non current liabilities	814 959	971 218	916 213	770 266	770 266	770 266	770 266	757 232	757 232	757 232
Community wealth/Equity	15 602 373	13 647 808	13 485 594	17 421 236	17 477 024	17 477 024	17 477 024	13 967 388	14 554 913	15 130 735
Cash flows										
Net cash from (used) operating	6 476 614	3 973 179	1 961 900	1 228 146	1 069 878	1 069 878	1 069 878	959 258	792 112	872 754
Net cash from (used) investing	(1 077 768)	(733 869)	(831 503)	(926 296)	(900 794)	(900 794)	(900 794)	(870 983)	(774 031)	(830 596)
Net cash from (used) financing	36 853	(25 973)	1 104	(22 588)	(22 588)	(22 588)	(22 588)	(25 088)	(27 778)	(31 078)
Cash/cash equivalents at the year end	5 575 249	3 213 337	1 432 655	456 049	379 166	379 166	379 166	295 857	286 160	297 240
Cash backing/surplus reconciliation										
Cash and investments available	420 294	301 155	232 670	359 027	282 145	282 145	282 145	295 857	286 160	297 240
Application of cash and investments	331 454	(404 888)	(425 815)	(233 613)	(379 110)	(379 110)	(379 110)	(248 129)	(455 422)	(561 533)
Balance - surplus (shortfall)	88 841	706 042	658 485	592 640	661 255	661 255	661 255	543 985	741 582	858 773
Asset management										
Asset register summary (WDV)	15 705 443	12 300 769	11 821 168	14 769 140	14 806 604	14 806 604		11 699 402	11 525 734	11 344 412
Depreciation	711 652	887 679	761 893	260 000	260 000	260 000		272 220	285 014	298 410
Renewal and Upgrading of Existing Assets	5 201 344	270 792	299 537	185 253	197 107	197 107		129 236	140 909	161 307
Repairs and Maintenance	456 298	597 207	828 387	717 516	700 670	700 670		692 066	762 156	804 691
Free services										
Cost of Free Basic Services provided	102 724	109 760	134 748	154 950	154 950	154 950		192 074	201 678	213 778
Revenue cost of free services provided	(27 472)	17 197	(66 255)	116 802	116 802	116 802		117 109	122 964	130 342
Households below minimum service level										
Water:	13	13	28	114	114	114		134	140	149
Sanitation/sewerage:	9	9	9	9	9	9		10	10	11
Energy:	41	42	6	6	6	6		7	7	8
Refuse:	-	-	-	-	-	-		-	-	-

LIM354 Polokwane - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue - Functional										
Governance and administration		2 917 539	2 693 525	2 565 089	2 895 520	2 896 756	2 896 756	2 976 908	3 073 816	3 269 087
Executive and council		(23)	-	-	2	2	2	2	2	2
Finance and administration		2 917 562	2 693 525	2 565 089	2 895 518	2 896 753	2 896 753	2 976 906	3 073 813	3 269 084
Internal audit		-	-	-	1	1	1	1	1	1
Community and public safety		7 838	15 435	29 016	6 145	6 145	6 145	6 434	6 756	7 161
Community and social services		2 894	7 465	1 969	2 172	2 172	2 172	2 274	2 388	2 531
Sport and recreation		3 019	5 724	24 525	3 470	3 470	3 470	3 633	3 814	4 043
Public safety		854	1 124	1 445	248	248	248	259	272	289
Housing		1 071	1 122	1 076	254	254	254	266	279	296
Health		0	-	-	2	2	2	2	2	2
Economic and environmental services		91 733	121 420	270 087	109 703	109 703	109 703	114 859	137 336	145 576
Planning and development		35 223	62 595	212 283	27 786	27 786	27 786	29 092	30 546	32 379
Road transport		56 510	58 825	57 504	80 273	80 273	80 273	84 046	104 982	111 281
Environmental protection		-	0	300	1 644	1 644	1 644	1 722	1 808	1 916
Trading services		1 532 076	1 590 994	1 857 758	2 135 028	2 135 028	2 135 028	2 552 205	2 679 816	2 840 605
Energy sources		1 037 972	1 051 644	1 226 422	1 562 403	1 562 403	1 562 403	1 871 880	1 965 474	2 083 402
Water management		261 219	240 659	294 134	300 019	300 019	300 019	373 505	392 180	415 711
Waste water management		118 425	162 380	166 197	138 981	138 981	138 981	156 249	164 061	173 905
Waste management		114 460	136 312	171 005	133 625	133 625	133 625	150 572	158 100	167 586
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	4 549 187	4 421 375	4 721 950	5 146 396	5 147 632	5 147 632	5 650 407	5 897 723	6 262 429
Expenditure - Functional										
Governance and administration		1 096 955	1 151 102	1 300 927	1 326 406	1 311 072	1 311 072	1 123 339	1 205 886	1 268 944
Executive and council		265 940	292 964	344 002	405 630	389 676	389 676	147 320	155 388	163 732
Finance and administration		820 069	847 739	945 670	906 635	908 243	908 243	959 786	1 033 271	1 087 041
Internal audit		10 946	10 399	11 255	14 141	13 153	13 153	16 232	17 227	18 172
Community and public safety		350 371	440 120	404 448	328 868	338 052	338 052	367 274	397 091	418 453
Community and social services		72 658	67 074	66 744	84 174	74 255	74 255	86 966	92 167	97 251
Sport and recreation		192 869	247 608	237 591	153 114	168 436	168 436	178 202	193 246	203 329
Public safety		64 932	74 304	77 488	67 298	71 683	71 683	71 881	79 636	84 051
Housing		13 145	43 150	14 733	16 930	16 310	16 310	22 207	23 517	24 825
Health		6 766	7 985	7 892	7 352	7 367	7 367	8 017	8 525	8 998
Economic and environmental services		673 859	837 663	1 195 640	576 524	578 469	578 469	682 861	731 595	752 921
Planning and development		123 041	132 475	474 181	105 016	106 766	106 766	117 863	124 242	131 010
Road transport		537 793	680 753	692 879	441 779	441 732	441 732	533 117	576 087	588 975
Environmental protection		13 025	24 436	28 580	29 729	29 971	29 971	31 881	31 266	32 936
Trading services		1 753 611	1 886 426	2 043 090	1 976 232	1 981 769	1 981 769	2 376 560	2 535 637	2 673 642
Energy sources		916 060	985 845	1 101 135	1 178 921	1 192 057	1 192 057	1 544 811	1 635 889	1 721 839
Water management		585 793	666 605	739 707	569 374	588 305	588 305	612 879	665 857	706 464
Waste water management		115 687	87 201	50 607	70 365	56 126	56 126	75 475	80 022	83 878
Waste management		136 072	146 775	151 641	157 572	145 281	145 281	143 395	153 869	161 462
Other	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	3 874 797	4 315 312	4 944 105	4 208 030	4 209 361	4 209 361	4 550 034	4 870 209	5 113 961
Surplus/(Deficit) for the year		674 390	106 063	(222 155)	938 366	938 270	938 270	1 100 373	1 027 515	1 148 468

LIM354 Polokwane - Table A2 Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
		1								
Revenue - Functional		2 917 539	2 693 525	2 565 089	2 895 520	2 896 756	2 896 756	2 976 908	3 073 816	3 269 087
<i>Municipal governance and administration</i>										
Executive and council		(23)	-	-	2	2	2	2	2	2
Mayor and Council		(23)	-	-	2	2	2	2	2	2
Municipal Manager, Town Secretary and Chief Executive		-	-	-	1	1	1	1	1	1
Finance and administration		2 917 562	2 693 525	2 565 089	2 895 518	2 896 753	2 896 753	2 976 906	3 073 813	3 269 084
Administrative and Corporate Support		0	0	-	3	3	3	3	3	4
Asset Management		268	-	5 555	1	1	1	1	1	1
Finance		2 645 347	2 452 094	2 222 782	2 476 224	2 477 459	2 477 459	2 969 535	3 066 074	3 260 881
Fleet Management		1 083	-	-	1	1	1	1	1	1
Human Resources		0	-	40 731	3 193	3 193	3 193	3 343	3 511	3 721
Information Technology		5	0	294	7	7	7	7	7	8
Legal Services		-	-	-	1	1	1	1	1	1
Marketing, Customer Relations, Publicity and Media Co-ordination		-	-	-	1	1	1	1	1	1
Property Services		3 353	627	1 477	1	1	1	1	1	1
Risk Management		-	-	-	1	1	1	1	1	1
Security Services		389	133	88	375	375	375	392	412	437
Supply Chain Management		30	1	0	3 458	3 458	3 458	3 620	3 801	4 029
Valuation Service		267 087	240 671	294 161	412 254	412 254	412 254	-	-	-
Internal audit		-	-	-	1	1	1	1	1	1
Governance Function		-	-	-	1	1	1	1	1	1
Community and public safety		7 838	15 435	29 016	6 145	6 145	6 145	6 434	6 756	7 161
Community and social services		2 894	7 465	1 969	2 172	2 172	2 172	2 274	2 388	2 531
Aged Care		-	-	-	-	-	-	-	-	-
Agricultural		-	-	-	-	-	-	-	-	-
Animal Care and Diseases		-	-	-	-	-	-	-	-	-
Cemeteries, Funeral Parlours and Crematoriums		1 134	1 653	1 473	1 758	1 758	1 758	1 841	1 933	2 049
Child Care Facilities		-	-	-	-	-	-	-	-	-
Community Halls and Facilities		427	169	409	1	1	1	1	1	1
Consumer Protection		-	-	-	-	-	-	-	-	-
Cultural Matters		1 043	5 634	-	1	1	1	1	1	1
Disaster Management		-	-	-	1	1	1	1	1	1
Education		-	-	-	-	-	-	-	-	-
Indigenous and Customary Law		-	-	-	-	-	-	-	-	-
Industrial Promotion		-	-	-	-	-	-	-	-	-
Language Policy		-	-	-	-	-	-	-	-	-
Libraries and Archives		178	(2)	47	303	303	303	318	333	353
Literacy Programmes		-	-	-	-	-	-	-	-	-
Media Services		-	-	-	-	-	-	-	-	-
Museums and Art Galleries		113	10	40	108	108	108	113	119	126
Population Development		-	-	-	-	-	-	-	-	-
Provincial Cultural Matters		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Zoo's		-	-	-	-	-	-	-	-	-
Sport and recreation		3 019	5 724	24 525	3 470	3 470	3 470	3 633	3 814	4 043
Beaches and Jetties		-	-	-	-	-	-	-	-	-
Casinos, Racing, Gambling, Wagering		-	-	-	-	-	-	-	-	-
Community Parks (including Nurseries)		1 375	2 961	16 128	394	394	394	412	433	459
Recreational Facilities		1 407	2 401	7 982	2 749	2 749	2 749	2 878	3 022	3 203
Sports Grounds and Stadiums		237	362	415	327	327	327	343	360	381
Public safety		854	1 124	1 445	248	248	248	259	272	289
Civil Defence		-	-	-	-	-	-	-	-	-
Cleansing		-	-	-	-	-	-	-	-	-
Control of Public Nuisances		-	-	-	-	-	-	-	-	-
Fencing and Fences		-	-	-	-	-	-	-	-	-
Fire Fighting and Protection		854	1 124	1 445	248	248	248	259	272	289
Licensing and Control of Animals		-	-	-	-	-	-	-	-	-
Police Forces, Traffic and Street Parking Control		-	-	-	-	-	-	-	-	-
Pounds		-	-	-	-	-	-	-	-	-
Housing		1 071	1 122	1 076	254	254	254	266	279	296
Housing		1 071	1 122	1 076	254	254	254	266	279	296
Informal Settlements		-	-	-	-	-	-	-	-	-
Health		0	-	-	2	2	2	2	2	2
Ambulance		-	-	-	-	-	-	-	-	-
Health Services		0	-	-	2	2	2	2	2	2
Laboratory Services		-	-	-	-	-	-	-	-	-
Food Control		-	-	-	-	-	-	-	-	-
Health Surveillance and Prevention of Communicable Diseases		-	-	-	-	-	-	-	-	-
Vector Control		-	-	-	-	-	-	-	-	-
Chemical Safety		-	-	-	-	-	-	-	-	-

Economic and environmental services	91 733	121 420	270 087	109 703	109 703	109 703	114 859	137 336	145 576
Planning and development	35 223	62 595	212 283	27 786	27 786	27 786	29 092	30 546	32 379
Billboards	-	-	-	-	-	-	-	-	-
Corporate Wide Strategic Planning (IDPs, LEDS)	-	-	-	1	1	1	1	1	1
Central City Improvement District	-	-	-	-	-	-	-	-	-
Development Facilitation	-	-	-	-	-	-	-	-	-
Economic Development/Planning	1 025	111	23	1 994	1 994	1 994	2 087	2 192	2 323
Regional Planning and Development	1 817	2 328	7 829	-	-	-	-	-	-
Town Planning, Building Regulations and Enforcement, and City	32 381	60 155	204 432	25 791	25 791	25 791	27 003	28 353	30 054
Project Management Unit	-	-	-	1	1	1	1	1	1
Provincial Planning	-	-	-	-	-	-	-	-	-
Support to Local Municipalities	-	-	-	-	-	-	-	-	-
Road transport	56 510	58 625	57 504	80 273	80 273	80 273	84 046	104 982	111 281
Public Transport	0	-	1 102	1 468	1 468	1 468	1 537	1 614	1 711
Road and Traffic Regulation	35 168	37 603	31 342	48 222	48 222	48 222	50 489	53 013	56 194
Roads	21 342	21 222	25 061	30 582	30 582	30 582	32 020	50 354	53 375
Taxi Ranks	-	-	-	-	-	-	-	-	-
Environmental protection	-	0	300	1 644	1 644	1 644	1 722	1 808	1 916
Biodiversity and Landscape	-	0	300	1 644	1 644	1 644	1 722	1 808	1 916
Coastal Protection	-	-	-	-	-	-	-	-	-
Indigenous Forests	-	-	-	-	-	-	-	-	-
Nature Conservation	-	-	-	-	-	-	-	-	-
Pollution Control	-	-	-	-	-	-	-	-	-
Soil Conservation	-	-	-	-	-	-	-	-	-
Trading services	1 532 076	1 590 994	1 857 758	2 135 028	2 135 028	2 135 028	2 552 205	2 679 816	2 840 605
Energy sources	1 037 972	1 051 644	1 226 422	1 562 403	1 562 403	1 562 403	1 871 880	1 965 474	2 083 402
Electricity	1 037 972	1 051 644	1 226 422	1 562 403	1 562 403	1 562 403	1 871 880	1 965 474	2 083 402
Street Lighting and Signal Systems	-	-	-	-	-	-	-	-	-
Nonelectric Energy	-	-	-	-	-	-	-	-	-
Water management	261 219	240 659	294 134	300 019	300 019	300 019	373 505	392 180	415 711
Water Treatment	-	-	-	1	1	1	1	1	1
Water Distribution	261 219	240 659	294 134	300 018	300 018	300 018	373 505	392 180	415 711
Water Storage	-	-	-	-	-	-	-	-	-
Waste water management	118 425	162 380	166 197	138 981	138 981	138 981	156 249	164 061	173 905
Public Toilets	-	-	-	-	-	-	-	-	-
Sewerage	118 425	162 380	166 197	138 981	138 981	138 981	156 249	164 061	173 905
Storm Water Management	-	-	-	-	-	-	-	-	-
Waste Water Treatment	-	-	-	-	-	-	-	-	-
Waste management	114 460	136 312	171 005	133 625	133 625	133 625	150 572	158 100	167 586
Recycling	-	-	-	-	-	-	-	-	-
Solid Waste Disposal (Landfill Sites)	-	-	-	-	-	-	-	-	-
Solid Waste Removal	114 460	136 312	171 005	133 625	133 625	133 625	150 572	158 100	167 586
Street Cleaning	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-
Air Transport	-	-	-	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-	-
Licensing and Regulation	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Tourism	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	4 549 187	4 421 375	4 721 950	5 146 396	5 147 632	5 147 632	5 650 407	5 897 723	6 262 429

2

Expenditure - Functional

	1 096 955	1 151 102	1 300 927	1 326 406	1 311 072	1 311 072	1 123 339	1 205 886	1 268 944
Municipal governance and administration									
Executive and council	265 940	292 964	344 002	405 630	389 676	389 676	147 320	155 388	163 732
Mayor and Council	256 581	275 587	327 182	387 409	371 425	371 425	127 818	134 823	142 044
Municipal Manager, Town Secretary and Chief Executive	9 359	17 378	16 820	16 221	18 250	18 250	19 502	20 566	21 688
Finance and administration	820 069	847 739	945 670	906 635	908 243	908 243	959 786	1 033 271	1 087 041
Administrative and Corporate Support	32 379	7 750	9 729	17 496	16 981	16 981	18 742	21 614	22 765
Asset Management	37 948	56 145	61 269	70 137	76 237	76 237	77 612	81 583	85 534
Finance	330 435	299 967	332 171	283 431	265 620	265 620	325 476	343 082	362 293
Fleet Management	85 210	101 578	116 213	107 939	127 839	127 839	109 863	130 253	136 301
Human Resources	49 177	48 995	53 303	59 611	59 626	59 626	62 909	67 264	70 629
Information Technology	52 699	53 448	59 332	62 790	64 520	64 520	65 306	68 649	72 165
Legal Services	28 364	30 697	34 194	32 057	32 057	32 057	29 757	31 244	32 751
Marketing, Customer Relations, Publicity and Media Co-ordination	10 468	10 634	12 387	13 455	13 559	13 559	14 684	15 553	16 400
Property Services	77 700	85 632	87 471	77 997	76 184	76 184	78 479	83 787	88 055
Risk Management	6 099	7 619	7 103	6 413	6 373	6 373	6 763	7 117	7 491
Security Services	92 156	108 988	119 796	149 630	142 808	142 808	142 786	152 865	160 700
Supply Chain Management	17 433	36 287	52 701	25 680	26 440	26 440	27 410	30 258	31 959
Valuation Service	-	-	-	-	-	-	-	-	-
Internal audit	10 946	10 399	11 255	14 141	13 153	13 153	16 232	17 227	18 172
Governance Function	10 946	10 399	11 255	14 141	13 153	13 153	16 232	17 227	18 172
Community and public safety	350 371	440 120	404 448	328 868	338 052	338 052	367 274	397 091	418 453
Community and social services	72 658	67 074	66 744	84 174	74 255	74 255	86 966	92 167	97 251
Aged Care	-	-	-	-	-	-	-	-	-
Agricultural	-	-	-	-	-	-	-	-	-
Animal Care and Diseases	-	-	-	-	-	-	-	-	-
Cemeteries, Funeral Parlours and Crematoriums	14 808	10 570	11 005	12 484	9 042	9 042	9 485	10 597	11 167
Child Care Facilities	-	-	-	-	-	-	-	-	-
Community Halls and Facilities	13 078	12 551	12 267	14 417	9 917	9 917	16 064	17 023	17 983
Consumer Protection	-	-	-	-	-	-	-	-	-
Cultural Matters	4 635	3 434	3 686	5 154	5 154	5 154	5 244	5 638	5 947
Disaster Management	5 076	9 768	8 089	14 628	14 651	14 651	16 415	17 608	18 549
Education	-	-	-	-	-	-	-	-	-
Indigenous and Customary Law	-	-	-	-	-	-	-	-	-
Industrial Promotion	-	-	-	-	-	-	-	-	-
Language Policy	-	-	-	-	-	-	-	-	-
Libraries and Archives	19 990	21 637	21 724	26 214	24 214	24 214	27 194	28 799	30 404
Literacy Programmes	-	-	-	-	-	-	-	-	-
Media Services	-	-	-	-	-	-	-	-	-
Museums and Art Galleries	15 071	9 113	9 973	11 277	11 277	11 277	12 565	12 502	13 200
Population Development	-	-	-	-	-	-	-	-	-
Provincial Cultural Matters	-	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-	-
Zoo's	-	-	-	-	-	-	-	-	-
Sport and recreation	192 869	247 608	237 591	153 114	168 436	168 436	178 202	193 246	203 329
Beaches and Jetties	-	-	-	-	-	-	-	-	-
Casinos, Racing, Gambling, Wagering	-	-	-	-	-	-	-	-	-
Community Parks (including Nurseries)	41 295	45 932	43 507	43 849	45 569	45 569	48 635	53 339	56 279
Recreational Facilities	151 574	201 676	194 084	109 265	122 867	122 867	129 566	139 907	147 050
Sports Grounds and Stadiums	-	-	-	-	-	-	-	-	-
Public safety	64 932	74 304	77 488	67 298	71 683	71 683	71 881	79 636	84 051
Civil Defence	-	-	-	-	-	-	1 462	1 545	1 633
Cleansing	-	-	-	-	-	-	-	-	-
Control of Public Nuisances	-	-	-	-	-	-	-	-	-
Fencing and Fences	-	-	-	-	-	-	-	-	-
Fire Fighting and Protection	64 932	74 304	77 488	67 298	71 683	71 683	70 418	78 091	82 418
Licensing and Control of Animals	-	-	-	-	-	-	-	-	-
Police Forces, Traffic and Street Parking Control	-	-	-	-	-	-	-	-	-
Pounds	-	-	-	-	-	-	-	-	-
Housing	13 145	43 150	14 733	16 930	16 310	16 310	22 207	23 517	24 825
Housing	13 145	43 150	14 733	16 930	16 310	16 310	22 207	23 517	24 825
Informal Settlements	-	-	-	-	-	-	-	-	-
Health	6 766	7 985	7 892	7 352	7 367	7 367	8 017	8 525	8 998
Ambulance	-	-	-	-	-	-	-	-	-
Health Services	6 766	7 985	7 892	7 352	7 367	7 367	8 017	8 525	8 998
Laboratory Services	-	-	-	-	-	-	-	-	-
Food Control	-	-	-	-	-	-	-	-	-
Health Surveillance and Prevention of Communicable Diseases	-	-	-	-	-	-	-	-	-
Vector Control	-	-	-	-	-	-	-	-	-
Chemical Safety	-	-	-	-	-	-	-	-	-

Economic and environmental services	673 859	837 663	1 195 640	576 524	578 469	578 469	682 861	731 595	752 921
Planning and development	123 041	132 475	474 181	105 016	106 766	106 766	117 863	124 242	131 010
Billboards	-	-	-	-	-	-	-	-	-
Corporate Wide Strategic Planning (IDPs, LEDs)	21 842	27 604	27 723	16 127	19 127	19 127	21 742	22 952	24 134
Central City Improvement District	-	-	-	-	-	-	-	-	-
Development Facilitation	-	-	-	-	-	-	-	-	-
Economic Development/Planning	21 192	20 570	21 849	22 164	22 164	22 164	24 239	25 920	27 355
Regional Planning and Development	-	-	-	-	-	-	-	-	-
Town Planning, Building Regulations and Enforcement, and City	35 142	49 550	392 074	45 484	44 834	44 834	53 413	56 709	59 881
Project Management Unit	44 865	34 752	32 535	21 241	20 641	20 641	18 468	18 661	19 640
Provincial Planning	-	-	-	-	-	-	-	-	-
Support to Local Municipalities	-	-	-	-	-	-	-	-	-
Road transport	537 793	680 753	692 879	441 779	441 732	441 732	533 117	576 087	588 975
Public Transport	69 873	94 835	99 695	97 240	117 744	117 744	119 046	121 231	125 492
Road and Traffic Regulation	112 496	116 830	117 964	130 143	123 092	123 092	131 586	148 758	157 095
Roads	355 425	469 088	475 219	214 396	200 896	200 896	282 486	306 098	306 389
Taxi Ranks	-	-	-	-	-	-	-	-	-
Environmental protection	13 025	24 436	28 580	29 729	29 971	29 971	31 881	31 266	32 936
Biodiversity and Landscape	-	-	-	-	-	-	-	-	-
Coastal Protection	13 025	24 436	28 580	29 729	29 971	29 971	31 881	31 266	32 936
Indigenous Forests	-	-	-	-	-	-	-	-	-
Nature Conservation	-	-	-	-	-	-	-	-	-
Pollution Control	-	-	-	-	-	-	-	-	-
Soil Conservation	-	-	-	-	-	-	-	-	-
Trading services	1 753 611	1 886 426	2 043 090	1 976 232	1 981 769	1 981 769	2 376 560	2 535 637	2 673 642
Energy sources	916 060	985 845	1 101 135	1 178 921	1 192 057	1 192 057	1 544 811	1 635 889	1 721 839
Electricity	916 060	985 845	1 101 135	1 178 921	1 192 057	1 192 057	1 544 811	1 635 889	1 721 839
Street Lighting and Signal Systems	-	-	-	-	-	-	-	-	-
Nonelectric Energy	-	-	-	-	-	-	-	-	-
Water management	585 793	666 605	739 707	569 374	588 305	588 305	612 879	665 857	706 464
Water Treatment	29 850	30 384	33 831	20 679	17 082	17 082	21 295	27 764	29 344
Water Distribution	555 943	636 222	705 876	548 695	571 223	571 223	591 584	638 093	677 120
Water Storage	-	-	-	-	-	-	-	-	-
Waste water management	115 687	87 201	50 607	70 365	56 126	56 126	75 475	80 022	83 878
Public Toilets	-	-	-	-	-	-	-	-	-
Sewerage	115 687	87 201	50 607	70 365	56 126	56 126	75 475	80 022	83 878
Storm Water Management	-	-	-	-	-	-	-	-	-
Waste Water Treatment	-	-	-	-	-	-	-	-	-
Waste management	136 072	146 775	151 641	157 572	145 281	145 281	143 395	153 869	161 462
Recycling	-	-	-	-	-	-	-	-	-
Solid Waste Disposal (Landfill Sites)	-	-	-	-	-	-	-	-	-
Solid Waste Removal	136 072	146 775	151 641	157 572	145 281	145 281	143 395	153 869	161 462
Street Cleaning	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-
Air Transport	-	-	-	-	-	-	-	-	-
Forestry	-	-	-	-	-	-	-	-	-
Licensing and Regulation	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Tourism	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3 874 797	4 315 312	4 944 105	4 208 030	4 209 361	4 209 361	4 550 034	4 870 209	5 113 961
Surplus/(Deficit) for the year	674 390	106 063	(222 155)	938 366	938 270	938 270	1 100 373	1 027 515	1 148 468

LIM354 Polokwane - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue by Vote	1									
Vote 1 - Chief operations office		-	-	-	4	4	4	4	5	5
Vote 2 - Municipal managers office		(23)	-	-	2	2	2	2	2	2
Vote 3 - Water and sanitation		379 644	403 039	460 331	438 999	438 999	438 999	529 754	556 242	589 616
Vote 4 - Energy services		1 037 972	1 051 644	1 226 422	1 562 403	1 562 403	1 562 403	1 871 880	1 965 474	2 083 402
Vote 5 - Community Services		120 373	149 501	197 500	140 905	140 905	140 905	158 194	166 104	176 070
Vote 6 - Public safety		36 411	38 859	33 175	48 853	48 853	48 853	51 149	53 706	56 929
Vote 7 - Corporate and Shared Services		4 442	627	42 502	3 204	3 204	3 204	3 354	3 522	3 733
Vote 8 - Planning and Economic Development		35 223	62 595	212 283	27 785	27 785	27 785	29 091	30 545	32 378
Vote 9 - Budget and Treasury office		2 912 731	2 692 766	2 522 499	2 891 936	2 893 172	2 893 172	2 973 156	3 069 876	3 264 911
Vote 10 - Transport Operations		21 342	21 222	26 163	32 051	32 051	32 051	33 557	51 969	55 087
Vote 11 - Human Settlement		1 071	1 122	1 076	254	254	254	266	279	296
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	4 549 187	4 421 375	4 721 950	5 146 396	5 147 632	5 147 632	5 650 407	5 897 723	6 262 429
Expenditure by Vote to be appropriated	1									
Vote 1 - Chief operations office		153 598	128 129	127 393	142 713	128 227	128 227	146 329	153 663	161 831
Vote 2 - Municipal managers office		253 321	277 924	332 575	372 194	364 701	364 701	114 479	120 711	127 173
Vote 3 - Water and sanitation		701 480	753 806	790 314	639 739	644 431	644 431	688 354	745 880	790 341
Vote 4 - Energy services		916 060	985 845	1 101 135	1 178 921	1 192 057	1 192 057	1 544 811	1 635 889	1 721 839
Vote 5 - Community Services		389 430	455 588	453 385	388 700	386 537	386 537	402 694	434 859	457 373
Vote 6 - Public safety		290 462	328 031	346 498	385 960	376 004	376 004	385 262	420 117	442 744
Vote 7 - Corporate and Shared Services		269 132	292 228	319 085	312 128	331 945	331 945	320 285	353 881	371 288
Vote 8 - Planning and Economic Development		77 055	94 291	437 932	79 862	82 212	82 212	93 583	99 441	104 881
Vote 9 - Budget and Treasury office		385 817	392 398	446 141	379 247	368 297	368 297	430 498	454 923	479 785
Vote 10 - Transport Operations		425 298	563 922	574 914	311 636	318 640	318 640	401 532	427 329	431 881
Vote 11 - Human Settlement		13 145	43 150	14 733	16 930	16 310	16 310	22 207	23 517	24 825
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	3 874 797	4 315 312	4 944 105	4 208 030	4 209 361	4 209 361	4 550 034	4 870 209	5 113 961
Surplus/(Deficit) for the year	2	674 390	106 063	(222 155)	938 366	938 270	938 270	1 100 373	1 027 515	1 148 468

LIM354 Polokwane - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
Revenue by Vote	1									
Vote 1 - Chief operations office		-	-	-	4	4	4	4	5	5
1.1 - Chief operations office (administration)		-	-	-	1	1	1	1	1	1
1.2 - Legaslative support		-	-	-	1	1	1	1	1	1
1.3 - Legal services		-	-	-	1	1	1	1	1	1
1.4 - Integrated development plan		-	-	-	-	-	-	-	-	-
1.5 - Communications and marketing		-	-	-	1	1	1	1	1	1
1.6 - Project management unit		-	-	-	1	1	1	1	1	1
1.7 - Performance management unit		-	-	-	1	1	1	1	1	1
1.8 - Cluster office		-	-	-	1	1	1	1	1	1
1.9 - Executive support		-	-	-	1	1	1	1	1	1
1.10 -		-	-	-	-	-	-	-	-	-
Vote 2 - Municipal managers office		(23)	-	-	2	2	2	2	2	2
2.1 - Council		-	-	-	1	1	1	1	1	1
2.2 - Municipal manager		(23)	-	-	1	1	1	1	1	1
2.3 - Risk management		-	-	-	1	1	1	1	1	1
2.4 - Internal audit		-	-	-	1	1	1	1	1	1
2.5 -		-	-	-	-	-	-	-	-	-
2.6 -		-	-	-	-	-	-	-	-	-
2.7 -		-	-	-	-	-	-	-	-	-
2.8 -		-	-	-	-	-	-	-	-	-
2.9 -		-	-	-	-	-	-	-	-	-
2.10 -		-	-	-	-	-	-	-	-	-
Vote 3 - Water and sanitation		379 644	403 039	460 331	438 999	438 999	438 999	529 754	556 242	589 616
3.1 - Water and sanitation admin		108 245	155 757	154 393	177 408	177 408	177 408	196 981	206 831	219 240
3.2 - Reticulation, distribution and maintenance		261 220	240 659	294 134	300 017	300 017	300 017	373 503	392 179	415 709
3.3 - Operations and waste water		10 179	6 623	11 803	(38 427)	(38 427)	(38 427)	(40 732)	(42 769)	(45 335)
3.4 - Quality monitoring services		-	-	-	1	1	1	1	1	1
3.5 - Reticulations, distribution and maintenance, water dem		-	-	-	-	-	-	-	-	-
3.6 - Reticulations, distribution and maintenance, water dem		-	-	-	-	-	-	-	-	-
3.7 - Infrastructure development		-	-	-	1	1	1	1	1	1
3.8 -		-	-	-	-	-	-	-	-	-
3.9 -		-	-	-	-	-	-	-	-	-
3.10 -		-	-	-	-	-	-	-	-	-
Vote 4 - Energy services		1 037 972	1 051 644	1 226 422	1 562 403	1 562 403	1 562 403	1 871 880	1 965 474	2 083 402
4.1 - Energy services admin		1 037 971	1 051 644	1 226 422	1 615 212	1 615 212	1 615 212	1 933 667	2 030 350	2 152 171
4.2 - Energy operation and maintenance administration		2	-	-	(52 812)	(52 812)	(52 812)	(61 791)	(64 880)	(68 773)
4.3 - Energy services: 66KV		-	-	-	1	1	1	1	1	1
4.4 - Energy services 11KV		-	-	-	1	1	1	1	1	1
4.5 - Energy services: Planning and development		-	-	-	1	1	1	1	1	1
4.6 -		-	-	-	-	-	-	-	-	-
4.7 -		-	-	-	-	-	-	-	-	-
4.8 -		-	-	-	-	-	-	-	-	-
4.9 -		-	-	-	-	-	-	-	-	-
4.10 -		-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		120 373	149 501	197 500	140 905	140 905	140 905	158 194	166 104	176 070
5.1 - Directorate community services		-	-	-	-	-	-	-	-	-
5.2 - Sport and recreation		3 019	5 724	24 525	3 468	3 468	3 468	3 631	3 813	4 042
5.3 - Sport and facilities maintenance		-	-	-	1	1	1	1	1	1
5.4 - Recreation services (swimming pools)		-	-	-	1	1	1	1	1	1
5.5 - Sports facilities maintenance (horticultural services)		-	-	-	-	-	-	-	-	-
5.6 - Cultural services (administration)		1 043	5 634	-	1	1	1	1	1	1
5.7 - Culture services (art gallery)		113	10	40	108	108	108	113	118	126
5.8 - Cultural services (libraries)		178	(2)	47	303	303	303	318	333	353
5.9 - Cultural service (museums)		-	-	-	1	1	1	1	1	1
5.10 - Other Community Services		116 020	138 134	172 888	137 023	137 023	137 023	154 130	161 836	171 546
Vote 6 - Public safety		36 411	38 859	33 175	48 853	48 853	48 853	51 149	53 706	56 929
6.1 - Public safety administration		-	-	-	1	1	1	1	1	1
6.2 - Traffic and licencing administration		-	-	-	1	1	1	1	1	1
6.3 - Traffic and licences (licencing)		-	-	-	11	11	11	11	12	12
6.4 - Traffic and licencing (vehicle testing and drivers licence)		0	-	-	32	32	32	33	35	37
6.5 - Traffic and licencing (traffic services)		35 168	37 603	31 342	48 180	48 180	48 180	50 444	52 966	56 144
6.6 - Disaster management administration		-	-	-	132	132	132	138	145	153
6.7 - Disaster management (fire fighting)		854	1 124	1 445	117	117	117	122	128	136
6.8 - By law enforcement and security (administration)		-	-	-	1	1	1	1	1	1
6.9 - Security services		32	68	67	368	368	368	385	404	428
6.10 - Other Community Development		357	65	321	14	14	14	15	15	16
Vote 7 - Corporate and Shared Services		4 442	627	42 502	3 204	3 204	3 204	3 354	3 522	3 733
7.1 - Community and shared services		0	0	-	2	2	2	2	2	2
7.2 - Corporate service- Information Communication Technol		5	0	294	7	7	7	7	7	8
7.3 - Human Resources Development (administration)		-	-	-	1	1	1	1	1	1
7.4 - Human Resources Development (Organisational develop		-	-	-	1	1	1	1	1	1
7.5 - Human Resources Development (Learning and develop		-	-	-	1	1	1	1	1	1
7.6 - Human Resources Development (EAP)		-	-	-	1	1	1	1	1	1
7.7 - Human Resources (Administration)		-	-	-	1	1	1	1	1	1
7.8 - Human Resources (Personnel administration)		-	-	-	1	1	1	1	1	1
7.9 - Human Resources Management (Labour relations)		-	-	-	1	1	1	1	1	1
7.10 - Other corporate and shared services		4 436	627	42 208	3 192	3 192	3 192	3 342	3 509	3 719
Vote 8 - Planning and Economic Development		35 223	62 595	212 283	27 785	27 785	27 785	29 091	30 545	32 378
8.1 - Directorate planning and development		-	-	-	1	1	1	1	1	1
8.2 - Property management		-	-	-	1	1	1	1	1	1
8.3 - City and regional planning		1 817	12 661	7 829	20 207	20 207	20 207	21 157	22 215	23 548
8.4 - Corporate Gio information		-	-	-	1	1	1	1	1	1
8.5 - Building inspections (administration)		-	-	-	1	1	1	1	1	1
8.6 - Economic development and tourism		1 025	111	23	1 991	1 991	1 991	2 085	2 189	2 320

LIM354 Polokwane - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
8.7 - Local Economic Development		-	-	-	1	1	1	1	1	1
8.8 - Investment Promotion		-	-	-	1	1	1	1	1	1
8.9 - LED (Economic Planning)		-	-	-	1	1	1	1	1	1
8.10 - Other Planning and Economic Development		32 381	49 823	204 432	5 582	5 582	5 582	5 844	6 136	6 505
Vote 9 - Budget and Treasury office		2 912 731	2 692 766	2 522 499	2 891 936	2 893 172	2 893 172	2 973 156	3 069 876	3 264 911
9.1 - Budget and treasury office		259 434	231 973	240 431	93 834	93 834	93 834	4 001	5 001	5 001
9.2 - Expenditure		-	-	5 905	1	1	1	1	1	1
9.3 - Revenue management and customer care		2 651 738	2 458 476	2 267 786	2 792 279	2 793 514	2 793 514	2 963 058	3 058 473	3 253 124
9.4 - Supply Chain Management		30	1	0	3 458	3 458	3 458	3 620	3 801	4 029
9.5 - Asset management		268	-	5 555	1	1	1	1	1	1
9.6 - Budget and financial reporting		1 262	2 316	2 821	2 365	2 365	2 365	2 476	2 600	2 756
9.7 - Business and financial planning		-	-	-	1	1	1	1	1	1
9.8 -		-	-	-	-	-	-	-	-	-
9.9 -		-	-	-	-	-	-	-	-	-
9.10 -		-	-	-	-	-	-	-	-	-
Vote 10 - Transport Operations		21 342	21 222	26 163	32 051	32 051	32 051	33 557	51 969	55 087
10.1 - Transport services		79	582	300	69	69	69	72	76	81
10.2 - Transport services (Planning and operations)		0	-	1 102	1 467	1 467	1 467	1 536	1 613	1 709
10.3 - Transport services (Intelligent transport and system m		-	-	-	1	1	1	1	1	1
10.4 - Transport services (Public transport regulation and m		-	-	-	1	1	1	1	1	1
10.5 - Roads and stormwater (Admin)		21 214	20 640	22 641	30 443	30 443	30 443	31 874	50 201	53 214
10.6 - Storm water management and traffic engineering		-	-	-	1	1	1	1	1	1
10.7 - Roads and stormwater (Roads and streets)		-	-	-	69	69	69	72	76	81
10.8 - Roads and stormwater (Stormwater)		48	0	2 120	1	1	1	1	1	1
10.9 -		-	-	-	-	-	-	-	-	-
10.10 -		-	-	-	-	-	-	-	-	-
Vote 11 - Human Settlement		1 071	1 122	1 076	254	254	254	266	279	296
11.1 - Human Settlement		-	-	-	1	1	1	1	1	1
11.2 - Human Settlement Housing admin		1 071	1 122	1 076	1	1	1	1	1	1
11.3 - Human Settlement Rental housing and programme imp		-	-	-	253	253	253	265	278	295
11.4 -		-	-	-	-	-	-	-	-	-
11.5 -		-	-	-	-	-	-	-	-	-
11.6 -		-	-	-	-	-	-	-	-	-
11.7 -		-	-	-	-	-	-	-	-	-
11.8 -		-	-	-	-	-	-	-	-	-
11.9 -		-	-	-	-	-	-	-	-	-
11.10 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
12.1 -		-	-	-	-	-	-	-	-	-
12.2 -		-	-	-	-	-	-	-	-	-
12.3 -		-	-	-	-	-	-	-	-	-
12.4 -		-	-	-	-	-	-	-	-	-
12.5 -		-	-	-	-	-	-	-	-	-
12.6 -		-	-	-	-	-	-	-	-	-
12.7 -		-	-	-	-	-	-	-	-	-
12.8 -		-	-	-	-	-	-	-	-	-
12.9 -		-	-	-	-	-	-	-	-	-
12.10 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
13.1 -		-	-	-	-	-	-	-	-	-
13.2 -		-	-	-	-	-	-	-	-	-
13.3 -		-	-	-	-	-	-	-	-	-
13.4 -		-	-	-	-	-	-	-	-	-
13.5 -		-	-	-	-	-	-	-	-	-
13.6 -		-	-	-	-	-	-	-	-	-
13.7 -		-	-	-	-	-	-	-	-	-
13.8 -		-	-	-	-	-	-	-	-	-
13.9 -		-	-	-	-	-	-	-	-	-
13.10 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
14.1 -		-	-	-	-	-	-	-	-	-
14.2 -		-	-	-	-	-	-	-	-	-
14.3 -		-	-	-	-	-	-	-	-	-
14.4 -		-	-	-	-	-	-	-	-	-
14.5 -		-	-	-	-	-	-	-	-	-
14.6 -		-	-	-	-	-	-	-	-	-
14.7 -		-	-	-	-	-	-	-	-	-
14.8 -		-	-	-	-	-	-	-	-	-
14.9 -		-	-	-	-	-	-	-	-	-
14.10 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
15.1 -		-	-	-	-	-	-	-	-	-
15.2 -		-	-	-	-	-	-	-	-	-
15.3 -		-	-	-	-	-	-	-	-	-
15.4 -		-	-	-	-	-	-	-	-	-
15.5 -		-	-	-	-	-	-	-	-	-
15.6 -		-	-	-	-	-	-	-	-	-
15.7 -		-	-	-	-	-	-	-	-	-
15.8 -		-	-	-	-	-	-	-	-	-
15.9 -		-	-	-	-	-	-	-	-	-
15.10 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	4 549 187	4 421 375	4 721 950	5 146 396	5 147 632	5 147 632	5 650 407	5 897 723	6 262 429

LIM354 Polokwane - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Expenditure by Vote										
Vote 1 - Chief operations office	1	153 598	128 129	127 393	142 713	128 227	128 227	146 329	153 663	161 831
1.1 - Chief operations office (administration)		26 056	3 016	2 511	3 641	3 641	3 641	5 707	6 019	6 347
1.2 - Legislative support		10 009	18 668	19 562	31 085	27 288	27 288	33 325	35 230	37 185
1.3 - Legal services		28 364	30 697	34 194	32 057	32 057	32 057	29 757	31 244	32 751
1.4 - Integrated development plan		-	-	-	-	-	-	-	-	-
1.5 - Communications and marketing		10 468	10 634	12 387	13 455	13 559	13 559	14 684	15 553	16 400
1.6 - Project management unit		44 865	34 752	32 535	21 241	20 641	20 641	18 468	18 661	19 640
1.7 - Performance management unit		1 121	3 432	3 714	3 912	3 912	3 912	5 811	6 141	6 489
1.8 - Cluster office		13 060	12 551	12 267	14 417	9 917	9 917	16 064	17 023	17 983
1.9 - Executive support		19 655	14 379	10 223	22 905	17 213	17 213	22 512	23 792	25 036
1.10 -		-	-	-	-	-	-	-	-	-
Vote 2 - Municipal managers office		253 321	277 924	332 575	372 194	364 701	364 701	114 479	120 711	127 173
2.1 - Council		235 032	167 493	297 397	333 419	326 925	326 925	71 982	75 800	79 823
2.2 - Municipal manager		1 244	92 412	16 820	18 221	18 250	18 250	19 502	20 566	21 688
2.3 - Risk management		6 099	7 619	7 103	6 413	6 373	6 373	6 763	7 117	7 491
2.4 - Internal audit		10 946	10 399	11 255	14 141	13 153	13 153	16 232	17 227	18 172
2.5 -		-	-	-	-	-	-	-	-	-
2.6 -		-	-	-	-	-	-	-	-	-
2.7 -		-	-	-	-	-	-	-	-	-
2.8 -		-	-	-	-	-	-	-	-	-
2.9 -		-	-	-	-	-	-	-	-	-
2.10 -		-	-	-	-	-	-	-	-	-
Vote 3 - Water and sanitation		701 480	753 806	790 314	639 739	644 431	644 431	688 354	745 880	790 341
3.1 - Water and sanitation admin		69 282	142 631	216 506	176 582	425 005	425 005	448 241	486 339	510 680
3.2 - Reticulation, distribution and maintenance		457 181	485 644	480 679	363 244	137 012	137 012	133 163	139 415	153 406
3.3 - Operations and waste water		115 472	87 201	50 607	70 365	56 126	56 126	75 475	80 022	83 878
3.4 - Quality monitoring services		29 727	30 384	33 712	20 679	17 082	17 082	21 295	27 764	29 344
3.5 - Reticulations, distribution and maintenance, water dem		-	-	-	-	-	-	-	-	-
3.6 - Reticulations, distribution and maintenance, water dem		-	-	-	-	-	-	-	-	-
3.7 - Infrastructure development		29 817	7 947	8 809	8 870	9 205	9 205	10 180	12 339	13 034
3.8 -		-	-	-	-	-	-	-	-	-
3.9 -		-	-	-	-	-	-	-	-	-
3.10 -		-	-	-	-	-	-	-	-	-
Vote 4 - Energy services		916 060	985 845	1 101 135	1 178 921	1 192 057	1 192 057	1 544 811	1 635 889	1 721 839
4.1 - Energy services admin		31 709	2 885	2 580	4 048	4 053	4 053	4 097	4 318	4 550
4.2 - Energy operation and maintenance administration		44 413	64 446	62 439	33 013	47 670	47 670	210 805	221 403	232 001
4.3 - Energy services: 66KV		12 534	31 782	39 417	39 931	29 982	29 982	45 809	50 041	52 598
4.4 - Energy services 11KV		791 521	884 950	994 375	1 090 576	1 097 999	1 097 999	1 274 446	1 350 019	1 414 280
4.5 - Energy services: Planning and development		35 883	1 781	2 324	11 353	12 353	12 353	9 654	10 108	18 409
4.6 -		-	-	-	-	-	-	-	-	-
4.7 -		-	-	-	-	-	-	-	-	-
4.8 -		-	-	-	-	-	-	-	-	-
4.9 -		-	-	-	-	-	-	-	-	-
4.10 -		-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		389 430	455 588	453 385	388 700	386 537	386 537	402 694	434 859	457 373
5.1 - Directorate community services		-	-	-	-	-	-	-	-	-
5.2 - Sport and recreation		51 975	66 559	66 504	61 610	63 395	63 395	66 923	72 675	76 594
5.3 - Sport and facilities maintenance		128 594	174 888	163 916	82 972	96 457	96 457	102 048	110 574	116 184
5.4 - Recreation services (swimming pools)		12 301	6 160	7 171	8 532	8 584	8 584	9 230	9 997	10 551
5.5 - Sports facilities maintenance (horticultural services)		-	-	-	-	-	-	-	-	-
5.6 - Cultural services (administration)		3 475	1 891	1 970	2 246	2 246	2 246	2 281	2 463	2 602
5.7 - Culture services (art gallery)		7 931	1 450	1 431	1 344	1 344	1 344	1 549	1 698	1 792
5.8 - Cultural services (libraries)		19 990	21 637	21 724	26 214	24 214	24 214	27 194	28 799	30 404
5.9 - Cultural service (museums)		7 140	7 663	8 542	9 933	9 933	9 933	11 015	10 804	11 409
5.10 - Other Community Services		158 025	175 340	182 127	195 850	180 365	180 365	182 451	197 849	207 838
Vote 6 - Public safety		290 462	328 031	346 498	385 960	376 004	376 004	385 262	420 117	442 744
6.1 - Public safety administration		502	489	407	5 302	4 802	4 802	4 148	4 408	4 629
6.2 - Traffic and licencing administration		348	1 953	1 901	2 227	2 112	2 112	2 347	2 605	2 751
6.3 - Traffic and licences (licencing)		10 495	16 909	14 333	16 918	14 998	14 998	18 860	20 472	21 627
6.4 - Traffic and licencing (vehicle testing and drivers licence)		93 886	12 145	12 447	15 068	14 928	14 928	16 492	17 795	18 803
6.5 - Traffic and licencing (traffic services)		7 766	85 823	90 130	95 930	91 054	91 054	93 887	107 885	113 915
6.6 - Disaster management administration		70 008	84 072	85 577	81 927	86 334	86 334	86 833	95 698	100 967
6.7 - Disaster management (fire fighting)		(0)	-	-	-	-	-	-	-	-
6.8 - By law enforcement and security (administration)		16 669	4 718	2 303	2 106	2 061	2 061	2 436	2 625	2 772
6.9 - Security services		74 022	89 032	99 952	124 252	118 886	118 886	114 925	123 221	129 414
6.10 - Other Community Development		16 766	32 890	39 448	42 231	40 829	40 829	45 334	45 407	47 867
Vote 7 - Corporate and Shared Services		269 132	292 228	319 085	312 128	331 945	331 945	320 285	353 881	371 288
7.1 - Community and shared services		4 345	2 575	2 765	3 790	3 775	3 775	3 868	4 076	4 295
7.2 - Corporate service- Information Communication Technology		52 699	53 448	59 332	62 790	64 520	64 520	65 306	68 649	72 165
7.3 - Human Resources Development (administration)		27	-	1	62	(0)	(0)	-	-	-
7.4 - Human Resources Development (Organisational develop		1 888	3 779	3 906	4 152	4 144	4 144	4 440	4 702	4 969
7.5 - Human Resources Development (Learning and develop		30 092	18 211	19 311	21 082	21 031	21 031	21 323	22 324	23 207
7.6 - Human Resources Development (EAP)		994	2 318	2 463	4 086	4 060	4 060	4 366	4 608	4 863
7.7 - Human Resources (Administration)		84	2 040	2 937	2 094	2 073	2 073	2 444	2 593	2 740
7.8 - Human Resources (Personnel administration)		3 843	7 433	7 465	8 531	8 293	8 293	8 842	9 868	10 423
7.9 - Human Resources Management (Labour relations)		3 680	4 651	4 198	5 992	6 229	6 229	6 487	6 834	7 188
7.10 - Other corporate and shared services		171 479	197 773	216 705	199 549	217 820	217 820	203 210	230 227	241 441
Vote 8 - Planning and Economic Development		77 055	94 291	437 932	79 862	82 212	82 212	93 583	99 441	104 881
8.1 - Directorate planning and development		11 410	2 481	3 125	3 601	3 601	3 601	3 741	3 944	4 159
8.2 - Property management		1 731	5 610	5 683	5 881	5 881	5 881	9 376	10 017	10 586
8.3 - City and regional planning		13 351	32 207	23 004	21 163	21 013	21 013	22 670	23 968	25 285
8.4 - Corporate Geo information		1 512	3 846	4 052	5 317	5 317	5 317	7 154	7 609	8 037
8.5 - Building inspections (administration)		18 356	7 887	8 220	13 123	12 623	12 623	14 214	15 115	15 973

LIM354 Polokwane - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)A

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
8.6 - Economic development and tourism		749	2 002	1 934	2 016	2 016	2 016	2 687	2 864	3 025
8.7 - Local Economic Development		4 659	6 725	6 671	5 134	5 134	5 134	5 450	5 865	6 187
8.8 - Investment Promotion		3 329	4 406	4 757	5 649	5 649	5 649	5 917	6 271	6 618
8.9 - LED (Economic Planning)		21 766	29 127	29 372	17 977	20 977	20 977	22 375	23 787	25 011
8.10 - Other Planning and Economic Development		192	-	351 115	-	-	-	-	-	-
Vote 9 - Budget and Treasury office		385 817	392 398	446 141	379 247	368 297	368 297	430 498	454 923	479 785
9.1 - Budget and treasury office		25 477	14 141	319 029	10 854	5 838	5 838	6 338	6 685	7 052
9.2 - Expenditure		136 985	122 108	(150 204)	96 005	94 905	94 905	97 476	102 945	107 939
9.3 - Revenue management and customer care		104 519	102 854	120 969	118 010	113 016	113 016	167 151	176 023	187 041
9.4 - Supply Chain Management		17 433	36 287	52 701	25 680	26 440	26 440	27 410	30 258	31 959
9.5 - Asset management		37 948	56 145	61 269	70 137	76 237	76 237	77 612	81 583	85 534
9.6 - Budget and financial reporting		63 454	59 634	40 696	56 472	49 772	49 772	52 220	55 010	57 704
9.7 - Business and financial planning		-	1 230	1 680	2 089	2 089	2 089	2 290	2 420	2 556
9.8 -		-	-	-	-	-	-	-	-	-
9.9 -		-	-	-	-	-	-	-	-	-
9.10 -		-	-	-	-	-	-	-	-	-
Vote 10 - Transport Operations		425 298	563 922	574 914	311 636	318 640	318 640	401 532	427 329	431 881
10.1 - Transport services		67 180	72 929	93 428	85 185	90 759	90 759	75 593	75 878	77 972
10.2 - Transport services (Planning and operations)		1 451	2 387	2 608	3 297	11 297	11 297	13 179	13 381	13 594
10.3 - Transport services (Intelligent transport and system m		-	-	341	3 425	11 225	11 225	16 227	17 014	17 997
10.4 - Transport services (Public transport regulation and mo		1 241	19 519	3 319	5 333	4 464	4 464	14 046	14 958	15 929
10.5 - Roads and stormwater (Admin)		16 042	1 654	1 707	4 362	7 362	7 362	7 522	7 895	8 285
10.6 - Storm water management and traffic engineering		-	-	1 618	62	62	62	69	72	76
10.7 - Roads and stormwater (Roads and streets)		42 672	107 281	170 389	69 166	51 586	51 586	123 367	136 139	127 990
10.8 - Roads and stormwater (Stormwater)		296 711	360 152	301 504	140 806	141 886	141 886	148 982	159 301	167 194
10.9 -		-	-	-	-	-	-	2 546	2 691	2 844
10.10 -		-	-	-	-	-	-	-	-	-
Vote 11 - Human Settlement		13 145	43 150	14 733	16 930	16 310	16 310	22 207	23 517	24 825
11.1 - Human Settlement		50	14	44	673	653	653	1 047	1 105	1 165
11.2 - Human Settlement Housing admin		4 772	4 173	3 555	4 327	3 927	3 927	6 535	6 883	7 249
11.3 - Human Settlement Rental housing and programme im		8 323	38 963	11 135	11 930	11 730	11 730	14 625	15 529	16 411
11.4 -		-	-	-	-	-	-	-	-	-
11.5 -		-	-	-	-	-	-	-	-	-
11.6 -		-	-	-	-	-	-	-	-	-
11.7 -		-	-	-	-	-	-	-	-	-
11.8 -		-	-	-	-	-	-	-	-	-
11.9 -		-	-	-	-	-	-	-	-	-
11.10 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
12.1 -		-	-	-	-	-	-	-	-	-
12.2 -		-	-	-	-	-	-	-	-	-
12.3 -		-	-	-	-	-	-	-	-	-
12.4 -		-	-	-	-	-	-	-	-	-
12.5 -		-	-	-	-	-	-	-	-	-
12.6 -		-	-	-	-	-	-	-	-	-
12.7 -		-	-	-	-	-	-	-	-	-
12.8 -		-	-	-	-	-	-	-	-	-
12.9 -		-	-	-	-	-	-	-	-	-
12.10 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
13.1 -		-	-	-	-	-	-	-	-	-
13.2 -		-	-	-	-	-	-	-	-	-
13.3 -		-	-	-	-	-	-	-	-	-
13.4 -		-	-	-	-	-	-	-	-	-
13.5 -		-	-	-	-	-	-	-	-	-
13.6 -		-	-	-	-	-	-	-	-	-
13.7 -		-	-	-	-	-	-	-	-	-
13.8 -		-	-	-	-	-	-	-	-	-
13.9 -		-	-	-	-	-	-	-	-	-
13.10 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
14.1 -		-	-	-	-	-	-	-	-	-
14.2 -		-	-	-	-	-	-	-	-	-
14.3 -		-	-	-	-	-	-	-	-	-
14.4 -		-	-	-	-	-	-	-	-	-
14.5 -		-	-	-	-	-	-	-	-	-
14.6 -		-	-	-	-	-	-	-	-	-
14.7 -		-	-	-	-	-	-	-	-	-
14.8 -		-	-	-	-	-	-	-	-	-
14.9 -		-	-	-	-	-	-	-	-	-
14.10 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
15.1 -		-	-	-	-	-	-	-	-	-
15.2 -		-	-	-	-	-	-	-	-	-
15.3 -		-	-	-	-	-	-	-	-	-
15.4 -		-	-	-	-	-	-	-	-	-
15.5 -		-	-	-	-	-	-	-	-	-
15.6 -		-	-	-	-	-	-	-	-	-
15.7 -		-	-	-	-	-	-	-	-	-
15.8 -		-	-	-	-	-	-	-	-	-
15.9 -		-	-	-	-	-	-	-	-	-
15.10 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	3 874 797	4 315 312	4 944 105	4 208 030	4 209 361	4 209 361	4 550 034	4 870 209	5 113 961
Surplus/(Deficit) for the year	2	674 390	106 063	(222 155)	938 366	938 270	938 270	1 100 373	1 027 515	1 148 468

LIM354 Polokwane - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue											
Exchange Revenue											
Service charges - Electricity	2	1 036 368	1 043 345	1 214 406	1 556 069	1 556 069	1 556 069	1 556 069	1 820 601	1 911 631	2 026 328
Service charges - Water	2	261 944	240 651	294 127	299 860	299 860	299 860	299 860	350 836	368 378	390 480
Service charges - Waste Water Management	2	118 446	162 380	166 197	138 980	138 980	138 980	138 980	147 319	154 685	163 966
Service charges - Waste Management	2	114 483	136 312	147 038	133 623	133 623	133 623	133 623	141 640	148 722	157 646
Sale of Goods and Rendering of Services		14 362	14 727	21 693	13 550	13 550	13 550	13 550	14 187	14 896	15 790
Agency services		21 214	20 640	22 641	30 443	30 443	30 443	30 443	31 874	50 201	53 213
Interest		(0)	(0)	-	-	-	-	-	-	-	-
Interest earned from Receivables		54 369	33 977	54 008	85 286	85 286	85 286	85 286	89 294	93 759	99 384
Interest earned from Current and Non Current Assets		18 823	12 333	9 641	20 000	20 000	20 000	20 000	20 940	21 987	23 306
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		9 046	18 132	28 618	11 950	11 950	11 950	11 950	12 512	13 137	13 926
Licence and permits		5 468	6 199	13 495	13 465	13 465	13 465	13 465	14 098	14 803	15 691
Operational Revenue		1 622	3 851	3 117	37 288	37 288	37 288	37 288	39 041	40 993	43 452
Non-Exchange Revenue											
Property rates	2	485 420	468 974	544 918	587 176	587 176	587 176	587 176	622 442	653 565	692 778
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		31 584	38 939	31 865	40 162	40 162	40 162	40 162	42 049	44 152	46 801
Licences or permits		0	-	(0)	421	421	421	421	441	463	491
Transfer and subsidies - Operational		1 292 050	1 386 384	1 215 946	1 348 687	1 389 344	1 389 344	1 389 344	1 575 705	1 705 009	1 808 806
Interest		33 529	29 083	28 236	21 321	21 321	21 321	21 321	22 323	23 440	24 846
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		311	121	2 120	-	-	-	-	-	-	-
Other Gains		22 189	40 333	268 487	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contrib		3 521 228	3 656 382	4 066 552	4 338 280	4 378 937	4 378 937	4 378 937	4 945 302	5 259 820	5 576 904
Expenditure											
Employee related costs	2	922 982	973 200	1 026 750	1 167 117	1 146 368	1 146 368	1 146 368	1 258 954	1 417 184	1 497 774
Remuneration of councillors		38 522	38 692	39 349	41 917	40 917	40 917	40 917	43 514	45 994	48 615
Bulk purchases - electricity	2	725 603	765 101	878 180	976 580	976 580	976 580	976 580	1 162 130	1 216 750	1 273 937
Inventory consumed	8	242 374	296 908	341 047	307 541	303 865	303 865	303 865	336 483	352 292	368 844
Debt impairment	3	-	-	-	-	-	-	-	272 220	285 014	298 410
Depreciation and amortisation		711 652	887 679	761 893	260 000	260 000	260 000	260 000	272 220	285 014	298 410
Interest		69 673	61 770	59 778	42 336	42 536	42 536	42 536	44 535	46 629	48 820
Contracted services		760 605	774 282	949 192	871 101	848 697	848 697	848 697	839 992	872 969	914 579
Transfers and subsidies		27 208	127 711	45 240	17 000	11 100	11 100	11 100	11 622	12 168	12 740
Irrecoverable debts written off		159 919	154 120	199 543	260 000	260 000	260 000	260 000	-	-	-
Operational costs		210 066	217 049	239 050	264 438	319 299	319 299	319 299	308 363	336 195	351 832
Losses on disposal of Assets		1 744	846	72 068	-	-	-	-	-	-	-
Other Losses		3 752	13 378	313 479	-	-	-	-	-	-	-
Total Expenditure		3 874 100	4 310 736	4 925 570	4 208 030	4 209 361	4 209 361	4 209 361	4 550 034	4 870 209	5 113 961
Surplus/(Deficit)		(352 872)	(654 355)	(859 018)	130 250	169 576	169 576	169 576	395 269	389 611	462 943
Transfers and subsidies - capital (monetary)	6	1 026 876	764 993	655 398	808 116	768 695	768 695	768 695	705 105	637 904	685 524
Transfers and subsidies - capital (in-kind)	6	1 083	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		675 086	110 638	(203 620)	938 366	938 270	938 270	938 270	1 100 373	1 027 515	1 148 468
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		675 086	110 638	(203 620)	938 366	938 270	938 270	938 270	1 100 373	1 027 515	1 148 468
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		675 086	110 638	(203 620)	938 366	938 270	938 270	938 270	1 100 373	1 027 515	1 148 468
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	675 086	110 638	(203 620)	938 366	938 270	938 270	938 270	1 100 373	1 027 515	1 148 468

LIM354 Polokwane - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Chief operations office		-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal managers office		-	-	-	-	-	-	-	-	-	-
Vote 3 - Water and sanitation		-	-	-	-	-	-	-	-	-	-
Vote 4 - Energy services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 6 - Public safety		-	-	-	-	-	-	-	-	-	-
Vote 7 - Corporate and Shared Services		-	-	-	-	-	-	-	-	-	-
Vote 8 - Planning and Economic Development		-	-	-	-	-	-	-	-	-	-
Vote 9 - Budget and Treasury office		-	-	-	-	-	-	-	-	-	-
Vote 10 - Transport Operations		-	-	-	-	-	-	-	-	-	-
Vote 11 - Human Settlement		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Chief operations office		79 015	3 178	10 272	1 030	229	229	229	870	10 040	10 231
Vote 2 - Municipal managers office		-	-	-	-	-	-	-	3 400	-	-
Vote 3 - Water and sanitation		1 125 848	393 657	301 758	281 466	348 367	348 367	348 367	319 008	281 215	303 765
Vote 4 - Energy services		4 093 033	48 803	51 937	109 913	78 977	78 977	78 977	90 921	107 854	103 690
Vote 5 - Community Services		259 738	62 862	50 807	52 090	43 247	43 247	43 247	61 340	40 470	42 169
Vote 6 - Public safety		41 111	385	3 732	3 922	3 922	3 922	3 922	10 943	14 952	10 050
Vote 7 - Corporate and Shared Services		93 247	39 215	21 477	31 957	29 294	29 294	29 294	31 331	13 779	10 208
Vote 8 - Planning and Economic Development		(8 021)	279	2 510	16 823	10 065	10 065	10 065	11 614	12 472	9 780
Vote 9 - Budget and Treasury office		205 897	41 482	2 139	-	695	695	695	580	-	-
Vote 10 - Transport Operations		498 189	434 582	294 042	350 667	314 562	314 562	314 562	267 232	227 712	270 379
Vote 11 - Human Settlement		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		6 388 056	1 024 443	738 674	847 868	829 358	829 358	829 358	797 239	708 495	760 271
Total Capital Expenditure - Vote		6 388 056	1 024 443	738 674	847 868	829 358	829 358	829 358	797 239	708 495	760 271
Capital Expenditure - Functional											
Governance and administration		299 531	81 083	24 959	32 428	30 460	30 460	30 460	37 200	15 831	11 731
Executive and council		-	-	-	-	-	-	-	3 400	-	-
Finance and administration		299 531	81 083	24 959	32 428	30 460	30 460	30 460	33 800	15 831	11 731
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		323 445	62 747	41 442	46 903	39 260	39 260	39 260	43 046	46 762	42 832
Community and social services		5 881	2 233	9 004	2 137	1 650	1 650	1 650	5 204	15 893	15 744
Sport and recreation		316 767	60 514	32 438	44 766	37 609	37 609	37 609	37 842	30 870	27 089
Public safety		798	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		529 614	434 860	297 606	370 185	327 323	327 323	327 323	283 908	245 561	284 417
Planning and development		(8 021)	279	2 510	16 823	10 065	10 065	10 065	11 614	12 472	9 780
Road transport		537 635	434 582	295 096	353 362	317 258	317 258	317 258	272 294	233 089	274 637
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		5 235 467	445 753	374 668	398 351	432 316	432 316	432 316	433 085	400 340	421 291
Energy sources		4 093 033	50 016	54 902	109 913	78 977	78 977	78 977	90 921	111 332	103 690
Water management		583 776	198 950	202 057	162 423	229 598	229 598	229 598	206 987	191 811	224 247
Waste water management		542 072	194 708	99 701	119 043	118 769	118 769	118 769	112 021	89 404	79 518
Waste management		16 585	2 079	18 007	6 972	4 972	4 972	4 972	23 156	7 793	13 836
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	6 388 056	1 024 443	738 674	847 868	829 358	829 358	829 358	797 239	708 495	760 271
Funded by:											
National Government		1 597 206	853 117	571 639	702 710	668 430	668 430	668 430	613 134	554 699	596 108
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		1 816	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	1 599 022	853 117	571 639	702 710	668 430	668 430	668 430	613 134	554 699	596 108
Borrowing	6	101 957	22 918	-	-	-	-	-	-	-	-
Internally generated funds		4 582 093	143 717	165 299	145 158	160 928	160 928	160 928	184 104	153 796	164 163
Total Capital Funding	7	6 283 073	1 019 751	736 938	847 868	829 358	829 358	829 358	797 239	708 495	760 271

LIM354 Polokwane - Table A5 Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1										
Capital expenditure - Municipal Vote											
Multi-year expenditure appropriation	2										
Vote 1 - Chief operations office		-	-	-	-	-	-	-	-	-	-
1.1 - Chief operations office (administration)		-	-	-	-	-	-	-	-	-	-
1.2 - Legaslative support		-	-	-	-	-	-	-	-	-	-
1.3 - Legal services		-	-	-	-	-	-	-	-	-	-
1.4 - Integrated development plan		-	-	-	-	-	-	-	-	-	-
1.5 - Communications and marketing		-	-	-	-	-	-	-	-	-	-
1.6 - Project management unit		-	-	-	-	-	-	-	-	-	-
1.7 - Performance management unit		-	-	-	-	-	-	-	-	-	-
1.8 - Cluster office		-	-	-	-	-	-	-	-	-	-
1.9 - Executive support		-	-	-	-	-	-	-	-	-	-
1.10 -		-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal managers office		-	-	-	-	-	-	-	-	-	-
2.1 - Council		-	-	-	-	-	-	-	-	-	-
2.2 - Municipal manager		-	-	-	-	-	-	-	-	-	-
2.3 - Risk management		-	-	-	-	-	-	-	-	-	-
2.4 - Internal audit		-	-	-	-	-	-	-	-	-	-
2.5 -		-	-	-	-	-	-	-	-	-	-
2.6 -		-	-	-	-	-	-	-	-	-	-
2.7 -		-	-	-	-	-	-	-	-	-	-
2.8 -		-	-	-	-	-	-	-	-	-	-
2.9 -		-	-	-	-	-	-	-	-	-	-
2.10 -		-	-	-	-	-	-	-	-	-	-
Vote 3 - Water and sanitation		-	-	-	-	-	-	-	-	-	-
3.1 - Water and sanitation admin		-	-	-	-	-	-	-	-	-	-
3.2 - Reticulation, distribution and maintenance		-	-	-	-	-	-	-	-	-	-
3.3 - Operations and waste water		-	-	-	-	-	-	-	-	-	-
3.4 - Quality monitoring services		-	-	-	-	-	-	-	-	-	-
3.5 - Reticulations, distribution and maintenance, water dem		-	-	-	-	-	-	-	-	-	-
3.6 - Reticulations, distribution and maintenance, water dem		-	-	-	-	-	-	-	-	-	-
3.7 - Infrastructure development		-	-	-	-	-	-	-	-	-	-
3.8 -		-	-	-	-	-	-	-	-	-	-
3.9 -		-	-	-	-	-	-	-	-	-	-
3.10 -		-	-	-	-	-	-	-	-	-	-
Vote 4 - Energy services		-	-	-	-	-	-	-	-	-	-
4.1 - Energy services admin		-	-	-	-	-	-	-	-	-	-
4.2 - Energy operation and maintenance administration		-	-	-	-	-	-	-	-	-	-
4.3 - Energy services: 66KV		-	-	-	-	-	-	-	-	-	-
4.4 - Energy services 11KV		-	-	-	-	-	-	-	-	-	-
4.5 - Energy services: Planning and development		-	-	-	-	-	-	-	-	-	-
4.6 -		-	-	-	-	-	-	-	-	-	-
4.7 -		-	-	-	-	-	-	-	-	-	-
4.8 -		-	-	-	-	-	-	-	-	-	-
4.9 -		-	-	-	-	-	-	-	-	-	-
4.10 -		-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-
5.1 - Directorate community services		-	-	-	-	-	-	-	-	-	-
5.2 - Sport and recreation		-	-	-	-	-	-	-	-	-	-
5.3 - Sport and facilities maintenance		-	-	-	-	-	-	-	-	-	-
5.4 - Recreation services (swimming pools)		-	-	-	-	-	-	-	-	-	-
5.5 - Sports facilities maintenance (horticultural services)		-	-	-	-	-	-	-	-	-	-
5.6 - Cultural services (administration)		-	-	-	-	-	-	-	-	-	-
5.7 - Culture services (art gallery)		-	-	-	-	-	-	-	-	-	-
5.8 - Cultural services (libraries)		-	-	-	-	-	-	-	-	-	-
5.9 - Cultural service (museums)		-	-	-	-	-	-	-	-	-	-
5.10 - Other Community Services		-	-	-	-	-	-	-	-	-	-
Vote 6 - Public safety		-	-	-	-	-	-	-	-	-	-
6.1 - Public safety administration		-	-	-	-	-	-	-	-	-	-
6.2 - Traffic and licencing administration		-	-	-	-	-	-	-	-	-	-
6.3 - Traffic and licences (licencing)		-	-	-	-	-	-	-	-	-	-
6.4 - Traffic and licencing (vehicle testing and drivers licence		-	-	-	-	-	-	-	-	-	-
6.5 - Traffic and licencing (traffic services)		-	-	-	-	-	-	-	-	-	-
6.6 - Disaster management administration		-	-	-	-	-	-	-	-	-	-
6.7 - Disaster management (fire fighting)		-	-	-	-	-	-	-	-	-	-
6.8 - By law enforcement and security (administration)		-	-	-	-	-	-	-	-	-	-
6.9 - Security services		-	-	-	-	-	-	-	-	-	-
6.10 - Other Community Development		-	-	-	-	-	-	-	-	-	-
Vote 7 - Corporate and Shared Services		-	-	-	-	-	-	-	-	-	-
7.1 - Community and shared services		-	-	-	-	-	-	-	-	-	-
7.2 - Corporte service- Information Communication Technolo		-	-	-	-	-	-	-	-	-	-
7.3 - Human Resources Development (administration)		-	-	-	-	-	-	-	-	-	-
7.4 - Human Resources Development (Organisational develo		-	-	-	-	-	-	-	-	-	-
7.5 - Human Resources Development (Learning and develop		-	-	-	-	-	-	-	-	-	-
7.6 - Human Resources Development (EAP)		-	-	-	-	-	-	-	-	-	-
7.7 - Human Resources (Administration)		-	-	-	-	-	-	-	-	-	-
7.8 - Human Resources (Personnel administration)		-	-	-	-	-	-	-	-	-	-
7.9 - Human Resources Management (Labour relations)		-	-	-	-	-	-	-	-	-	-
7.10 - Other corporate and shared services		-	-	-	-	-	-	-	-	-	-

Vote 8 - Planning and Economic Development	-	-	-	-	-	-	-	-	-	-	-	-
8.1 - Directorate planning and development	-	-	-	-	-	-	-	-	-	-	-	-
8.2 - Property management	-	-	-	-	-	-	-	-	-	-	-	-
8.3 - City and regional planning	-	-	-	-	-	-	-	-	-	-	-	-
8.4 - Corporate Gio information	-	-	-	-	-	-	-	-	-	-	-	-
8.5 - Building inspections (administration)	-	-	-	-	-	-	-	-	-	-	-	-
8.6 - Economic development and tourism	-	-	-	-	-	-	-	-	-	-	-	-
8.7 - Local Economic Development	-	-	-	-	-	-	-	-	-	-	-	-
8.8 - Investment Promotion	-	-	-	-	-	-	-	-	-	-	-	-
8.9 - LED (Economic Planning)	-	-	-	-	-	-	-	-	-	-	-	-
8.10 - Other Planning and Economic Development	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Budget and Treasury office	-	-	-	-	-	-	-	-	-	-	-	-
9.1 - Budget and treasury office	-	-	-	-	-	-	-	-	-	-	-	-
9.2 - Expenditure	-	-	-	-	-	-	-	-	-	-	-	-
9.3 - Revenue management and customer care	-	-	-	-	-	-	-	-	-	-	-	-
9.4 - Supply Chain Management	-	-	-	-	-	-	-	-	-	-	-	-
9.5 - Asset management	-	-	-	-	-	-	-	-	-	-	-	-
9.6 - Budget and financial reporting	-	-	-	-	-	-	-	-	-	-	-	-
9.7 - Business and financial planning	-	-	-	-	-	-	-	-	-	-	-	-
9.8 -	-	-	-	-	-	-	-	-	-	-	-	-
9.9 -	-	-	-	-	-	-	-	-	-	-	-	-
9.10 -	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Transport Operations	-	-	-	-	-	-	-	-	-	-	-	-
10.1 - Transport services	-	-	-	-	-	-	-	-	-	-	-	-
10.2 - Transport services (Planning and operations)	-	-	-	-	-	-	-	-	-	-	-	-
10.3 - Transport services (Intelligent transport and system mo	-	-	-	-	-	-	-	-	-	-	-	-
10.4 - Transport services (Public transport regulation and mo	-	-	-	-	-	-	-	-	-	-	-	-
10.5 - Roads and stormwater (Admin)	-	-	-	-	-	-	-	-	-	-	-	-
10.6 - Storm water management and traffic engineering	-	-	-	-	-	-	-	-	-	-	-	-
10.7 - Roads and stormwater (Roads and streets)	-	-	-	-	-	-	-	-	-	-	-	-
10.8 - Roads and stormwater (Stormwater)	-	-	-	-	-	-	-	-	-	-	-	-
10.9 -	-	-	-	-	-	-	-	-	-	-	-	-
10.10 -	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Human Settlement	-	-	-	-	-	-	-	-	-	-	-	-
11.1 - Human Settlement	-	-	-	-	-	-	-	-	-	-	-	-
11.2 - Human Settlement Housing admin	-	-	-	-	-	-	-	-	-	-	-	-
11.3 - Human Settlement Rental housing and programme imp	-	-	-	-	-	-	-	-	-	-	-	-
11.4 -	-	-	-	-	-	-	-	-	-	-	-	-
11.5 -	-	-	-	-	-	-	-	-	-	-	-	-
11.6 -	-	-	-	-	-	-	-	-	-	-	-	-
11.7 -	-	-	-	-	-	-	-	-	-	-	-	-
11.8 -	-	-	-	-	-	-	-	-	-	-	-	-
11.9 -	-	-	-	-	-	-	-	-	-	-	-	-
11.10 -	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -	-	-	-	-	-	-	-	-	-	-	-	-
12.1 -	-	-	-	-	-	-	-	-	-	-	-	-
12.2 -	-	-	-	-	-	-	-	-	-	-	-	-
12.3 -	-	-	-	-	-	-	-	-	-	-	-	-
12.4 -	-	-	-	-	-	-	-	-	-	-	-	-
12.5 -	-	-	-	-	-	-	-	-	-	-	-	-
12.6 -	-	-	-	-	-	-	-	-	-	-	-	-
12.7 -	-	-	-	-	-	-	-	-	-	-	-	-
12.8 -	-	-	-	-	-	-	-	-	-	-	-	-
12.9 -	-	-	-	-	-	-	-	-	-	-	-	-
12.10 -	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -	-	-	-	-	-	-	-	-	-	-	-	-
13.1 -	-	-	-	-	-	-	-	-	-	-	-	-
13.2 -	-	-	-	-	-	-	-	-	-	-	-	-
13.3 -	-	-	-	-	-	-	-	-	-	-	-	-
13.4 -	-	-	-	-	-	-	-	-	-	-	-	-
13.5 -	-	-	-	-	-	-	-	-	-	-	-	-
13.6 -	-	-	-	-	-	-	-	-	-	-	-	-
13.7 -	-	-	-	-	-	-	-	-	-	-	-	-
13.8 -	-	-	-	-	-	-	-	-	-	-	-	-
13.9 -	-	-	-	-	-	-	-	-	-	-	-	-
13.10 -	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -	-	-	-	-	-	-	-	-	-	-	-	-
14.1 -	-	-	-	-	-	-	-	-	-	-	-	-
14.2 -	-	-	-	-	-	-	-	-	-	-	-	-
14.3 -	-	-	-	-	-	-	-	-	-	-	-	-
14.4 -	-	-	-	-	-	-	-	-	-	-	-	-
14.5 -	-	-	-	-	-	-	-	-	-	-	-	-
14.6 -	-	-	-	-	-	-	-	-	-	-	-	-
14.7 -	-	-	-	-	-	-	-	-	-	-	-	-
14.8 -	-	-	-	-	-	-	-	-	-	-	-	-
14.9 -	-	-	-	-	-	-	-	-	-	-	-	-
14.10 -	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -	-	-	-	-	-	-	-	-	-	-	-	-
15.1 -	-	-	-	-	-	-	-	-	-	-	-	-
15.2 -	-	-	-	-	-	-	-	-	-	-	-	-
15.3 -	-	-	-	-	-	-	-	-	-	-	-	-
15.4 -	-	-	-	-	-	-	-	-	-	-	-	-
15.5 -	-	-	-	-	-	-	-	-	-	-	-	-
15.6 -	-	-	-	-	-	-	-	-	-	-	-	-
15.7 -	-	-	-	-	-	-	-	-	-	-	-	-
15.8 -	-	-	-	-	-	-	-	-	-	-	-	-
15.9 -	-	-	-	-	-	-	-	-	-	-	-	-
15.10 -	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	-	-	-	-	-	-	-	-	-	-	-	-

Capital expenditure - Municipal Vote										
Single-year expenditure appropriation										
2										
Vote 1 - Chief operations office	79 015	3 178	10 272	1 030	229	229	229	870	10 040	10 231
1.1 - Chief operations office (administration)	-	-	-	-	-	-	-	-	-	-
1.2 - Legaslative support	-	-	-	-	-	-	-	-	-	-
1.3 - Legal services	-	1 213	2 965	-	-	-	-	-	3 478	-
1.4 - Integrated development plan	-	-	-	-	-	-	-	-	-	-
1.5 - Communications and marketing	-	-	-	-	-	-	-	-	-	-
1.6 - Project management unit	-	-	-	-	-	-	-	-	-	-
1.7 - Performance management unit	-	-	-	-	-	-	-	-	-	-
1.8 - Cluster office	79 015	1 965	7 307	1 030	229	229	229	870	6 562	10 231
1.9 - Executive support	-	-	-	-	-	-	-	-	-	-
1.10 -	-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal managers office	-	-	-	-	-	-	-	3 400	-	-
2.1 - Council	-	-	-	-	-	-	-	3 400	-	-
2.2 - Municipal manager	-	-	-	-	-	-	-	-	-	-
2.3 - Risk management	-	-	-	-	-	-	-	-	-	-
2.4 - Internal audit	-	-	-	-	-	-	-	-	-	-
2.5 -	-	-	-	-	-	-	-	-	-	-
2.6 -	-	-	-	-	-	-	-	-	-	-
2.7 -	-	-	-	-	-	-	-	-	-	-
2.8 -	-	-	-	-	-	-	-	-	-	-
2.9 -	-	-	-	-	-	-	-	-	-	-
2.10 -	-	-	-	-	-	-	-	-	-	-
Vote 3 - Water and sanitation	1 125 848	393 657	301 758	281 466	348 367	348 367	348 367	319 008	281 215	303 765
3.1 - Water and sanitation admin	160 316	-	-	-	54 806	54 806	54 806	1 500	-	-
3.2 - Reticulation, distribution and maintenance	44 175	-	-	-	-	-	-	-	-	-
3.3 - Operations and waste water	542 072	194 708	99 701	119 043	118 769	118 769	118 769	112 021	89 404	79 518
3.4 - Quality monitoring services	86 139	-	65 826	-	-	-	-	1 295	3 263	1 787
3.5 - Reticulations, distribution and maintenance, water	-	-	-	-	-	-	-	-	-	-
3.6 - Reticulations, distribution and maintenance, water	-	-	-	-	-	-	-	-	-	-
3.7 - Infrastructure development	293 146	198 950	136 231	162 423	174 792	174 792	174 792	204 192	188 548	222 460
3.8 -	-	-	-	-	-	-	-	-	-	-
3.9 -	-	-	-	-	-	-	-	-	-	-
3.10 -	-	-	-	-	-	-	-	-	-	-
Vote 4 - Energy services	4 093 033	48 803	51 937	109 913	78 977	78 977	78 977	90 921	107 854	103 690
4.1 - Energy services admin	4 063 779	914	5 143	4 348	4 348	4 348	4 348	3 478	4 348	4 348
4.2 - Energy operation and maintenance administration	-	-	-	-	-	-	-	-	-	-
4.3 - Energy services: 66KV	-	-	-	-	-	-	-	-	-	-
4.4 - Energy services 11KV	-	-	-	51 652	32 542	32 542	32 542	57 443	75 245	55 864
4.5 - Energy services: Planning and development	29 254	47 889	46 794	53 913	42 087	42 087	42 087	30 000	28 261	43 478
4.6 -	-	-	-	-	-	-	-	-	-	-
4.7 -	-	-	-	-	-	-	-	-	-	-
4.8 -	-	-	-	-	-	-	-	-	-	-
4.9 -	-	-	-	-	-	-	-	-	-	-
4.10 -	-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services	259 738	62 862	50 807	52 090	43 247	43 247	43 247	61 340	40 470	42 169
5.1 - Directorate community services	-	-	-	-	-	-	-	-	-	-
5.2 - Sport and recreation	316 275	60 514	32 438	44 766	37 609	37 609	37 609	35 135	27 635	24 362
5.3 - Sport and facilities maintenance	-	-	-	-	-	-	-	2 706	3 235	2 726
5.4 - Recreation services (swimming pools)	-	-	-	-	-	-	-	-	-	-
5.5 - Sports facilities maintenance (horticultural services)	-	-	-	-	-	-	-	-	-	-
5.6 - Cultural services (administration)	-	-	-	-	-	-	-	-	-	-
5.7 - Culture services (art gallery)	-	-	-	-	-	-	-	-	-	-
5.8 - Cultural services (libraries)	804	-	-	-	500	500	500	-	-	-
5.9 - Cultural service (museums)	607	268	362	352	166	166	166	343	1 808	1 244
5.10 - Other Community Services	(57 948)	2 079	18 007	6 972	4 972	4 972	4 972	23 156	7 793	13 836
Vote 6 - Public safety	41 111	385	3 732	3 922	3 922	3 922	3 922	10 943	14 952	10 050
6.1 - Public safety administration	-	-	-	-	-	-	-	-	-	-
6.2 - Traffic and licencing administration	-	-	-	2 609	2 609	2 609	2 609	4 337	4 443	3 467
6.3 - Traffic and licences (licencing)	-	-	-	-	-	-	-	-	-	-
6.4 - Traffic and licencing (vehicle testing and drivers lic	-	-	-	-	-	-	-	725	734	529
6.5 - Traffic and licencing (traffic services)	39 446	-	1 053	87	87	87	87	-	200	261
6.6 - Disaster management administration	480	-	1 335	756	756	756	756	3 992	7 523	4 269
6.7 - Disaster management (fire fighting)	798	-	-	-	-	-	-	-	-	-
6.8 - By law enforcement and security (administration)	-	-	-	-	-	-	-	-	-	-
6.9 - Security services	174	-	-	-	-	-	-	-	-	-
6.10 - Other Community Development	213	385	1 344	471	471	471	471	1 889	2 052	1 523
Vote 7 - Corporate and Shared Services	93 247	39 215	21 477	31 957	29 294	29 294	29 294	31 331	13 779	10 208
7.1 - Community and shared services	11 672	-	-	-	-	-	-	-	-	-
7.2 - Corporate service- Information Communication Tech	48 945	7 270	4 025	4 946	5 283	5 283	5 283	1 079	1 047	1 390
7.3 - Human Resources Development (administration)	-	-	-	-	-	-	-	-	-	-
7.4 - Human Resources Development (Organisational de	-	-	-	-	-	-	-	-	-	-
7.5 - Human Resources Development (Learning and deve	-	-	-	-	-	-	-	-	-	-
7.6 - Human Resources Development (EAP)	-	-	-	-	-	-	-	-	-	-
7.7 - Human Resources (Administration)	-	-	-	-	-	-	-	-	-	-
7.8 - Human Resources (Personnel administration)	-	-	-	-	-	-	-	-	-	-
7.9 - Human Resources Management (Labour relations)	-	-	-	-	-	-	-	-	-	-
7.10 - Other corporate and shared services	32 629	31 946	17 452	27 011	24 011	24 011	24 011	30 253	12 733	8 818
Vote 8 - Planning and Economic Development	(8 021)	279	2 510	16 823	10 065	10 065	10 065	11 614	12 472	9 780
8.1 - Directorate planning and development	-	-	-	-	-	-	-	-	-	-
8.2 - Property management	-	-	-	-	-	-	-	-	-	-
8.3 - City and regional planning	0	279	2 510	15 494	4 782	4 782	4 782	10 505	11 381	9 780
8.4 - Corporate Gio information	-	-	-	1 329	5 283	5 283	5 283	1 108	1 091	-
8.5 - Building inspections (administration)	-	-	-	-	-	-	-	-	-	-
8.6 - Economic development and tourism	-	-	-	-	-	-	-	-	-	-
8.7 - Local Economic Development	-	-	-	-	-	-	-	-	-	-
8.8 - Investment Promotion	-	-	-	-	-	-	-	-	-	-
8.9 - LED (Economic Planning)	-	-	-	-	-	-	-	-	-	-
8.10 - Other Planning and Economic Development	(8 021)	-	-	-	-	-	-	-	-	-

Vote 9 - Budget and Treasury office	205 897	41 482	2 139	-	695	695	695	580	-	-
9.1 - Budget and treasury office	208 170	29 351	-	-	-	-	-	-	-	-
9.2 - Expenditure	-	-	-	-	-	-	-	-	-	-
9.3 - Revenue management and customer care	-	-	-	-	-	-	-	-	-	-
9.4 - Supply Chain Management	10 389	1 780	3	-	695	695	695	580	-	-
9.5 - Asset management	(12 662)	10 351	2 136	-	-	-	-	-	-	-
9.6 - Budget and financial reporting	-	-	-	-	-	-	-	-	-	-
9.7 - Business and financial planning	-	-	-	-	-	-	-	-	-	-
9.8 -	-	-	-	-	-	-	-	-	-	-
9.9 -	-	-	-	-	-	-	-	-	-	-
9.10 -	-	-	-	-	-	-	-	-	-	-
Vote 10 - Transport Operations	498 189	434 582	294 042	350 667	314 562	314 562	314 562	267 232	227 712	270 379
10.1 - Transport services	(45 370)	261 218	37 690	120 000	102 696	102 696	102 696	114 330	115 940	110 789
10.2 - Transport services (Planning and operations)	-	-	-	-	-	-	-	-	-	-
10.3 - Transport services (Intelligent transport and systems)	-	-	-	-	-	-	-	-	-	-
10.4 - Transport services (Public transport regulation and administration)	333 344	0	-	-	-	-	-	-	-	-
10.5 - Roads and stormwater (Admin)	-	-	-	-	-	-	-	-	-	-
10.6 - Storm water management and traffic engineering	-	-	-	-	-	-	-	-	-	-
10.7 - Roads and stormwater (Roads and streets)	210 215	173 364	256 352	230 667	211 867	211 867	211 867	152 601	111 451	159 246
10.8 - Roads and stormwater (Stormwater)	-	-	-	-	-	-	-	301	321	344
10.9 -	-	-	-	-	-	-	-	-	-	-
10.10 -	-	-	-	-	-	-	-	-	-	-
Vote 11 - Human Settlement	-	-	-	-	-	-	-	-	-	-
11.1 - Human Settlement	-	-	-	-	-	-	-	-	-	-
11.2 - Human Settlement Housing admin	-	-	-	-	-	-	-	-	-	-
11.3 - Human Settlement Rental housing and programme	-	-	-	-	-	-	-	-	-	-
11.4 -	-	-	-	-	-	-	-	-	-	-
11.5 -	-	-	-	-	-	-	-	-	-	-
11.6 -	-	-	-	-	-	-	-	-	-	-
11.7 -	-	-	-	-	-	-	-	-	-	-
11.8 -	-	-	-	-	-	-	-	-	-	-
11.9 -	-	-	-	-	-	-	-	-	-	-
11.10 -	-	-	-	-	-	-	-	-	-	-
Vote 12 -	-	-	-	-	-	-	-	-	-	-
12.1 -	-	-	-	-	-	-	-	-	-	-
12.2 -	-	-	-	-	-	-	-	-	-	-
12.3 -	-	-	-	-	-	-	-	-	-	-
12.4 -	-	-	-	-	-	-	-	-	-	-
12.5 -	-	-	-	-	-	-	-	-	-	-
12.6 -	-	-	-	-	-	-	-	-	-	-
12.7 -	-	-	-	-	-	-	-	-	-	-
12.8 -	-	-	-	-	-	-	-	-	-	-
12.9 -	-	-	-	-	-	-	-	-	-	-
12.10 -	-	-	-	-	-	-	-	-	-	-
Vote 13 -	-	-	-	-	-	-	-	-	-	-
13.1 -	-	-	-	-	-	-	-	-	-	-
13.2 -	-	-	-	-	-	-	-	-	-	-
13.3 -	-	-	-	-	-	-	-	-	-	-
13.4 -	-	-	-	-	-	-	-	-	-	-
13.5 -	-	-	-	-	-	-	-	-	-	-
13.6 -	-	-	-	-	-	-	-	-	-	-
13.7 -	-	-	-	-	-	-	-	-	-	-
13.8 -	-	-	-	-	-	-	-	-	-	-
13.9 -	-	-	-	-	-	-	-	-	-	-
13.10 -	-	-	-	-	-	-	-	-	-	-
Vote 14 -	-	-	-	-	-	-	-	-	-	-
14.1 -	-	-	-	-	-	-	-	-	-	-
14.2 -	-	-	-	-	-	-	-	-	-	-
14.3 -	-	-	-	-	-	-	-	-	-	-
14.4 -	-	-	-	-	-	-	-	-	-	-
14.5 -	-	-	-	-	-	-	-	-	-	-
14.6 -	-	-	-	-	-	-	-	-	-	-
14.7 -	-	-	-	-	-	-	-	-	-	-
14.8 -	-	-	-	-	-	-	-	-	-	-
14.9 -	-	-	-	-	-	-	-	-	-	-
14.10 -	-	-	-	-	-	-	-	-	-	-
Vote 15 -	-	-	-	-	-	-	-	-	-	-
15.1 -	-	-	-	-	-	-	-	-	-	-
15.2 -	-	-	-	-	-	-	-	-	-	-
15.3 -	-	-	-	-	-	-	-	-	-	-
15.4 -	-	-	-	-	-	-	-	-	-	-
15.5 -	-	-	-	-	-	-	-	-	-	-
15.6 -	-	-	-	-	-	-	-	-	-	-
15.7 -	-	-	-	-	-	-	-	-	-	-
15.8 -	-	-	-	-	-	-	-	-	-	-
15.9 -	-	-	-	-	-	-	-	-	-	-
15.10 -	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	6 388 056	1 024 443	738 674	847 868	829 358	829 358	829 358	797 239	708 495	760 271
Total Capital Expenditure	6 388 056	1 024 443	738 674	847 868	829 358	829 358	829 358	797 239	708 495	760 271

LIM354 Polokwane - Table A6 Budgeted Financial Position

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
ASSETS											
Current assets											
Cash and cash equivalents		420 294	301 155	232 670	359 027	282 145	282 145	282 145	295 857	286 160	297 240
Trade and other receivables from exchange transactions	1	448 699	646 204	796 271	454 733	454 733	454 733	454 733	817 952	858 841	901 790
Receivables from non-exchange transactions	1	198 929	246 927	313 617	75 533	75 533	75 533	75 533	65 652	68 271	71 616
Current portion of non-current receivables		763	22	22	-	-	-	-	22	22	22
Inventory	2	154 851	175 678	124 039	66 000	67 459	67 459	67 459	162 099	201 947	243 669
VAT		116 309	137 020	97 011	489 716	489 716	489 716	489 716	462 611	828 203	1 215 550
Other current assets		29 952	30 474	45 895	(432 354)	(432 354)	(432 354)	(432 354)	48 496	50 223	52 054
Total current assets		1 369 797	1 537 481	1 609 525	1 012 655	937 231	937 231	937 231	1 852 689	2 293 668	2 781 941
Non current assets											
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		687 388	1 132 976	973 543	730 892	730 720	730 720	730 720	973 543	973 543	973 543
Property, plant and equipment	3	16 311 280	12 925 318	12 800 862	17 326 483	17 308 145	17 308 145	17 308 145	13 325 928	13 749 458	14 211 370
Biological assets		13 479	13 479	20 812	11 833	11 833	11 833	11 833	20 812	20 812	20 812
Living and non-living resources		-	-	-	-	-	-	-	-	-	-
Heritage assets		21 900	21 900	21 868	-	-	-	-	21 868	21 868	21 868
Intangible assets		174 852	195 498	190 141	24 883	24 883	24 883	24 883	190 094	190 045	189 994
Trade and other receivables from exchange transactions		-	-	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions		144	144	144	-	-	-	-	144	144	144
Other non-current assets	1	1	1	1	1	1	1	1	1	1	1
Total non current assets		17 209 043	14 289 316	14 007 371	18 094 092	18 075 583	18 075 583	18 075 583	14 532 390	14 955 870	15 417 731
TOTAL ASSETS		18 578 841	15 826 797	15 616 896	19 106 747	19 012 814	19 012 814	19 012 814	16 385 079	17 249 538	18 199 672
LIABILITIES											
Current liabilities											
Bank overdraft		-	-	-	-	-	-	-	-	-	-
Financial liabilities		55 713	29 740	30 844	22 588	22 588	22 588	22 588	5 756	5 467	5 146
Consumer deposits		71 199	68 066	67 346	70 565	70 565	70 565	70 565	67 346	67 346	67 346
Trade and other payables from exchange transactions	4	989 110	831 356	827 391	367 264	223 063	223 063	223 063	857 004	745 965	709 049
Trade and other payables from non-exchange transactions	5	147 917	80 538	155 808	111 771	106 251	106 251	106 251	156 389	156 998	157 635
Provision		168 154	20 665	22 407	2 278	2 278	2 278	2 278	36 897	37 038	37 187
VAT		55 025	115 271	111 292	332 779	332 779	332 779	332 779	537 066	924 579	1 335 342
Other current liabilities		-	-	-	8 000	8 000	8 000	8 000	-	-	-
Total current liabilities		1 487 118	1 145 636	1 215 089	915 244	765 523	765 523	765 523	1 660 458	1 937 393	2 311 704
Non current liabilities											
Financial liabilities	6	435 778	417 702	387 498	351 199	351 199	351 199	351 199	387 498	387 498	387 498
Provision	7	181 846	349 108	340 622	197 394	197 394	197 394	197 394	181 641	181 641	181 641
Long term portion of trade payables		-	-	-	-	-	-	-	-	-	-
Other non-current liabilities		197 335	204 408	188 093	221 674	221 674	221 674	221 674	188 093	188 093	188 093
Total non current liabilities		814 959	971 218	916 213	770 266	770 266	770 266	770 266	757 232	757 232	757 232
TOTAL LIABILITIES		2 302 077	2 116 854	2 131 302	1 685 511	1 535 790	1 535 790	1 535 790	2 417 691	2 694 626	3 068 937
NET ASSETS		16 276 763	13 709 943	13 485 594	17 421 236	17 477 024	17 477 024	17 477 024	13 967 388	14 554 913	15 130 735
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	5 297 644	5 986 502	5 826 482	7 118 522	7 174 310	7 174 310	7 174 310	6 308 276	6 895 800	7 471 623
Reserves and funds	9	10 304 729	7 661 307	7 659 112	10 302 714	10 302 714	10 302 714	10 302 714	7 659 112	7 659 112	7 659 112
Other		-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	10	15 602 373	13 647 808	13 485 594	17 421 236	17 477 024	17 477 024	17 477 024	13 967 388	14 554 913	15 130 735

LIM354 Polokwane - Table A7 Budgeted Cash Flows

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		368 630	428 138	433 538	535 477	535 477	535 477	535 477	529 076	575 137	609 645
Service charges		1 540 750	1 602 160	1 856 809	2 229 125	2 229 125	2 229 125	2 229 125	2 405 037	2 614 417	2 771 281
Other revenue		146 214	148 050	236 547	141 485	141 485	141 485	141 485	385 110	399 017	419 852
Transfers and Subsidies - Operational	1	871 603	1 203 831	1 276 125	1 348 687	1 389 344	1 389 344	1 389 344	1 575 705	1 705 009	1 808 806
Transfers and Subsidies - Capital	1	1 481 184	883 555	680 120	808 116	768 695	768 695	768 695	705 105	637 904	685 524
Interest		16 023	4 204	9 427	20 000	20 000	20 000	20 000	20 940	21 987	23 306
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		2 052 210	(296 759)	(2 530 666)	(3 798 375)	(3 958 069)	(3 958 069)	(3 958 069)	(4 608 366)	(5 105 501)	(5 387 179)
Interest		-	-	-	(40 219)	(40 409)	(40 409)	(40 409)	(42 309)	(44 297)	(46 379)
Transfers and Subsidies	1	-	-	-	(16 150)	(15 770)	(15 770)	(15 770)	(11 041)	(11 560)	(12 103)
NET CASH FROM/(USED) OPERATING ACTIVITIES		6 476 614	3 973 179	1 961 900	1 228 146	1 069 878	1 069 878	1 069 878	959 258	792 112	872 754
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		18	540	2 791	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		(1 077 786)	(734 409)	(834 294)	(926 296)	(900 794)	(900 794)	(900 794)	(870 983)	(774 031)	(830 596)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(1 077 768)	(733 869)	(831 503)	(926 296)	(900 794)	(900 794)	(900 794)	(870 983)	(774 031)	(830 596)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		36 853	(25 973)	1 104	(22 588)	(22 588)	(22 588)	(22 588)	(25 088)	(27 778)	(31 078)
NET CASH FROM/(USED) FINANCING ACTIVITIES		36 853	(25 973)	1 104	(22 588)	(22 588)	(22 588)	(22 588)	(25 088)	(27 778)	(31 078)
NET INCREASE/ (DECREASE) IN CASH HELD											
Cash/cash equivalents at the year begin:	2	139 550	-	301 154	176 786	232 670	232 670	232 670	232 670	295 857	286 160
Cash/cash equivalents at the year end:	2	5 575 249	3 213 337	1 432 655	456 049	379 166	379 166	379 166	295 857	286 160	297 240

LIM354 Polokwane - Table A9 Asset Management

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	1 186 712	753 651	439 138	662 615	632 252	632 252	668 003	567 586	598 964
<i>Roads Infrastructure</i>		191 901	74 501	123 309	103 369	98 269	98 269	78 580	51 589	67 795
<i>Storm water Infrastructure</i>		3 641	-	2 142	20 196	12 355	12 355	12 594	10 154	10 435
<i>Electrical Infrastructure</i>		46 882	45 519	41 449	106 000	76 803	76 803	87 443	98 724	90 647
<i>Water Supply Infrastructure</i>		310 142	194 289	132 863	149 379	175 168	175 168	187 281	180 204	211 415
<i>Sanitation Infrastructure</i>		287 189	85 037	36 576	127 739	134 895	134 895	105 167	89 565	80 870
<i>Solid Waste Infrastructure</i>		9 695	830	699	6 155	4 155	4 155	6 087	5 802	13 637
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	91	-	164	200	200	249	258	199
Infrastructure		849 451	400 268	337 038	513 002	501 844	501 844	477 400	436 296	474 997
Community Facilities		176 235	239 989	29 199	74 245	50 001	50 001	73 699	79 289	88 911
Sport and Recreation Facilities		(134 187)	34 307	27 238	32 636	30 021	30 021	20 024	13 082	6 888
Community Assets		42 049	274 296	56 437	106 881	80 022	80 022	93 724	92 371	95 799
Heritage Assets		6 210	-	-	-	-	-	-	326	331
Revenue Generating		0	279	2 265	14 606	4 782	4 782	10 505	9 822	7 391
Non-revenue Generating		-	-	-	1 022	5 283	5 283	1 108	2 650	2 136
Investment properties		0	279	2 265	15 628	10 065	10 065	11 614	12 472	9 527
Operational Buildings		19 070	1 369	248	3 004	2 648	2 648	2 173	3 900	6 836
Housing		-	-	-	-	-	-	-	-	-
Other Assets		19 070	1 369	248	3 004	2 648	2 648	2 173	3 900	6 836
Biological or Cultivated Assets		(7 383)	-	1 489	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		179 681	-	-	613	(0)	(0)	-	-	-
Intangible Assets		179 681	-	-	613	(0)	(0)	-	-	-
Computer Equipment		10 226	12 929	2 668	2 174	2 474	2 474	466	381	397
Furniture and Office Equipment		1 457	1 162	3 486	261	261	261	469	645	348
Machinery and Equipment		41 080	9 205	3 731	3 662	3 634	3 634	10 864	9 362	5 987
Transport Assets		52 894	54 143	31 774	17 391	31 304	31 304	71 293	11 833	4 742
Land		(8 021)	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	326 659	18 087	82 068	27 067	36 864	36 864	20 835	20 784	39 108
<i>Roads Infrastructure</i>		27 198	2 094	34 527	18 870	17 486	17 486	2 436	5 552	26 461
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		7 187	-	1 449	2 174	2 174	2 174	1 304	1 739	-
<i>Water Supply Infrastructure</i>		160 316	-	-	-	13 043	13 043	-	-	-
<i>Sanitation Infrastructure</i>		97 772	-	37 814	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		5 985	-	-	-	-	-	-	-	-
Infrastructure		298 457	2 094	73 790	21 043	32 703	32 703	3 740	7 291	26 461
Community Facilities		1 407	12 413	6 250	4 719	3 132	3 132	5 913	5 298	7 238
Sport and Recreation Facilities		483	-	-	348	-	-	1 356	1 930	1 318
Community Assets		1 890	12 413	6 250	5 067	3 132	3 132	7 269	7 229	8 556
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		26 312	3 579	2 028	957	1 028	1 028	9 826	6 264	4 091
Housing		-	-	-	-	-	-	-	-	-
Other Assets		26 312	3 579	2 028	957	1 028	1 028	9 826	6 264	4 091
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-

Total Upgrading of Existing Assets	6	4 874 685	252 705	217 469	158 186	160 243	160 243	108 401	120 125	122 199
<i>Roads Infrastructure</i>		217 620	108 249	114 168	134 882	134 975	134 975	79 783	84 975	81 586
<i>Storm water Infrastructure</i>		(237)	-	-	3 130	3 130	3 130	3 316	7 737	8 957
<i>Electrical Infrastructure</i>		4 039 879	-	2 448	870	-	-	-	5 217	13 043
<i>Water Supply Infrastructure</i>		33 627	4 660	3 367	4 348	11 348	11 348	9 510	8 998	10 223
<i>Sanitation Infrastructure</i>		237 622	109 671	91 138	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		6 295	1 249	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		8 437	(91)	2 116	2 609	2 609	2 609	363	408	794
Infrastructure		4 543 242	223 738	213 238	145 838	152 062	152 062	92 972	107 335	114 604
Community Facilities		4 234	1 213	1 615	1 913	1 913	1 913	4 559	6 750	3 679
Sport and Recreation Facilities		6 208	21 929	2 355	8 696	4 529	4 529	4 348	3 478	3 478
Community Assets		10 442	23 142	3 970	10 609	6 442	6 442	8 907	10 228	7 157
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	253
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	253
Operational Buildings		315 530	5 836	375	1 739	1 739	1 739	6 522	2 561	185
Housing		-	-	-	-	-	-	-	-	-
Other Assets		315 530	5 836	375	1 739	1 739	1 739	6 522	2 561	185
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		5 471	(11)	(113)	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	6 388 056	1 024 443	738 674	847 868	829 358	829 358	797 239	708 495	760 271
<i>Roads Infrastructure</i>		436 719	184 845	272 004	257 121	250 729	250 729	160 798	142 116	175 842
<i>Storm water Infrastructure</i>		3 403	-	2 142	23 326	15 485	15 485	15 910	17 891	19 392
<i>Electrical Infrastructure</i>		4 093 948	45 519	45 347	109 043	78 977	78 977	88 747	105 680	103 690
<i>Water Supply Infrastructure</i>		504 086	198 950	136 231	153 727	199 559	199 559	196 791	189 202	221 638
<i>Sanitation Infrastructure</i>		622 582	194 708	165 527	127 739	134 895	134 895	105 167	89 565	80 870
<i>Solid Waste Infrastructure</i>		15 990	2 079	699	6 155	4 155	4 155	6 087	5 802	13 637
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		14 422	-	2 116	2 772	2 809	2 809	612	666	993
Infrastructure		5 691 150	626 100	624 066	679 883	686 609	686 609	574 113	550 922	616 061
Community Facilities		181 876	253 615	37 064	80 877	55 046	55 046	84 171	91 337	99 829
Sport and Recreation Facilities		(127 496)	56 236	29 593	41 679	34 550	34 550	25 728	18 491	11 684
Community Assets		54 380	309 851	66 658	122 556	89 596	89 596	109 899	109 828	111 513
Heritage Assets		6 210	-	-	-	-	-	-	326	331
Revenue Generating		0	279	2 265	14 606	4 782	4 782	10 505	9 822	7 644
Non-revenue Generating		-	-	-	1 022	5 283	5 283	1 108	2 650	2 136
Investment properties		0	279	2 265	15 628	10 065	10 065	11 614	12 472	9 780
Operational Buildings		360 912	10 784	2 650	5 700	5 416	5 416	18 521	12 726	11 112
Housing		-	-	-	-	-	-	-	-	-
Other Assets		360 912	10 784	2 650	5 700	5 416	5 416	18 521	12 726	11 112
Biological or Cultivated Assets		(7 383)	-	1 489	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		179 681	-	-	613	(0)	(0)	-	-	-
Intangible Assets		179 681	-	-	613	(0)	(0)	-	-	-
Computer Equipment		15 697	12 918	2 555	2 174	2 474	2 474	466	381	397
Furniture and Office Equipment		1 457	1 162	3 486	261	261	261	469	645	348
Machinery and Equipment		41 080	9 205	3 731	3 662	3 634	3 634	10 864	9 362	5 987
Transport Assets		52 894	54 143	31 774	17 391	31 304	31 304	71 293	11 833	4 742
Land		(8 021)	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		6 388 056	1 024 443	738 674	847 868	829 358	829 358	797 239	708 495	760 271

ASSET REGISTER SUMMARY - PPE (WDV)	5	15 705 443	12 300 769	11 821 168	14 769 140	14 806 604	14 806 604	11 699 402	11 525 734	11 344 412
<i>Roads Infrastructure</i>		7 337 157	2 967 203	3 172 407	5 904 873	5 911 264	5 911 264	3 087 089	2 996 949	2 911 295
<i>Storm water Infrastructure</i>		434 630	434 630	454 199	421 017	421 017	421 017	443 759	432 828	421 384
<i>Electrical Infrastructure</i>		1 409 227	1 453 832	961 219	2 519 484	2 520 528	2 520 528	952 985	945 878	934 653
<i>Water Supply Infrastructure</i>		1 825 106	2 024 056	2 031 109	2 541 754	2 554 797	2 554 797	2 030 136	2 031 024	2 030 324
<i>Sanitation Infrastructure</i>		852 590	1 063 906	1 063 906	422 860	422 585	422 585	1 054 712	1 045 085	1 035 006
<i>Solid Waste Infrastructure</i>		70 088	72 167	72 167	26 716	34 146	34 146	37 318	(5 738)	(44 595)
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		20 118	20 209	20 209	10 851	10 851	10 851	19 340	18 430	17 478
Infrastructure		11 948 915	8 036 002	7 775 215	11 847 555	11 875 190	11 875 190	7 625 340	7 464 457	7 305 544
Community Assets		2 176 482	2 051 997	1 994 980	1 701 407	1 697 431	1 697 431	1 979 539	1 987 567	1 998 715
Heritage Assets		21 900	21 900	21 868	-	-	-	21 868	21 868	21 868
Investment properties		687 388	1 132 976	973 543	730 892	730 720	730 720	973 543	973 543	973 543
Other Assets		204 598	214 246	214 246	230 317	230 723	230 723	213 990	214 816	214 779
Biological or Cultivated Assets		13 479	13 479	20 812	11 833	11 833	11 833	20 812	20 812	20 812
Intangible Assets		174 852	195 498	190 141	24 883	24 883	24 883	190 094	190 045	189 994
Computer Equipment		7 516	12 867	4 524	8 423	8 723	8 723	2 404	77	(2 361)
Furniture and Office Equipment		16 523	15 383	15 060	14 572	14 572	14 572	7 865	(341)	(9 159)
Machinery and Equipment		37 839	44 892	41 336	19 460	18 819	18 819	48 524	56 690	62 252
Transport Assets		188 551	197 815	205 730	(2 076)	11 837	11 837	251 709	232 486	204 712
Land		227 402	363 714	363 714	181 873	181 873	181 873	363 714	363 714	363 714
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	15 705 443	12 300 769	11 821 168	14 769 140	14 806 604	14 806 604	11 699 402	11 525 734	11 344 412
EXPENDITURE OTHER ITEMS		1 167 949	1 484 886	1 590 281	977 516	960 670	960 670	964 286	1 047 171	1 103 101
Depreciation	7	711 652	887 679	761 893	260 000	260 000	260 000	272 220	285 014	298 410
Repairs and Maintenance by Asset Class	3	456 298	597 207	828 387	717 516	700 670	700 670	692 066	762 156	804 691
<i>Roads Infrastructure</i>		36 175	73 227	205 060	96 899	79 884	79 884	72 469	79 063	83 048
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		49 679	108 569	132 170	141 261	137 623	137 623	144 343	168 966	177 958
<i>Water Supply Infrastructure</i>		156 286	185 421	222 507	200 796	205 148	205 148	186 411	207 051	217 695
<i>Sanitation Infrastructure</i>		4 435	10 627	18 537	19 391	18 216	18 216	16 716	17 483	18 284
<i>Solid Waste Infrastructure</i>		77 912	79 037	87 308	86 820	75 595	75 595	55 657	57 977	60 388
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		324 487	456 881	665 581	545 166	516 468	516 468	475 596	530 539	557 372
Community Facilities		6 645	9 487	11 810	11 269	14 762	14 762	22 405	23 458	24 560
Sport and Recreation Facilities		31 596	30 869	36 186	36 907	35 492	35 492	40 727	46 371	48 963
Community Assets		38 241	40 356	47 995	48 176	50 254	50 254	63 132	69 829	73 523
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		28 454	42 305	44 553	49 637	51 001	51 001	52 918	57 025	60 034
Housing		-	-	-	-	-	-	-	-	-
Other Assets		28 454	42 305	44 553	49 637	51 001	51 001	52 918	57 025	60 034
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		14 303	10 105	11 686	11 016	10 766	10 766	10 766	11 272	11 802
Intangible Assets		14 303	10 105	11 686	11 016	10 766	10 766	10 766	11 272	11 802
Computer Equipment		4 930	4 045	6 990	7 405	8 005	8 005	8 005	8 381	8 775
Furniture and Office Equipment		12 318	8 827	9 283	9 756	9 756	9 756	9 756	10 215	10 695
Machinery and Equipment		500	-	-	3	3	3	476	498	4 808
Transport Assets		33 064	34 688	42 299	46 357	54 417	54 417	71 416	74 398	77 681
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		1 167 949	1 484 886	1 590 281	977 516	960 670	960 670	964 286	1 047 171	1 103 101
Renewal and upgrading of Existing Assets as % of total capex		81.4%	26.4%	40.6%	21.8%	23.8%	23.8%	16.2%	19.9%	21.2%
Renewal and upgrading of Existing Assets as % of deprecn		730.9%	30.5%	39.3%	71.3%	75.8%	75.8%	47.5%	49.4%	54.1%
R&M as a % of PPE		2.9%	4.9%	7.0%	4.8%	4.7%	4.7%	5.9%	6.6%	7.1%
Renewal and upgrading and R&M as a % of PPE		36.4%	7.1%	9.6%	6.1%	6.0%	6.0%	7.1%	7.9%	8.6%

LIM354 Polokwane - Table A10 Basic service delivery measurement

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Household service targets	1									
Water:										
Piped water inside dwelling		62 851	62 851	67 119	69 066	69 066	69 066	80 808	84 848	89 939
Piped water inside yard (but not in dwelling)		118 780	118 780	126 846	130 526	130 526	130 526	152 715	160 351	169 972
Using public tap (at least min.service level)	2	16 567	16 567	17 313	11 347	11 347	11 347	13 276	13 940	14 776
Other water supply (at least min.service level)	4	9 671	9 671	14 313	51 823	51 823	51 823	60 632	63 664	67 484
<i>Minimum Service Level and Above sub-total</i>		207 869	207 869	225 591	262 762	262 762	262 762	307 432	322 803	342 171
Using public tap (< min.service level)	3	10 040	10 040	11 027	106 174	106 174	106 174	124 223	130 434	138 260
Other water supply (< min.service level)	4	2 597	2 597	16 747	6 220	6 220	6 220	7 277	7 641	8 099
No water supply		141	141	366	1 735	1 735	1 735	2 030	2 132	2 260
<i>Below Minimum Service Level sub-total</i>		12 778	12 778	28 140	114 128	114 128	114 128	133 530	140 207	148 619
Total number of households	5	220 647	220 647	253 731	376 890	376 890	376 890	440 962	463 010	490 790
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		96 619	96 619	103 180	103 386	103 386	103 386	109 590	115 069	120 822
Flush toilet (with septic tank)		5 660	5 660	6 044	6 056	6 056	6 056	6 419	6 740	7 077
Chemical toilet		1 579	1 579	1 686	1 689	1 689	1 689	1 791	1 880	1 974
Pit toilet (ventilated)		38 840	38 840	40 575	40 656	40 656	40 656	43 096	45 250	47 513
Other toilet provisions (> min.service level)		5 756	5 756	25 756	25 808	25 808	25 808	27 356	28 724	30 160
<i>Minimum Service Level and Above sub-total</i>		148 454	148 454	177 241	177 595	177 595	177 595	188 251	197 664	207 547
Bucket toilet		282	282	282	283	283	283	300	314	330
Other toilet provisions (< min.service level)		4 248	4 248	4 248	4 256	4 256	4 256	4 512	4 737	4 974
No toilet provisions		4 530	4 530	4 530	4 539	4 539	4 539	4 811	5 052	5 305
<i>Below Minimum Service Level sub-total</i>		9 060	9 060	9 060	9 078	9 078	9 078	9 623	10 104	10 609
Total number of households	5	157 514	157 514	186 301	186 674	186 674	186 674	197 874	207 768	218 156
Energy:										
Electricity (at least min.service level)		112 379	114 626	240 949	247 940	247 940	247 940	290 090	304 595	322 870
Electricity - prepaid (min.service level)		97 167	99 111	8 571	8 820	8 820	8 820	10 319	10 835	11 485
<i>Minimum Service Level and Above sub-total</i>		209 546	213 737	249 520	256 760	256 760	256 760	300 409	315 429	334 355
Electricity (< min.service level)		18 611	18 983	-	-	-	-	-	-	-
Electricity - prepaid (< min. service level)		20 439	20 848	-	-	-	-	-	-	-
Other energy sources		2 069	2 110	5 833	6 002	6 002	6 002	7 022	7 374	7 816
<i>Below Minimum Service Level sub-total</i>		41 119	41 941	5 833	6 002	6 002	6 002	7 022	7 374	7 816
Total number of households	5	250 665	255 678	255 353	262 762	262 762	262 762	307 432	322 803	342 171
Refuse:										
Removed at least once a week		-	-	-	-	-	-	-	-	-
<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
Removed less frequently than once a week		-	-	-	-	-	-	-	-	-
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
Total number of households	5	-	-	-	-	-	-	-	-	-
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		15 075	15 377	16 959	15 451	15 451	15 451	18 077	18 981	20 120
Sanitation (free minimum level service)		14 539	14 830	15 775	17 774	17 774	17 774	18 840	19 782	20 969
Electricity/other energy (50kwh per household per month)		-	-	-	-	-	-	-	-	-
Refuse (removed at least once a week)		14 539	14 830	15 775	17 774	17 774	17 774	18 840	19 782	20 969
Informal Settlements		29	30	32	36	36	36	38	40	42
Cost of Free Basic Services provided - Formal Settlements (R'000)										
Water (6 kilolitres per indigent household per month)		21 111	22 682	25 877	30 276	30 276	30 276	51 440	54 013	57 253
Sanitation (free sanitation service to indigent households)		14 830	15 777	16 724	19 212	19 212	19 212	20 366	21 385	22 668
Electricity/other energy (50kwh per indigent household per month)		27 589	30 304	48 756	57 045	57 045	57 045	65 752	69 040	73 182
Refuse (removed once a week for indigent households)		12 432	13 226	14 020	16 106	16 106	16 106	17 074	17 928	19 004
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		26 761	27 771	29 371	32 311	32 311	32 311	37 441	39 313	41 671
Total cost of FBS provided	8	102 724	109 760	134 748	154 950	154 950	154 950	192 074	201 678	213 778
Highest level of free service provided per household										
Property rates (R value threshold)		100 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000	100 000
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (Rand per household per month)		95	95	95	95	95	95	95	95	95
Electricity (kwh per household per month)		100	100	100	100	100	100	100	100	100
Refuse (average litres per week)		240	240	240	240	240	240	240	240	240
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)										
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)										
Water (in excess of 6 kilolitres per indigent household per month)		42 802	3 824	5 601	68 633	68 633	68 633	79 668	83 651	88 670
Sanitation (in excess of free sanitation service to indigent households)		(21 104)	36 672	(24 768)	13 690	13 690	13 690	0	(0)	(0)
Electricity/other energy (in excess of 50 kwh per indigent household per month)		(14 811)	(15 777)	(14 101)	19 215	19 215	19 215	20 367	21 385	22 668
Refuse (in excess of one removal a week for indigent households)		(27 584)	434	(26 838)	(846)	(846)	(846)	(0)	(0)	(0)
Municipal Housing - rental rebates		(6 776)	(7 956)	(6 148)	16 110	16 110	16 110	17 074	17 928	19 004
Housing - top structure subsidies										
Other										
Total revenue cost of subsidised services provided	6	(27 472)	17 197	(66 255)	116 802	116 802	116 802	117 109	122 964	130 342

LIM354 Polokwane - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand											
REVENUE ITEMS:											
Non-exchange revenue by source											
Exchange Revenue											
Total Property Rates	6	528 222	472 799	550 519	655 809	655 809	655 809	655 809	702 110	737 216	781 449
Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		42 802	3 824	5 601	68 633	68 633	68 633	68 633	79 668	83 651	88 670
Net Property Rates		485 420	468 974	544 918	587 176	587 176	587 176	587 176	622 442	653 565	692 778
Exchange revenue service charges											
Service charges - Electricity											
Total Service charges - Electricity	6	1 036 373	1 074 083	1 236 324	1 612 267	1 612 267	1 612 267	1 612 267	1 886 353	1 980 670	2 099 511
Less Revenue Foregone (in excess of 50 kwh per indigent household per month)		(27 584)	434	(26 838)	(846)	(846)	(846)	(846)	(0)	(0)	(0)
Less Cost of Free Basis Services (50 kwh per indigent household per month)		27 589	30 304	48 756	57 045	57 045	57 045	57 045	65 752	69 040	73 182
Net Service charges - Electricity		1 036 368	1 043 345	1 214 406	1 556 069	1 556 069	1 556 069	1 556 069	1 820 601	1 911 631	2 026 328
Service charges - Water											
Total Service charges - Water	6	261 951	300 006	295 236	343 826	343 826	343 826	343 826	402 277	422 390	447 734
Less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)		(21 104)	36 672	(24 768)	13 690	13 690	13 690	13 690	0	(0)	(0)
Less Cost of Free Basis Services (6 kilolitres per indigent household per month)		21 111	22 682	25 877	30 276	30 276	30 276	30 276	51 440	54 013	57 253
Net Service charges - Water		261 944	240 651	294 127	299 860	299 860	299 860	299 860	350 836	368 378	390 480
Service charges - Waste Water Management											
Total Service charges - Waste Water Management		118 465	162 380	168 820	177 407	177 407	177 407	177 407	188 052	197 454	209 301
Less Revenue Foregone (in excess of free sanitation service to indigent households)		(14 811)	(15 777)	(14 101)	19 215	19 215	19 215	19 215	20 367	21 385	22 668
Less Cost of Free Basis Services (free sanitation service to indigent households)		14 830	15 777	16 724	19 212	19 212	19 212	19 212	20 366	21 385	22 668
Net Service charges - Waste Water Management		118 446	162 380	166 197	138 980	138 980	138 980	138 980	147 319	154 685	163 966
Service charges - Waste Management											
Total refuse removal revenue	6	120 139	141 582	154 910	165 839	165 839	165 839	165 839	175 789	184 578	195 653
Total landfill revenue		-	-	-	-	-	-	-	-	-	-
Less Revenue Foregone (in excess of one removal a week to indigent households)		(6 776)	(7 956)	(6 148)	16 110	16 110	16 110	16 110	17 074	17 928	19 004
Less Cost of Free Basis Services (removed once a week to indigent households)		12 432	13 226	14 020	16 106	16 106	16 106	16 106	17 074	17 928	19 004
Net Service charges - Waste Management		114 483	136 312	147 038	133 623	133 623	133 623	133 623	141 640	148 722	157 646
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	508 275	556 657	569 776	703 117	656 726	656 726	656 726	732 368	773 979	817 956
Pension and UIF Contributions		99 282	107 935	111 650	156 280	151 514	151 514	151 514	171 759	181 548	191 896
Medical Aid Contributions		35 738	39 804	42 518	45 904	45 904	45 904	45 904	50 376	53 247	56 282
Overtime		95 046	92 771	98 665	89 228	107 161	107 161	107 161	82 068	173 489	183 476
Performance Bonus		39 532	42 985	43 992	55 044	55 044	55 044	55 044	80 544	85 063	89 834
Motor Vehicle Allowance		50 970	50 449	55 283	60 431	60 684	60 684	60 684	69 979	73 968	78 184
Cellphone Allowance		108	225	163	175	175	175	175	149	158	167
Housing Allowances		10 438	11 178	16 609	11 680	12 137	12 137	12 137	10 792	11 407	12 058
Other benefits and allowances		11 449	12 932	13 538	11 243	19 938	19 938	19 938	11 493	12 149	12 841
Payments in lieu of leave		56 989	29 700	22 792	19 123	19 123	19 123	19 123	20 213	21 365	22 583
Long service awards		56	(167)	4 652	6 891	6 891	6 891	6 891	14 567	15 397	16 275
Post-retirement benefit obligations	4	12 611	25 106	43 454	8 000	8 000	8 000	8 000	8 000	8 456	8 938
Entertainment		-	-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-	-
Acting and post related allowance		2 487	3 626	3 658	0	3 070	3 070	3 070	6 646	6 959	7 286
In kind benefits		-	-	-	-	-	-	-	-	-	-
sub-total	5	922 982	973 200	1 026 750	1 167 117	1 146 368	1 146 368	1 146 368	1 258 954	1 417 184	1 497 774
Less: Employees costs capitalised to PPE		-	-	-	-	-	-	-	-	-	-
Total Employee related costs	1	922 982	973 200	1 026 750	1 167 117	1 146 368	1 146 368	1 146 368	1 258 954	1 417 184	1 497 774

Depreciation and amortisation										
Depreciation of Property, Plant & Equipment	711 433	883 254	761 752	259 955	259 955	259 955	259 955	272 173	284 965	298 359
Lease amortisation	219	4 426	142	45	45	45	45	47	49	51
Capital asset impairment	696	4 576	18 535	-	-	-	-	-	-	-
Total Depreciation and amortisation	712 348	892 255	780 428	260 000	260 000	260 000	260 000	272 220	285 014	298 410
Bulk purchases - electricity										
Electricity bulk purchases	725 603	765 101	878 180	976 580	976 580	976 580	976 580	1 162 130	1 216 750	1 273 937
Total bulk purchases	725 603	765 101	878 180	976 580	976 580	976 580	976 580	1 162 130	1 216 750	1 273 937
Transfers and grants										
Cash transfers and grants	27 208	66 558	45 240	17 000	11 100	11 100	8 319	11 622	12 168	12 740
Non-cash transfers and grants	-	61 153	-	-	-	-	-	-	-	-
Total transfers and grants	27 208	127 711	45 240	17 000	11 100	11 100	8 319	11 622	12 168	12 740
Contracted Services										
Outsourced Services	352 231	354 440	345 409	344 718	329 642	329 642	329 642	293 776	295 596	312 878
Consultants and Professional Services	243 835	245 577	334 717	266 802	258 775	258 775	258 775	286 537	306 869	306 570
Contractors	164 539	174 265	269 066	259 581	260 280	260 280	260 280	259 679	270 504	295 131
Total contracted services	760 605	774 282	949 192	871 101	848 697	848 697	848 697	839 992	872 969	914 579
Operational Costs										
Collection costs	-	-	(847)	0	0	0	0	0	0	0
Contributions to 'other' provisions	3 023	772	-	135	135	135	135	135	142	148
Audit fees	14 340	13 839	15 140	14 000	16 200	16 200	16 200	16 000	16 752	17 539
Other Operational Costs	192 703	202 438	224 757	250 303	302 964	302 964	302 964	292 228	319 301	334 144
Total Operational Costs	210 066	217 049	239 050	264 438	319 299	319 299	319 299	308 363	336 195	351 832
Repairs and Maintenance by Expenditure Item										
Employee related costs	63 111	209 530	233 064	260 515	266 996	266 996	266 996	277 993	329 566	348 298
Inventory Consumed (Project Maintenance)	36 538	49 195	46 126	36 085	47 140	47 140	47 140	39 682	41 544	43 494
Contracted Services	343 315	329 935	533 852	403 467	368 794	368 794	368 794	350 062	365 423	385 909
Operational Costs	13 334	8 547	15 345	17 450	17 740	17 740	17 740	24 328	25 623	26 989
Total Repairs and Maintenance Expenditure	456 298	597 207	828 387	717 516	700 670	700 670	700 670	692 066	762 156	804 691
Inventory Consumed										
Inventory Consumed - Water	-	147 684	171 830	218 734	218 734	218 734	218 734	253 732	265 657	278 143
Inventory Consumed - Other	78 906	59 521	85 462	88 807	85 131	85 131	85 131	82 752	86 635	90 701
Total Inventory Consumed & Other Material	78 906	207 204	257 292	307 541	303 865	303 865	303 865	336 483	352 292	368 844

LIM354 Polokwane - Supporting Table SA2 Matrix Financial Performance Budget (revenue source/expenditure type and dept.)

Description	Ref	Vote 1 - Chief operations office	Vote 2 - Municipal managers office	Vote 3 - Water and sanitation	Vote 4 - Energy services	Vote 5 - Community Services	Vote 6 - Public safety	Vote 7 - Corporate and Shared Services	Vote 8 - Planning and Economic Development	Vote 9 - Budget and Treasury office	Vote 10 - Transport Operations	Vote 11 - Human Settlement	Vote 12 -	Vote 13 -	Vote 14 -	Vote 15 -	Total
R thousand	1																
Revenue		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
Exchange Revenue																	
Service charges - Electricity		-	-	-	1 820 601	-	-	-	-	-	-	-	-	-	-	-	1 820 601
Service charges - Water		-	-	350 836	-	-	-	-	-	-	-	-	-	-	-	-	350 836
Service charges - Waste Water Management		-	-	147 319	-	-	-	-	-	-	-	-	-	-	-	-	147 319
Service charges - Waste Management		-	-	-	-	141 640	-	-	-	-	-	-	-	-	-	-	141 640
Sale of Goods and Rendering of Services		-	-	-	-	2 691	2 246	8	6 302	1 074	1 607	260	-	-	-	-	14 187
Agency services		-	-	-	-	-	-	-	-	-	31 874	-	-	-	-	-	31 874
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		-	-	31 432	44 647	8 929	-	-	-	4 286	-	-	-	-	-	-	89 294
Interest earned from Current and Non Current Assets		-	-	-	-	-	-	-	-	20 940	-	-	-	-	-	-	20 940
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		-	-	-	-	4 520	4	-	7 988	-	-	-	-	-	-	-	12 512
Licence and permits		-	-	-	-	-	13 146	-	-	952	-	-	-	-	-	-	14 098
Operational Revenue		4	2	4	6	249	217	3 347	14 801	20 328	76	6	-	-	-	-	39 041
Non-Exchange Revenue																	
Property rates		-	-	-	-	-	-	-	-	622 442	-	-	-	-	-	-	622 442
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	163	6 626	164	35 096	-	-	-	-	-	-	-	-	-	42 049
Licences or permits		-	-	-	-	-	441	-	-	-	-	-	-	-	-	-	441
Transfer and subsidies - Operational		-	-	-	-	-	-	-	-	1 575 705	-	-	-	-	-	-	1 575 705
Interest		-	-	-	-	-	-	-	-	22 323	-	-	-	-	-	-	22 323
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contribution)		4	2	529 754	1 871 880	158 194	51 149	3 354	29 091	2 268 051	33 557	266	-	-	-	-	4 945 302
Expenditure																	
Employee related costs		99 856	31 197	164 609	103 028	214 992	265 827	112 873	72 558	110 828	63 838	19 347	-	-	-	-	1 258 954
Remuneration of councillors		-	43 514	-	-	-	-	-	-	-	-	-	-	-	-	-	43 514
Bulk purchases - electricity		-	-	-	1 162 130	-	-	-	-	-	-	-	-	-	-	-	1 162 130
Inventory consumed		4 277	228	277 311	21 228	10 089	9 771	4 281	736	2 761	5 661	140	-	-	-	-	336 483
Debt impairment		-	-	43 988	160 762	12 507	-	-	-	54 963	-	-	-	-	-	-	272 220
Depreciation and amortisation		256	1 716	62 956	15 995	50 329	6 556	12 441	9 692	776	110 347	1 156	-	-	-	-	272 220
Interest		-	-	-	-	-	-	-	-	44 535	-	-	-	-	-	-	44 535
Contracted services		25 379	9 746	134 233	52 430	86 945	88 019	95 025	3 612	132 600	211 117	888	-	-	-	-	839 992
Transfers and subsidies		-	11 622	-	-	-	-	-	-	-	-	-	-	-	-	-	11 622
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational costs		16 561	16 457	5 257	29 239	27 831	15 089	95 665	6 985	84 034	10 569	676	-	-	-	-	308 363
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		146 329	114 479	688 354	1 544 811	402 694	385 262	320 285	93 583	430 498	401 532	22 207	-	-	-	-	4 550 034
Surplus/(Deficit)		(146 325)	(114 477)	(158 600)	327 069	(244 500)	(334 113)	(316 931)	(64 492)	1 837 553	(367 975)	(21 941)	-	-	-	-	395 269
Transfers and subsidies - capital (monetary allocations)		-	-	-	-	-	-	-	-	705 105	-	-	-	-	-	-	705 105
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(146 325)	(114 477)	(158 600)	327 069	(244 500)	(334 113)	(316 931)	(64 492)	2 542 658	(367 975)	(21 941)	-	-	-	-	1 100 373

LIH54 Polokwane - Supporting Table SA3 Supporting Detail to 'Budgeted Financial Position'

Description	Ref	2020/21			Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	2020/21	2021/22	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand											
ASSETS											
Trade and other receivables from exchange transactions											
Electricity		243 020	256 009	319 484	150 710	150 710	150 710	150 710	774 154	1 186 492	1 621 746
Water		381 960	387 870	451 473	717 838	717 838	717 838	717 838	482 009	501 277	521 036
Waste		115 981	158 604	197 320	89 936	89 936	89 936	89 936	209 436	217 027	225 074
Waste Water		91 566	157 782	207 182	72 186	72 186	72 186	72 186	219 426	226 946	234 917
Other trade receivables from exchange transactions		202 248	252 866	289 861	851 598	851 598	851 598	851 598	165 387	92 464	174 441
Grants: Trade and other receivables from exchange transactions		1 633 495	1 213 221	1 445 913	1 582 266	1 582 266	1 582 266	1 582 266	1 854 452	2 181 209	2 550 938
Less: Impairment for debt		(584 796)	(567 071)	(649 243)	(1 127 533)	(1 127 533)	(1 127 533)	(1 127 533)	(1 833 588)	(1 322 468)	(1 629 147)
Impairment for Electricity		-	-	-	-	-	-	-	(180 762)	(229 860)	(292 389)
Impairment for Water		-	-	-	-	-	-	-	(30 979)	(63 416)	(87 376)
Impairment for Waste		-	-	-	-	-	-	-	(12 507)	(25 832)	(39 312)
Impairment for Waste Water		-	-	-	-	-	-	-	(13 009)	(26 528)	(40 886)
Impairment for other trade receivables from exchange transactions		(584 796)	(567 071)	(649 243)	(1 127 533)	(1 127 533)	(1 127 533)	(1 127 533)	(916 362)	(677 154)	(946 269)
Total net Trade and other receivables from Exchange Transactions		448 899	646 204	796 271	454 733	454 733	454 733	454 733	817 952	858 841	891 790
Receivables from non-exchange transactions											
Property rates		407 478	407 930	525 217	22 672	22 672	22 672	22 672	640 089	741 387	849 946
Less: Impairment of Property rates		(262 694)	(269 637)	(216 921)	-	-	-	-	(896 884)	(891 430)	(881 680)
Net Property rates		144 784	138 293	308 296	22 672	22 672	22 672	22 672	543 205	650 000	768 266
Other receivables from non-exchange transactions		125 287	125 281	141 211	30 624	30 624	30 624	30 624	142 236	133 634	122 260
Less: Impairment for other receivables from non-exchange transactions		(37 763)	(77 967)	(135 890)	(37 763)	(37 763)	(37 763)	(37 763)	(135 890)	(135 890)	(135 890)
Net other receivables from non-exchange transactions		87 524	47 314	5 321	52 861	52 861	52 861	52 861	6 382	17 744	23 530
Total net Receivables from non-exchange transactions		232 308	185 607	313 617	75 533	75 533	75 533	75 533	649 587	667 744	791 796
Inventory											
Opening Balance		437	312	295	306	306	306	306	405	38 465	78 313
System Input Volume		(185)	191 032	258 974	207 822	207 822	207 822	207 822	291 791	305 506	319 864
Water Treatment Works		-	191 089	18 846	-	-	-	-	-	-	-
Slip Purchases		(185)	991	240 128	207 822	207 822	207 822	207 822	291 791	305 506	319 864
Natural Sources		-	-	-	-	-	-	-	-	-	-
Authorized Consumption		-	(147 884)	(171 839)	(218 734)	(218 734)	(218 734)	(218 734)	(252 732)	(285 657)	(278 433)
Billed Authorized Consumption		-	(147 884)	(171 839)	(218 734)	(218 734)	(218 734)	(218 734)	(252 732)	(285 657)	(278 433)
Billed Metered Consumption		-	(147 884)	(171 839)	(218 734)	(218 734)	(218 734)	(218 734)	(252 732)	(285 657)	(278 433)
Free Basic Water		-	-	-	-	-	-	-	-	-	-
Subsidised Water		-	-	-	-	-	-	-	-	-	-
Revenue Meter		-	(147 884)	(171 839)	(218 734)	(218 734)	(218 734)	(218 734)	(252 732)	(285 657)	(278 433)
Billed Unmetered Consumption		-	-	-	-	-	-	-	-	-	-
Free Basic Water		-	-	-	-	-	-	-	-	-	-
Subsidised Water		-	-	-	-	-	-	-	-	-	-
Revenue Meter		-	-	-	-	-	-	-	-	-	-
Unbilled Authorized Consumption		-	-	-	-	-	-	-	-	-	-
Unbilled Metered Consumption		-	-	-	-	-	-	-	-	-	-
Unbilled Unmetered Consumption		-	-	-	-	-	-	-	-	-	-
Water Losses		-	(43 405)	(86 965)	-	-	-	-	-	-	-
Apparent losses		-	-	-	-	-	-	-	-	-	-
Unauthorized Consumption		-	-	-	-	-	-	-	-	-	-
Customer Meter Inaccuracies		-	-	-	-	-	-	-	-	-	-
Real losses		-	(43 405)	(86 965)	-	-	-	-	-	-	-
Leakage on Transmission and Distribution Mains		-	-	-	-	-	-	-	-	-	-
Leakage and Overflows at Storage Tanks/Reservoirs		-	-	-	-	-	-	-	-	-	-
Leakage or Service Connections up to the point of Customer Meter		-	-	-	-	-	-	-	-	-	-
Data Transfer and Management Errors		-	(43 405)	(86 965)	-	-	-	-	-	-	-
Unavoidable Annual Real Losses		-	-	-	-	-	-	-	-	-	-
Non-revenue Water		-	(43 405)	(86 965)	-	-	-	-	-	-	-
Closing Balance Water		312	256	465	(10 607)	(10 607)	(10 607)	(10 607)	38 465	78 913	120 635
Agricultural											
Opening Balance		(9 028)	-	-	-	-	-	-	-	-	-
Acquisitions		9 028	-	-	-	-	-	-	-	-	-
Issues		-	-	-	-	-	-	-	-	-	-
Adjustments		-	-	-	-	-	-	-	-	-	-
Write-offs		-	-	-	-	-	-	-	-	-	-
Closing balance - Agricultural		-	-	-	-	-	-	-	-	-	-
Consumables											
Standard Rates											
Opening Balance		103 842	102 885	106 890	69 958	69 958	69 958	69 958	158 927	159 927	159 927
Acquisitions		3 943	4	114	8 893	8 893	8 893	8 893	10 559	11 055	11 575
Issues		-	-	(8 373)	(8 893)	(8 893)	(8 893)	(8 893)	(10 559)	(11 055)	(11 575)
Adjustments		1	-	(4)	-	-	-	-	-	-	-
Write-offs		-	-	-	-	-	-	-	-	-	-
Closing balance - Consumables Standard Rates		107 886	102 889	108 627	69 958	69 958	69 958	69 958	158 927	159 927	159 927
Zero Rated											
Opening Balance		(1 688)	(4 616)	(4 623)	-	-	-	-	(4 616)	(4 616)	(4 616)
Acquisitions		-	-	-	1 090	1 090	1 090	1 090	1 158	1 212	1 269
Issues		(3 048)	(4)	113	(1 090)	(998)	(998)	(998)	(1 158)	(1 212)	(1 269)
Adjustments		-	-	-	-	-	-	-	-	-	-
Write-offs		-	-	-	-	-	-	-	-	-	-
Closing balance - Consumables Zero Rated		(4 616)	(4 623)	(4 510)	92	92	92	92	(4 510)	(4 510)	(4 510)
Finished Goods											
Opening Balance		-	9	3	-	-	-	-	2	2	2
Acquisitions		18	-	-	-	-	-	-	-	-	-
Issues		(10)	(7)	-	-	-	-	-	-	-	-
Adjustments		-	-	-	-	-	-	-	-	-	-
Write-offs		-	-	-	-	-	-	-	-	-	-
Closing balance - Finished Goods		9	2	3	-	-	-	-	2	2	2
Materials and Supplies											
Opening Balance		(25 913)	(14 465)	98	-	-	-	-	(37 433)	(37 433)	(37 433)
Acquisitions		82 373	73 680	68 877	78 824	76 606	76 606	76 606	71 035	74 387	77 856
Issues		(75 847)	(69 510)	(77 593)	(78 824)	(75 000)	(75 000)	(75 000)	(71 035)	(74 387)	(77 856)
Adjustments		5 001	600	(28 916)	-	-	-	-	-	-	-
Write-offs		-	-	-	-	-	-	-	-	-	-
Closing balance - Materials and Supplies		(14 386)	365	(37 433)	(9)	1 576	1 576	1 576	(37 433)	(37 433)	(37 433)
Work-in-progress											
Opening Balance		-	-	-	-	-	-	-	-	-	-
Materials		-	-	-	-	-	-	-	-	-	-
Transfers		-	-	-	-	-	-	-	-	-	-
Closing balance - Work-in-progress		-	-	-	-	-	-	-	-	-	-
Housing Stock											
Opening Balance		-	-	6 200	-	-	-	-	-	-	-
Acquisitions		-	6 200	-	-	-	-	-	-	-	-
Transfers		-	-	(6 200)	-	-	-	-	-	-	-
Sales		-	-	-	-	-	-	-	-	-	-
Closing Balance - Housing Stock		-	6 200	-	-	-	-	-	-	-	-
Land											
Opening Balance		6 648	6 648	6 648	6 648	6 648	6 648	6 648	6 648	6 648	6 648
Acquisitions		-	-	-	-	-	-	-	-	-	-
Sales		-	-	-	-	-	-	-	-	-	-
Adjustments		-	-	-	-	-	-	-	-	-	-
Correction of Prior period errors		-	-	-	-	-	-	-	-	-	-
Closing Balance - Land		6 648	6 648	6 648	6 648	6 648	6 648	6 648	6 648	6 648	6 648
Closing Balance - Inventory & Consumables		154 651	173 678	126 639	66 609	67 489	67 489	67 489	162 099	161 387	162 689
Property, plant and equipment (PPE)											
PPE at conventional level (Prime Assets)		34 086 267	28 719 999	29 320 086	28 483 217	28 448 879	28 448 879	28 448 879	30 147 837	30 896 251	31 616 932
Less: Impairment as PPE		(24 549)	(30 387)	(30 387)	(25 254)	(25 254)	(25 254)	(25 254)	(30 387)	(30 387)	(30 387)
Less: Accumulated Depreciation		(17 129 526)	(16 820 948)	(16 500 901)	(11 162 588)	(11 167 968)	(11 167 968)	(11 167 968)	(16 820 265)	(17 137 310)	(17 452 588)
Total Property, plant and equipment (PPE)		16 912 208	12 829 518	12 699 068	17 255 485	17 265 667	17 265 667	17 265 667			

LIM354 Polokwane - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	
R thousand													
Develop and refurbish infrastructural services	Improved provision of basic and environmental services in a sustainable way to our communities			1 308 079	1 637 877	1 470 681	-	-	-	2 435 191	2 573 684	2 726 105	
Create a conducive economic environment	Increased economic growth, job creation and sustainable human settlement			17 926	53 480	49 311	-	-	-	29 090	30 545	32 377	
Enhance revenue and asset base	Enhanced Financial Viability and Improved Financial Management			2 568 407	3 325 101	2 672 513	-	-	-	2 973 156	3 069 876	3 264 911	
Plan sustainable integrated settlements	Increased economic growth, job creation and sustainable human settlement			-	8 858	1 122	-	-	-	266	279	296	
Preserve natural resources	Improved provision of basic and environmental services in a sustainable way to our communities			-	-	-	-	-	-	-	-	-	
Facilitate, care and support communities	Improve community confidence in the system of local government			155 356	211 922	175 826	-	-	-	209 343	219 810	232 999	
Invest in human capital and retain skills	Improve efficiency and effectiveness of Municipal administration			13 386	5 669	796	-	-	-	3 359	3 527	3 739	
Practice good governance	Improve efficiency and effectiveness of Municipal administration			-	2 013	-	5 146 396	5 147 632	5 147 632	2	2	2	
Allocations to other priorities													
Total Revenue (excluding capital transfers and contributions)				2									
Total Revenue (excluding capital transfers and contributions)				1	4 063 155	5 244 920	4 370 249	5 146 396	5 147 632	5 147 632	5 650 407	5 897 723	6 262 429
References													
1. Total revenue must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)													
2. Balance of allocations not directly linked to an IDP strategic objective check op revenue balance					(486 032)	823 545	(351 701)	0	0	0	0	0	

LIM354 Polokwane - Supporting Table SA5 Reconciliation of IDP strategic objectives and budget (operating expenditure)

Strategic Objective	Goal	Goal Code	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	
R thousand													
Develop and refurbish infrastructural services	Improved provision of basic and environmental services in a sustainable way to our communities			2 298 445	2 298 445	-	2 130 295	2 141 124	2 141 124	2 632 026	2 806 302	2 941 135	
Create a conducive economic environment	Increased economic growth, job creation and sustainable human settlement			65 797	65 797	-	67 648	66 998	66 998	77 526	82 498	87 100	
Enhance revenue and asset base	Enhanced Financial Viability and Improved Financial Management			403 101	403 101	-	379 247	373 041	373 041	430 330	454 747	479 601	
Plan sustainable integrated settlements	Increased economic growth, job creation and sustainable human settlement			43 150	43 150	-	16 930	16 310	16 310	22 165	23 472	24 778	
Preserve natural resources	Improved provision of basic and environmental services in a sustainable way to our communities			-	-	-	-	-	-	-	-	-	
Facilitate, care and support communities	Improve community confidence in the system of local government			791 413	791 413	-	839 248	848 243	848 243	373 846	410 768	432 940	
Invest in human capital and retain skills	Improve efficiency and effectiveness of Municipal administration			291 728	291 728	-	774 661	763 646	763 646	479 589	521 244	547 488	
Practice good governance	Improve efficiency and effectiveness of Municipal administration			432 687	432 687	-	-	-	-	114 479	120 711	127 173	
Allocations to other priorities													
Total Expenditure				1	4 326 321	4 326 321	-	4 208 030	4 209 361	4 209 361	4 129 961	4 419 742	4 640 217
References													
1. Total expenditure must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)													
2. Balance of allocations not directly linked to an IDP strategic objective													
check op expenditure balance					452 221	15 585	(4 925 570)	0	0	0	(420 072)	(450 467)	(473 745)

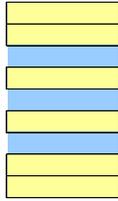
LIM354 Polokwane - Supporting Table SA6 Reconciliation of IDP strategic objectives and budget (capital expenditure)

Strategic Objective	Goal	Goal Code	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	
R thousand													
Develop and refurbish infrastructural services	Improved provision of basic and environmental services in a sustainable way to our communities	A		1 132 191	820 300	-	742 046	741 906	741 906	680 205	623 911	681 747	
Create a conducive economic environment	Increased economic growth, job creation and sustainable human settlement	B		777	482	-	15 628	10 065	10 065	11 614	12 472	9 780	
Enhance revenue and asset base	Enhanced Financial Viability and Improved Financial Management	C		3 388	1 331	-	-	-	-	580	-	-	
Plan sustainable integrated settlements	Increased economic growth, job creation and sustainable human settlement	D		-	-	-	1 195	-	-	-	-	-	
Preserve natural resources	Improved provision of basic and environmental services in a sustainable way to our communities	E		-	-	-	-	-	-	-	-	-	
Facilitate, care and support communities	Improve community confidence in the system of local government	F		38 066	56 967	-	56 012	47 170	47 170	69 240	51 770	48 305	
Invest in human capital and retain skills	Improve efficiency and effectiveness of Municipal administration	G		17 779	30 366	-	31 957	29 989	29 989	32 201	20 342	20 438	
Practice good governance	Improve efficiency and effectiveness of Municipal administration	H I		1 244	2 259	-	1 030	229	229	3 400	-	-	
Allocations to other priorities			3										
Total Capital Expenditure				1	1 193 445	911 705	-	847 868	829 358	829 358	797 239	708 495	760 271

References

- Total capital expenditure must reconcile to Budgeted Capital Expenditure
- Goal code must be used on Table SA36
- Balance of allocations not directly linked to an IDP strategic objective
check capital balance

(5 194 611) (112 738) (738 674) (0) (0) (0) 0 0 0



LIM354 Polokwane - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.8%	2.0%	1.2%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%	1.6%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	0.9%	2.4%	1.4%	1.5%	1.5%	1.5%	1.5%	1.4%	1.4%	1.4%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Current Ratio	Current assets/current liabilities	0.9	1.3	1.3	1.1	1.2	1.2	1.2	1.1	1.2	1.2
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.9	1.3	1.3	1.1	1.2	1.2	1.2	1.1	1.2	1.2
Liquidity Ratio	Monetary Assets/Current Liabilities	0.6	0.8	0.8	0.9	1.0	1.0	1.0	0.7	0.6	0.5
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	94.0%	94.7%	99.0%	96.8%	101.8%	101.8%	101.8%	56.3%	56.0%	56.2%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		94.0%	98.3%	95.9%	101.3%	101.3%	101.3%	101.3%	94.7%	98.1%	98.1%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	32.9%	46.3%	37.1%	31.4%	31.1%	31.1%	31.1%	33.6%	39.4%	44.9%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA's 65(e))	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		17.7%	25.9%	57.8%	80.5%	58.8%	58.8%	58.8%	289.7%	260.7%	238.5%
Other Indicators											
	Total Volume Losses (kW) technical	103514580	92309654	78885211	109728667	109728667	109728667	109728667	74940950.45	71193902.93	67634207.78
	Total Volume Losses (kW) non technical										
Electricity Distribution Losses (2)	Total Cost of Losses (Rand '000)	107822221	102795398	103603777	97655628.1	97655628.1	97655628.1	97655628.1	98423588.15	93502408.74	88827288.31
	% Volume (units purchased and generated less units sold)/units purchased and generated	0.15	0.13	0.118	0.1425	0.1425	0.1425	0.1425	0.1121	0.106495	0.10117025
Water Volumes :System input	Bulk Purchase				216864625.6	216864625.6	216864625.6	216864625.6	253731612	265657002	278142881
	Water treatment works										
	Natural sources										
	Total Volume Losses (kℓ)	6994771	8004392	12926583	7604172.4	7604172.4	7604172.4	7604172.4	12280253.85	11666241.16	11082929.1
Water Distribution Losses (2)	Total Cost of Losses (Rand '000)	36722548	43461586	86994953	41288506.7	41288506.7	41288506.7	41288506.7	82645205.35	78512945.08	74587297.83
	% Volume (units purchased and generated less units sold)/units purchased and generated	0.22	0.18	0.34	0.171	0.171	0.171	0.171	0.323	0.30685	0.2915075
Employee costs	Employee costs/(Total Revenue - capital revenue)	26.2%	26.6%	25.2%	26.9%	26.2%	26.2%	26.2%	25.5%	26.9%	26.9%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	27.3%	27.7%	26.2%	27.9%	27.1%	27.1%	27.1%	26.3%	27.8%	27.7%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	13.0%	16.3%	20.4%	16.5%	16.0%	16.0%	16.0%	14.0%	14.5%	14.4%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	22.2%	26.0%	20.2%	7.0%	6.9%	6.9%	6.9%	6.4%	6.3%	6.2%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	116.7	439.3	95.4	101.9	101.9	101.9	95.1	99.4	96.7	102.5
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	30.0%	34.6%	28.7%	29.1%	29.1%	29.1%	29.1%	27.5%	41.5%	54.5%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	24.2	13.5	5.3	1.6	1.4	1.4	1.4	0.9	0.8	0.8

References

1. Consumer debtors > 12 months old are excluded from current assets
2. Only include if services provided by the municipality

LIM354 Polokwane - Supporting Table SA9 Social, economic and demographic statistics and assumptions

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2019/20	2020/21	2021/22	Current Year	2023/24 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population		Stats SA Estimates	508		629	638	651	684	684	701	719	737
Females aged 5 - 14		Stats SA Estimates	47		58	59	61	64	64	65	67	69
Males aged 5 - 14		Stats SA Estimates	48		60	61	62	65	65	67	68	70
Females aged 15 - 34		Stats SA Estimates	100		123	125	128	134	134	137	141	144
Males aged 15 - 34		Stats SA Estimates	100		123	125	128	134	134	137	141	144
Unemployment		Stats SA Estimates	211		204	207	211	222	222	227	233	239
Monthly household income (no. of households)												
No income	1, 12	Stats SA	21 485		24 585	24 585	24 585	25 830	25 830	26 475	27 137	27 816
R1 - R1 600		Stats SA	7 473		8 551	8 551	8 551	8 984	8 984	9 208	9 439	9 675
R1 601 - R3 200		Stats SA	13 234		15 051	15 051	15 051	15 813	15 813	16 208	16 613	17 029
R3 201 - R6 400		Stats SA	30 048		34 367	34 367	34 367	36 107	36 107	37 010	37 935	38 883
R6 401 - R12 800		Stats SA	30 671		35 053	35 053	35 053	36 828	36 828	37 748	38 692	39 659
R12 801 - R25 600		Stats SA	19 216		20 794	20 794	20 794	21 947	21 947	22 393	22 953	23 527
R25 601 - R51 200		Stats SA	12 611		14 454	14 454	14 454	15 188	15 188	15 565	15 955	16 353
R51 201 - R102 400		Stats SA	11 210		12 900	12 900	12 900	13 553	13 553	13 892	14 239	14 595
R102 401 - R204 800		Stats SA	7 162		8 201	8 201	8 201	8 616	8 616	8 832	9 052	9 279
R204 801 - R409 600		Stats SA	2 491		2 834	2 834	2 834	2 977	2 977	3 052	3 128	3 206
R409 601 - R819 200		Stats SA	623		691	691	691	726	726	744	763	782
> R819 200		Stats SA	467		510	510	510	536	536	549	563	577
Poverty profiles (no. of households)												
< R5 500 per household per month	13											
Insert description	2											
Household demographics (000)												
Number of people in municipal area			508 277		628 999	638	629	642	629	645	661	677
Number of poor people in municipal area			-		-	-	-	-	-	-	-	-
Number of households in municipal area			124 978		130 361	157	178	182	239	255	263	270
Number of poor households in municipal area			-		-	-	-	-	8	161	165	170
Definition of poor household (R per month)			-		-	-	-	4 630	4 630	4 630	4 630	4 630
Housing statistics												
Formal	3		99 107		110 285	135 688	138 402	141 170	213 770	229 373	236 133	243 190
Informal			25 871		20 076	20 878	21 296	21 721	25 346	25 960	26 629	27 295
Total number of households			124 978		130 361	156 566	159 697	162 891	239 116	255 333	262 762	270 485
Dwellings provided by municipality	4											
Dwellings provided by province's												
Dwellings provided by private sector	5											
Total new housing dwellings			-		-	-	-	-	-	-	-	-
Economic												
Inflation/inflation outlook (CPI)	6											
Interest rate - borrowing												
Interest rate - investment												
Remuneration increases												
Consumption growth (electricity)												
Consumption growth (water)												
Collection rates												
Property tax/service charges	7											
Rental of facilities & equipment												
Interest - external investments												
Interest - debtors												
Revenue from agency services												

Detail on the provision of municipal services for A10

Total municipal services		Ref.	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	
			Household service targets (000)									
			Water:									
			Piped water inside dwelling	62 851	62 851	67 119	69 066	69 066	69 066	80 808	84 848	89 939
			Piped water inside yard (but not in dwelling)	118 780	118 780	126 846	130 526	130 526	130 526	152 715	160 351	169 972
			Using public tap (at least min.service level)	16 567	16 567	17 313	11 347	11 347	11 347	13 276	13 940	14 776
			Other water supply (at least min.service level)	9 671	9 671	14 313	51 823	51 823	51 823	60 632	63 664	67 484
			Minimum Service Level and Above sub-total	207 869	207 869	225 591	262 762	262 762	262 762	307 432	322 803	342 171
			Using public tap (< min.service level)	10 040	10 040	11 027	106 174	106 174	106 174	124 223	130 434	138 260
			Other water supply (< min.service level)	2 597	2 597	16 747	6 220	6 220	6 220	7 277	7 641	8 099
			No water supply	141	141	366	1 735	1 735	1 735	2 030	2 132	2 260
			Below Minimum Service Level sub-total	12 778	12 778	28 140	114 128	114 128	114 128	133 530	140 207	148 619
			Total number of households	220 647	220 647	253 731	376 890	376 890	376 890	440 962	463 010	490 790
			Sanitation/sewage:									
			Flush toilet (connected to sewerage)	96 619	96 619	103 180	103 386	103 386	103 386	109 690	115 069	120 822
			Flush toilet (with septic tank)	5 660	5 660	6 044	6 056	6 056	6 056	6 419	6 740	7 077
			Chemical toilet	1 579	1 579	1 686	1 689	1 689	1 689	1 791	1 880	1 974
			Pit toilet (ventilated)	38 840	38 840	40 575	40 656	40 656	40 656	43 096	45 250	47 513
			Other toilet provisions (> min.service level)	5 756	5 756	25 756	25 808	25 808	25 808	27 356	28 724	30 160
			Minimum Service Level and Above sub-total	148 454	148 454	177 241	177 595	177 595	177 595	188 251	197 664	207 547
			Bucket toilet	282	282	282	283	283	283	300	314	330
			Other toilet provisions (< min.service level)	4 248	4 248	4 248	4 256	4 256	4 256	4 512	4 737	4 974
			No toilet provisions	4 530	4 530	4 530	4 539	4 539	4 539	4 811	5 062	5 305
			Below Minimum Service Level sub-total	9 060	9 060	9 060	9 078	9 078	9 078	9 623	10 104	10 609
			Total number of households	157 514	157 514	186 301	186 674	186 674	186 674	197 874	207 768	218 156
			Energy:									
			Electricity (at least min.service level)	112 379	114 626	240 949	247 940	247 940	247 940	290 090	304 595	322 870
			Electricity - prepaid (min.service level)	97 167	99 111	8 571	8 820	8 820	8 820	10 319	10 836	11 465
			Minimum Service Level and Above sub-total	209 546	213 737	249 520	256 760	256 760	256 760	300 409	315 429	334 335
			Electricity (< min.service level)	18 611	18 983	-	-	-	-	-	-	-
			Electricity - prepaid (< min. service level)	20 439	20 848	-	-	-	-	-	-	-
			Other energy sources	2 069	2 110	5 833	6 002	6 002	6 002	7 022	7 374	7 816
			Below Minimum Service Level sub-total	41 119	41 941	5 833	6 002	6 002	6 002	7 022	7 374	7 816
			Total number of households	250 665	255 678	295 353	262 762	262 762	262 762	307 432	322 803	342 171
			Refuse:									
			Removed at least once a week	-	-	-	-	-	-	-	-	-
			Minimum Service Level and Above sub-total	-	-	-	-	-	-	-	-	-
			Removed less frequently than once a week	-	-	-	-	-	-	-	-	-
			Using communal refuse dump	-	-	-	-	-	-	-	-	-
			Using own refuse dump	-	-	-	-	-	-	-	-	-
			Other rubbish disposal	-	-	-	-	-	-	-	-	-
			No rubbish disposal	-	-	-	-	-	-	-	-	-
			Below Minimum Service Level sub-total	-	-	-	-	-	-	-	-	-
			Total number of households	-	-	-	-	-	-	-	-	-

Municipal in-house services		Ref.	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	
			Household service targets (000)									
			Water:									
			Piped water inside dwelling									
			Piped water inside yard (but not in dwelling)									
			Using public tap (at least min.service level)									
			Other water supply (at least min.service level)									
			Minimum Service Level and Above sub-total									
			Using public tap (< min.service level)									
			Other water supply (< min.service level)									
			No water supply									
			Below Minimum Service Level sub-total									
			Total number of households	-	-	-	-	-	-	-	-	-
			Sanitation/sewage:									
			Flush toilet (connected to sewerage)									
			Flush toilet (with septic tank)									
			Chemical toilet									
			Pit toilet (ventilated)									
			Other toilet provisions (> min.service level)									
			Minimum Service Level and Above sub-total									
			Bucket toilet									
			Other toilet provisions (< min.service level)									
			No toilet provisions									
			Below Minimum Service Level sub-total									
			Total number of households	-	-	-	-	-	-	-	-	-
			Energy:									
			Electricity (at least min.service level)									
			Electricity - prepaid (min.service level)									
			Minimum Service Level and Above sub-total									
			Electricity (< min.service level)									
			Electricity - prepaid (< min. service level)									
			Other energy sources									
			Below Minimum Service Level sub-total									
			Total number of households	-	-	-	-	-	-	-	-	-
			Refuse:									
			Removed at least once a week									
			Minimum Service Level and Above sub-total									
			Removed less frequently than once a week									
			Using communal refuse dump									
			Using own refuse dump									
			Other rubbish disposal									
			No rubbish disposal									
			Below Minimum Service Level sub-total									
			Total number of households	-	-	-	-	-	-	-	-	-

Municipal entity services	Ref.	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework					
					Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
					Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Name of municipal entity		Household service targets (000)											
		Water:											
		Piped water inside dwelling											
		Piped water inside yard (but not in dwelling)											
		Using public tap (at least min.service level)											
		Other water supply (at least min.service level)											
		Minimum Service Level and Above sub-total											
		-	-	-	-	-	-	-	-	-			
		Using public tap (< min.service level)											
		-	-	-	-	-	-	-	-	-			
		Other water supply (< min.service level)											
		-	-	-	-	-	-	-	-	-			
		No water supply											
		-	-	-	-	-	-	-	-	-			
		Below Minimum Service Level sub-total											
		-	-	-	-	-	-	-	-	-			
		Total number of households											
		-	-	-	-	-	-	-	-	-			
Name of municipal entity		Sanitation/sewage:											
		Flush toilet (connected to sewerage)											
		Flush toilet (with septic tank)											
		Chemical toilet											
		Pit toilet (ventilated)											
		Other toilet provisions (> min.service level)											
		Minimum Service Level and Above sub-total											
		-	-	-	-	-	-	-	-	-			
		Bucket toilet											
		-	-	-	-	-	-	-	-	-			
		Other toilet provisions (< min.service level)											
		-	-	-	-	-	-	-	-	-			
		No toilet provisions											
		-	-	-	-	-	-	-	-	-			
		Below Minimum Service Level sub-total											
		-	-	-	-	-	-	-	-	-			
		Total number of households											
		-	-	-	-	-	-	-	-	-			
Name of municipal entity		Energy:											
		Electricity (at least min.service level)											
		Electricity - prepaid (min.service level)											
		Minimum Service Level and Above sub-total											
		-	-	-	-	-	-	-	-	-			
		Electricity (< min.service level)											
		-	-	-	-	-	-	-	-	-			
		Electricity - prepaid (< min. service level)											
		-	-	-	-	-	-	-	-	-			
		Other energy sources											
		-	-	-	-	-	-	-	-	-			
		Below Minimum Service Level sub-total											
		-	-	-	-	-	-	-	-	-			
		Total number of households											
		-	-	-	-	-	-	-	-	-			
Name of municipal entity		Refuse:											
		Removed at least once a week											
		Minimum Service Level and Above sub-total											
		-	-	-	-	-	-	-	-	-			
		Removed less frequently than once a week											
		-	-	-	-	-	-	-	-	-			
		Using communal refuse dump											
		-	-	-	-	-	-	-	-	-			
		Using own refuse dump											
		-	-	-	-	-	-	-	-	-			
		Other rubbish disposal											
		-	-	-	-	-	-	-	-	-			
		No rubbish disposal											
		-	-	-	-	-	-	-	-	-			
		Below Minimum Service Level sub-total											
		-	-	-	-	-	-	-	-	-			
		Total number of households											
		-	-	-	-	-	-	-	-	-			
Services provided by 'external mechanisms'		2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework					
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26			
Names of service providers		Household service targets (000)											
		Water:											
		Piped water inside dwelling											
		62 851	62 851	67 119	69 066	69 066	69 066	80 808	84 848	89 939			
		Piped water inside yard (but not in dwelling)											
		118 780	118 780	126 846	130 526	130 526	130 526	152 715	160 351	169 972			
		Using public tap (at least min.service level)											
		16 567	16 567	17 313	11 347	11 347	11 347	13 276	13 940	14 776			
		Other water supply (at least min.service level)											
		9 671	9 671	14 313	5 823	5 823	5 823	60 632	63 664	67 484			
		Minimum Service Level and Above sub-total											
		207 869	207 869	225 591	262 762	262 762	262 762	307 432	322 803	342 171			
		Using public tap (< min.service level)											
		10 040	10 040	11 027	106 174	106 174	106 174	124 223	130 434	138 260			
		Other water supply (< min.service level)											
		2 597	2 597	16 747	6 220	6 220	6 220	7 277	7 641	8 099			
		No water supply											
		141	141	366	1 735	1 735	1 735	2 030	2 132	2 260			
		Below Minimum Service Level sub-total											
		12 778	12 778	28 140	114 128	114 128	114 128	133 530	140 207	148 619			
		Total number of households											
		220 647	220 647	253 731	376 890	376 890	376 890	440 962	463 010	490 790			
Names of service providers		Sanitation/sewage:											
		Flush toilet (connected to sewerage)											
		96 619	96 619	103 180	103 386	103 386	103 386	109 590	115 069	120 822			
		Flush toilet (with septic tank)											
		5 680	5 680	6 044	6 056	6 056	6 056	6 419	6 740	7 077			
		Chemical toilet											
		1 579	1 579	1 686	1 689	1 689	1 689	1 791	1 880	1 974			
		Pit toilet (ventilated)											
		38 840	38 840	40 575	40 656	40 656	40 656	43 096	45 250	47 513			
		Other toilet provisions (> min.service level)											
		5 756	5 756	25 756	25 808	25 808	25 808	27 356	28 724	30 160			
		Minimum Service Level and Above sub-total											
		148 454	148 454	177 241	177 595	177 595	177 595	188 251	197 664	207 547			
		Bucket toilet											
		282	282	282	283	283	283	300	314	330			
		Other toilet provisions (< min.service level)											
		4 248	4 248	4 248	4 256	4 256	4 256	4 512	4 737	4 974			
		No toilet provisions											
		4 530	4 530	4 530	4 539	4 539	4 539	4 811	5 052	5 305			
		Below Minimum Service Level sub-total											
		9 060	9 060	9 060	9 078	9 078	9 078	9 623	10 104	10 609			
		Total number of households											
		157 514	157 514	186 301	186 674	186 674	186 674	197 874	207 768	218 156			
Names of service providers		Energy:											
		Electricity (at least min.service level)											
		112 379	114 626	240 949	247 940	247 940	247 940	290 090	304 595	322 870			
		Electricity - prepaid (min.service level)											
		97 167	99 111	9 571	9 820	9 820	9 820	10 319	10 835	11 485			
		Minimum Service Level and Above sub-total											
		209 546	213 737	249 520	256 760	256 760	256 760	300 409	315 429	334 355			
		Electricity (< min.service level)											
		18 611	18 983	-	-	-	-	-	-	-			
		Electricity - prepaid (< min. service level)											
		20 439	20 848	-	-	-	-	-	-	-			
		Other energy sources											
		2 069	2 110	5 833	6 002	6 002	6 002	7 022	7 374	7 816			
		Below Minimum Service Level sub-total											
		41 119	41 941	5 833	6 002	6 002	6 002	7 022	7 374	7 816			
		Total number of households											
		250 665	255 678	255 355	262 762	262 762	262 762	307 432	322 803	342 171			
Names of service providers		Refuse:											
		Removed at least once a week											
		Minimum Service Level and Above sub-total											
		-	-	-	-	-	-	-	-	-			
		Removed less frequently than once a week											
		-	-	-	-	-	-	-	-	-			
		Using communal refuse dump											
		-	-	-	-	-	-	-	-	-			
		Using own refuse dump											
		-	-	-	-	-	-	-	-	-			
		Other rubbish disposal											
		-	-	-	-	-	-	-	-	-			
		No rubbish disposal											
		-	-	-	-	-	-	-	-	-			
		Below Minimum Service Level sub-total											
		-	-	-	-	-	-	-	-	-			
		Total number of households											
		-	-	-	-	-	-	-	-	-			
Detail of Free Basic Services (FBS) provided		2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework					
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26			
Electricity	Ref.	Location of households for each type of FBS											

List type of FBS service	Formal settlements - (50 kwh per indigent household per month Rands)	27 589 000	30 304 000	48 756 124	57 044 665	57 044 665	57 044 665	65 752 296	69 039 854	73 182 242
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
	Informal settlements (Rands)	-	-	-	-	-	-	-	-	-
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
	Informal settlements targeted for upgrading (Rands)	-	-	-	-	-	-	-	-	-
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
	Living in informal backyard rental agreement (Rands)	-	-	-	-	-	-	-	-	-
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
	Other (Rands)	-	-	-	-	-	-	-	-	-
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
Total cost of FBS - Electricity for informal settlements		-	-	-	-	-	-	-	-	-
Water	Ref.	Location of households for each type of FBS								
List type of FBS service	Formal settlements - (6 kilolitre per indigent household per month Rands)	21 111 000	22 682 000	25 877 183	30 276 304	30 276 304	30 276 304	51 440 232	54 012 526	57 253 296
	Number of HH receiving this type of FBS	15 075	15 377	16 959	19 451	19 451	19 451	18 077	18 981	20 120
	Informal settlements (Rands)	-	-	-	-	-	-	-	-	-
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
	Informal settlements targeted for upgrading (Rands)	-	-	-	-	-	-	-	-	-
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
	Living in informal backyard rental agreement (Rands)	-	-	-	-	-	-	-	-	-
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
	Other (Rands)	-	-	-	-	-	-	-	-	-
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
Total cost of FBS - Water for informal settlements		-	-	-	-	-	-	-	-	-
Sanitation	Ref.	Location of households for each type of FBS								
List type of FBS service	Formal settlements - (free sanitation service to indigent households)	14 830 389	15 777 000	16 724 000	19 212 211	19 212 211	19 212 211	20 366 244	21 384 695	22 667 794
	Number of HH receiving this type of FBS	14 539	14 830	15 775	17 774	17 774	17 774	18 840	19 782	20 969
	Informal settlements (Rands)	14 535 582	15 300 613	16 105 908	17 072 262	17 072 262	17 072 262	20 366 244	21 384 695	22 667 794
	Number of HH receiving this type of FBS	14 539	14 830	15 775	17 774	17 774	17 774	18 840	19 782	20 969
	Informal settlements targeted for upgrading (Rands)	-	-	-	-	-	-	-	-	-
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
	Living in informal backyard rental agreement (Rands)	-	-	-	-	-	-	-	-	-
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
	Other (Rands)	-	-	-	-	-	-	-	-	-
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
Total cost of FBS - Sanitation for informal settlements		14 535 582	15 300 613	16 105 908	17 072 262	17 072 262	17 072 262	20 366 244	21 384 695	22 667 794
Refuse Removal	Ref.	Location of households for each type of FBS								
List type of FBS service	Formal settlements - (removed once a week to indigent households)	12 432 440	13 226 000	14 020 000	16 105 908	16 105 908	16 105 908	17 074 308	17 927 969	19 003 670
	Number of HH receiving this type of FBS	14 539	14 830	15 775	17 774	17 774	17 774	18 840	19 782	20 969
	Informal settlements (Rands)	12 225 780	12 470 296	13 264 972	15 238 546	15 238 546	15 238 546	17 074 308	17 927 969	19 003 670
	Number of HH receiving this type of FBS	14 539	14 830	15 775	17 774	17 774	17 774	18 840	19 782	20 969
	Informal settlements targeted for upgrading (Rands)	-	-	-	-	-	-	-	-	-
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
	Living in informal backyard rental agreement (Rands)	-	-	-	-	-	-	-	-	-
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
	Other (Rands)	-	-	-	-	-	-	-	-	-
	Number of HH receiving this type of FBS	-	-	-	-	-	-	-	-	-
Total cost of FBS - Refuse Removal for informal settlements		12 225 780	12 470 296	13 264 972	15 238 546	15 238 546	15 238 546	17 074 308	17 927 969	19 003 670

References

1. Monthly household income threshold. Should include all sources of income.
2. Show the poverty analysis the municipality uses to determine its indigents policy and the provision of services
3. Include total of all housing units within the municipality
4. Number of subsidised dwellings to be constructed by the municipality under agency agreement with province
5. Provide estimate based on building approval information. Include any non-subsidised dwellings constructed by the municipality
6. Insert actual or estimated % increases assumed as a basis for budget calculations
7. Insert actual or estimated % collection rate assumed as a basis for budget calculations for each revenue group
8. Stand distance <= 200m from dwelling
9. Stand distance > 200m from dwelling
10. Borehole, spring, rain-water tank etc.
11. Must agree to total number of households in municipal area
12. Household income categories assume an average 4 person household. Stats SA - Census 2011 Questionnaire
13. Based on National poverty line of R515 per capita per month (2006 prices), assuming an average household size of 4 persons

LIM354 Polokwane Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Funding measures												
Cash/cash equivalents at the year end - R000	18(1b)	1	5 575 249	3 213 337	1 432 655	456 049	379 166	379 166	379 166	295 857	286 160	297 240
Cash - investments at the yr end less applications - R000	18(1b)	2	88 841	706 042	658 485	592 640	661 255	661 255	661 255	543 985	741 582	858 773
Cash year end/monthly employee/supplier payments	18(1b)	3	24.2	13.5	5.3	1.6	1.4	1.4	1.4	0.9	0.8	0.8
Surplus/(Deficit) excluding depreciation offsets: R000	18(1)	4	675 086	110 638	(203 620)	938 366	938 270	938 270	938 270	1 100 373	1 027 515	1 148 468
Service charge rev % change - macro CPIX target exclusive	18(1)a(2)	5	N.A.	(4.3%)	9.4%	8.7%	(6.0%)	(6.0%)	(6.0%)	7.5%	(1.0%)	(0.0%)
Cash receipts % of Ratepayer & Other revenue	18(1)a(2)	6	96.3%	99.8%	100.4%	100.8%	100.8%	100.8%	100.8%	101.8%	104.3%	104.3%
Debt impairment expense as a % of total billable revenue	18(1)a(2)	7	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Capital payments % of capital expenditure	18(1)c-19	8	16.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr/(decr)	18(1)a	11	N.A.	37.7%	24.3%	(52.2%)	0.0%	0.0%	0.0%	66.6%	4.9%	5.0%
Long term receivables % change - incr/(decr)	18(1)a	12	N.A.	0.0%	0.0%	(100.0%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	2.9%	4.9%	7.0%	4.8%	4.7%	4.7%	5.9%	6.6%	7.1%	0.0%
Asset renewal % of capital budget	20(1)(vi)	14	5.1%	1.8%	11.1%	3.2%	4.4%	4.4%	4.4%	2.6%	2.9%	5.1%

References

- Positive cash balances indicative of minimum compliance - subject to 2
- Deduct cash and investment applications (defined) from cash balances
- Indicative of sufficient liquidity to meet average monthly operating payments
- Indicative of funded operational requirements
- Indicative of adherence to macro-economic targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
- Realistic average cash collection forecasts as % of annual billed revenue
- Realistic average increase in debt impairment (doubtful debt) provision
- Indicative of planned capital expenditure level & cash payment timing
- Indicative of compliance with borrowing only for the capital budget - should not exceed 100% unless refinancing
- Substantiation of National/Province allocations included in budget
- Indicative of realistic current arrears debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
- Indicative of realistic long term arrears debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
- Indicative of a credible allowance for repairs & maintenance of assets - functioning assets revenue protection
- Indicative of a credible allowance for asset renewal (requires analysis of asset renewal projects as % of total capital projects - detailed capital plan) - functioning assets revenue protection

Subsiding indicators	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	2025/26
% incr total service charges (incl prop rates)	18(1)a	1.7%	15.4%	14.7%	(0.0%)	0.0%	0.0%
% incr Property Tax	18(1)a	(3.4%)	16.2%	7.8%	0.0%	0.0%	6.0%
% incr Service charges - Electricity	18(1)a	0.7%	16.4%	28.1%	(0.0%)	0.0%	17.0%
% incr Service charges - Water	18(1)a	(8.1%)	22.2%	1.9%	0.0%	0.0%	17.0%
% incr Service charges - Waste Water Management	18(1)a	37.1%	2.4%	(16.4%)	(0.0%)	0.0%	6.0%
% incr Service charges - Waste Management	18(1)a	19.1%	7.5%	(9.1%)	(0.0%)	0.0%	5.0%
% incr in Sale of Goods and Rendering of Services	18(1)a	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total billable revenue	18(1)a	2 016 660	2 051 664	2 366 686	2 715 707	2 715 707	2 715 707
Service charges	18(1)a	2 016 660	2 051 664	2 366 686	2 715 707	2 715 707	2 715 707
Property rates	18(1)a	485 420	468 974	544 918	587 176	587 176	587 176
Service charges - electricity revenue	18(1)a	1 036 368	1 043 345	1 214 405	1 556 069	1 556 069	1 556 069
Service charges - water revenue	18(1)a	261 944	240 651	294 127	299 860	299 860	299 860
Service charges - sanitation revenue	18(1)a	113 446	162 380	166 187	138 980	138 980	138 980
Service charges - refuse removal	18(1)a	114 483	136 312	147 038	133 623	133 623	133 623
Agency services	18(1)a	21 214	20 640	22 641	30 443	30 443	30 443
Capital expenditure excluding capital grant funding	18(1)a	4 789 035	171 327	167 036	145 158	160 928	160 928
Cash receipts from ratepayers	18(1)a	2 055 595	2 178 348	2 526 894	2 906 087	2 906 087	2 906 087
Ratepayer & Other revenue	18(1)a	2 133 486	2 183 233	2 516 350	2 884 308	2 884 308	2 884 308
Change in consumer debtors (current and non-current)	18(1)a	N/A	244 762	216 757	(579 789)	-	-
Operating and Capital Grant Revenue	18(1)a	2 318 926	2 151 377	1 871 344	2 158 030	2 158 030	2 158 030
Capital expenditure - total	20(1)(vi)	6 388 056	1 024 443	738 674	847 868	829 358	829 358
Capital expenditure - renewal	20(1)(vi)	326 659	18 087	82 068	27 067	36 864	36 864

Supporting benchmarks

Growth guideline maximum	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
CPI guideline	4.3%	3.9%	4.6%	5.0%	5.0%	5.0%	5.4%
DoRA operating grants total MFY							
DoRA capital grants total MFY							
Provincial operating grants							
Provincial capital grants							
District Municipality grants							
Total gazetted/advised national, provincial and district grants							
Average annual collection rate (arrears inclusive)							

DoRA operating

Local Government Financial Management Grant							
Expanded Public Works Programme Integrated Grant							
Municipal Infrastructure Grant							
Equitable Share							
National Departmental Agencies							

DoRA capital

List capital grants							
Energy Efficiency and Demand Side Management Grant							
Integrated National Electrification Programme Grant							
Municipal Infrastructure Grant							

Trend

Change in consumer debtors (current and non-current)	N/A	244 762	216 757	(579 789)	-	-	-
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Total Operating Revenue		3 521 228	3 656 382	4 066 552	4 338 280	4 378 937	4 378 937	4 378 937	4 945 302	5 259 820	5 576 904
Total Operating Expenditure		3 874 100	4 310 736	4 925 570	4 208 030	4 209 361	4 209 361	4 209 361	4 550 034	4 870 209	5 113 961
Operating Performance Surplus/(Deficit)		(352 872)	(654 355)	(859 018)	130 250	169 576	169 576	169 576	395 269	389 611	462 943

Cash and Cash Equivalents (30 June 2024)

Revenue											
% Increase in Total Operating Revenue			3.8%	11.2%	6.7%	0.9%	0.0%	0.0%	12.9%	6.4%	6.0%
% Increase in Property Rates Revenue			(3.4%)	16.2%	7.8%	0.0%	0.0%	0.0%	6.0%	5.0%	6.0%
% Increase in Electricity Revenue			0.7%	16.4%	28.1%	(0.0%)	0.0%	0.0%	17.0%	5.0%	6.0%
% Increase in Property Rates & Services Charges			1.7%	15.4%	14.7%	(0.0%)	0.0%	0.0%	13.5%	5.0%	6.0%

Expenditure

% Increase in Total Operating Expenditure			11.3%	14.3%	(14.6%)	0.0%	0.0%	0.0%	8.1%	7.0%	5.0%
% Increase in Employee Costs			5.4%	5.5%	13.7%	(1.8%)	0.0%	0.0%	9.8%	12.6%	5.7%
% Increase in Electricity Bulk Purchases			5.4%	14.8%	11.2%	0.0%	0.0%	0.0%	19.0%	4.7%	4.7%
Average Cost Per Budgeted Employee Position (Remuneration)				589 747.49	561 113.81				618 346.82		
Average Cost Per Councilor (Remuneration)				437 216.54	465 740.47				483 484.19		
R&M % of PPE		2.9%	4.9%	7.0%	4.8%	4.7%	4.7%	4.7%	5.9%	6.6%	7.1%
Asset Renewal and R&M as a % of PPE		35.4%	7.1%	9.6%	6.1%	6.0%	6.0%	6.0%	7.1%	7.9%	8.6%
Debt Impairment % of Total Billable Revenue		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	8.8%	8.8%	8.7%

Capital Revenue

Internally Funded & Other (R000)		4 582 093	143 717	165 299	145 158	160 928	160 928	160 928	184 104	153 796	164 163
Borrowing (R000)		101 957	22 918	-	-	-	-	-	-	-	-
Grant Funding and Other (R000)		1 599 022	853 117	571 639	702 710	668 430	668 430	668 430	613 134	554 699	596 108
Internally Generated funds % of Non Grant Funding		97.8%	86.2%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing % of Non Grant Funding		2.2%	13.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grant Funding % of Total Funding		25.4%	83.7%	77.6%	82.9%	80.6%	80.6%	80.6%	76.9%	78.3%	78.4%

Capital Expenditure

Total Capital Programme (R000)		6 388 056	1 024 443	738 674	847 868	829 358	829 358	829 358	797 239	708 495	760 271
Asset Renewal		5 201 344	270 792	299 537	165 253	197 107	197 107	197 107	129 236	140 909	161 307
Asset Renewal % of Total Capital Expenditure		82.3%	26.6%	40.6%	21.8%	23.8%	23.8%	23.8%	16.2%	19.9%	21.2%

Cash

Cash Receipts % of Rate Payer & Other			96.3%	99.8%	100.4%	100.8%	100.8%	100.8%	100.8%	101.8%	104.3%
Cash Coverage Ratio			24.22	13.49	5.32	1.65	1.38	1.38	1.38	0.92	0.83

Borrowing

Most recent Credit Rating									0		
Capital Charges to Operating			0.8%	2.0%	1.2%	1.5%	1.5%	1.5%	1.5%	1.5%	1.6%
Borrowing Receipts % of Capital Expenditure			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Reserves

Uncommitted reserves after application of cash and investments		88 841	706 042	658 485	592 640	661 255	661 255	661 255	543 985	741 582	858 773
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Free Services

Free Basic Services as a % of Equitable Share			11.1%	9.3%	13.5%	12.9%	12.9%	12.9%	14.6%	14.0%	13.9%
Free Services as a % of Operating Revenue (excl operational transfers)			(1.2%)	0.8%	(2.3%)	3.9%	3.9%	3.9%	3.5%	3.5%	3.5%

High Level Outcome of Funding Compliance

Total Operating Revenue		3 521 228	3 656 382	4 066 552	4 338 280	4 378 937	4 378 937	4 378 937	4 945 302	5 259 820	5 576 904
Total Operating Expenditure		3 874 100	4 310 736	4 925 570	4 208 030	4 209 361	4 209 361	4 209 361	4 550 034	4 870 209	5 113 961
Surplus/(Deficit) Budgeted Operating Statement		(352 872)	(654 355)	(859 018)	130 250	169 576	169 576	169 576	395 269	389 611	462 943
Surplus/(Deficit) Considering Reserves and Cash Backing		88 841	706 042	658 485	592 640	661 255					

LIM354 Polokwane - Supporting Table SA11 Property rates summary

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Valuation:	1	01/07/2018	01/07/2018	01/07/2018	01/07/2018					
Date of valuation:		2019/2020	2020/2021	2021/2022	2022/2023					
Financial year valuation used	2	yes	yes	yes	yes		yes			
Municipal by-laws s6 in place? (Y/N)		yes	yes	yes	yes		yes			
Municipal/assistant valuer appointed? (Y/N)		No	No	No	No	No	No	No	No	No
Municipal partnership s38 used? (Y/N)	3	2	2	2	2	2	2	2	2	2
No. of assistant valuers (FTE)	3	14	14	14	14	14	14	14	14	14
No. of data collectors (FTE)	3	-	-	-	-	-	-	-	-	-
No. of internal valuers (FTE)	3	1	1	1	1	1	1	1	1	1
No. of external valuers (FTE)	4									
No. of additional valuers (FTE)		Yes	Yes	Yes	Yes		Yes			
Valuation appeal board established? (Y/N)		01/07/2019	01/07/2019	01/07/2019	01/07/2019		01/07/2019			
Implementation time of new valuation roll (mths)	5	70 583	70 583	71 806	70 583	73 641	73 641	73 641	73 641	73 641
No. of properties	5	6 039	6 039	6 039	6 544	6 544	6 544	6 544	6 544	6 544
No. of sectional title values		-	-	-	-	-	-	-	-	-
No. of unreasonably difficult properties s7(2)		2	1	1	1	1	1	1	1	1
No. of supplementary valuations		1	1	1	1	-	-	-	-	-
No. of valuation roll amendments		601	3	1	-	-	-	-	-	-
No. of objections by rate payers		37	37	37	37	-	-	-	-	-
No. of appeals by rate payers	8	45	45	45	45	-	-	-	-	-
No. of successful objections	8	18	18	18	18	-	-	-	-	-
No. of successful objections > 10%		2	2	2	2	-	-	-	-	-
Supplementary valuation	5	75	75	75	75	75	75	75	75	75
Public service infrastructure value (Rm)		2 083	2 083	2 083	2 083	2 083	2 083	2 083	2 083	2 083
Municipality owned property value (Rm)		-	-	-	-	-	-	-	-	-
Valuation reductions:		-	-	-	-	-	-	-	-	-
Valuation reductions-public infrastructure (Rm)		-	-	-	-	-	-	-	-	-
Valuation reductions-nature reserves/park (Rm)		-	-	-	-	-	-	-	-	-
Valuation reductions-mineral rights (Rm)		775	806	842	880	880	880	880	880	880
Valuation reductions-R15,000 threshold (Rm)		300	312	326	341	341	341	341	341	341
Valuation reductions-public worship (Rm)		4 393	4 569	4 770	4 984	4 984	4 984	4 984	4 984	4 984
Valuation reductions-other (Rm)		5 469	5 687	5 938	6 205	6 205	6 205	6 205	6 205	6 205
Total valuation reductions:										
Total value used for rating (Rm)	5									
Total land value (Rm)	5									
Total value of improvements (Rm)	5									
Total market value (Rm)	5									
Rating:										
Residential rate used to determine rate for other categories? (Y/N)	5	yes	yes	yes	yes		yes			
Differential rates used? (Y/N)										
Limit on annual rate increase (s20)? (Y/N)										
Special rating area used? (Y/N)										
Phasing-in properties s21 (number)										
Rates policy accompanying budget? (Y/N)		yes	yes	yes	yes		yes			
Fixed amount minimum value (R'000)										
Non-residential prescribed ratio s19? (%)										
Rate revenue:										
Rate revenue budget (R'000)	6	503 869	526 157	547 228	587 176	587 176	587 176	622 442	653 565	692 778
Rate revenue expected to collect (R'000)	6	443 405	463 018	481 561	516 715	516 715	516 715	529 076	575 137	609 645
Expected cash collection rate (%)	7	87.0%	86.0%	87.0%	88.0%	88.0%	88.0%	85.0%	88.0%	88.0%
Special rating areas (R'000)										
Rebates, exemptions - indigent (R'000)										
Rebates, exemptions - pensioners (R'000)										
Rebates, exemptions - bona fide farm. (R'000)										
Rebates, exemptions - other (R'000)		58 628	61 714	64 962	68 381	68 381	68 381	72 746	76 383	80 966
Phase-in reductions/discoun (R'000)										
Total rebates,exemptns,reductns,discs (R'000)		58 628	61 714	64 962	68 381	68 381	68 381	72 746	76 383	80 966

References

- All numbers to be expressed as whole numbers except FTEs and Rates in the Rand
- To give effect to rates policy
- Full Time Equivalent (FTE) should be expressed to one decimal place and takes into account full time and part time staff
- Required to implement new system (FTE)
- Provide relevant information for historical comparisons. Must reconcile to the total of Table SA12
- Current and budget year must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)
- Included in rate revenue budget
- In favour of the rate-payer

LIM354 Polokwane - Supporting Table SA12a Property rates by category (current year)

Description	Ref	Business and commercial properties	Industrial properties	Mining properties	Residential properties	Agricultural properties	Public benefit organisations	Public service purpose properties	Public service infrastructure properties	Vacant land	Sport Clubs and Fields (Bitou only)	Sectional Title Garages (Drakenstein only)
Current Year 2022/23												
Valuation:												
No. of properties		2 692	1 173	2	64 195	2 310	13	355	192			
No. of sectional title property values												
No. of unreasonably difficult properties s7(2)												
No. of supplementary valuations		241	58		1 485	32	3		1			
Supplementary valuation (Rm)												
No. of valuation roll amendments												
No. of objections by rate-payers												
No. of appeals by rate-payers												
No. of appeals by rate-payers finalised												
No. of successful objections	5											
No. of successful objections > 10%	5											
Estimated no. of properties not valued												
Years since last valuation (select)		5	5	5	5	5	5	5	5			
Frequency of valuation (select)		5	5	5	5	5	5	5	5			
Method of valuation used (select)		Market	Market	Market	Market	Market	Market	Market	Market			
Base of valuation (select)		Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.			
Phasing-in properties s21 (number)												
Combination of rating types used? (Y/N)		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes			
Flat rate used? (Y/N)		No	No	No	No	No	No	No	No			
Is balance rated by uniform rate/variable rate?												
Valuation reductions:												
Valuation reductions-public infrastructure (Rm)												
Valuation reductions-nature reserves/park (Rm)												
Valuation reductions-mineral rights (Rm)												
Valuation reductions-R15,000 threshold (Rm)												
Valuation reductions-public worship (Rm)												
Valuation reductions-other (Rm)												
Total valuation reductions:												
Total value used for rating (Rm)	6											
Total land value (Rm)	6											
Total value of improvements (Rm)	6											
Total market value (Rm)	6											
Rating:												
Average rate	3											
Rate revenue budget (R'000)		203 355	17 814	17	320 738	4 208	2 260	38 169	649			
Rate revenue expected to collect (R'000)		178 953	15 676	15	282 250	3 703	1 989	33 589	571			
Expected cash collection rate (%)	4	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%	88.0%			
Special rating areas (R'000)												
Rebates, exemptions - indigent (R'000)												
Rebates, exemptions - pensioners (R'000)												
Rebates, exemptions - bona fide farm. (R'000)												
Rebates, exemptions - other (R'000)												
Phase-in reductions/discounts (R'000)												
Total rebates, exemptns, reductns, discs (R'000)		-	-	-	-	-	-	-	-	-	-	-

References

1. Land & Assistance Act, Restitution of Land Rights, Communal Property Associations
2. Include value of additional reductions is 'free' value greater than MPRA minimum.
3. Average rate - cents in the Rand. Eg 10.26 cents in the Rand is 0.1026, expressed to 6 decimal places maximum
4. Include arrears collections
5. In favour of the rate-payer

6. Provide relevant information for historical comparisons.

LIM354 Polokwane - Supporting Table SA12b Property rates by category (budget year)

Description	Ref	Business and commercial properties	Industrial properties	Mining properties	Residential properties	Agricultural properties	Public benefit organisations	Public service purpose properties	Public service infrastructure properties	Vacant land	Sport Clubs and Fields (Bitou only)	Sectional Title Garages (Drakenstein only)
Budget Year 2023/24												
Valuation:												
No. of properties		2 692	1 173	2	64 195	2 310	13	355	192			
No. of sectional title property values		980 100 000	11 000 000		4 614 747 000							
No. of unreasonably difficult properties s7(2)												
No. of supplementary valuations		5	5	5	5	5	5	5	5			
Supplementary valuation (Rm)		1 582 561 000	241 430 000		864 689 010	130 430 000	74 700 000	65 000 000				
No. of valuation roll amendments												
No. of objections by rate-payers												
No. of appeals by rate-payers												
No. of appeals by rate-payers finalised												
No. of successful objections	5											
No. of successful objections > 10%	5											
Estimated no. of properties not valued												
Years since last valuation (select)		5	5	5	5	5	5	5	5			
Frequency of valuation (select)		5	5	5	5	5	5	5	5			
Method of valuation used (select)		Market	Market	Market	Market	Market	Market	Market	Market			
Base of valuation (select)		Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.			
Phasing-in properties s21 (number)												
Combination of rating types used? (Y/N)		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes			
Flat rate used? (Y/N)		No	No	No	No	No	No	No	No			
Is balance rated by uniform rate/variable rate?												
Valuation reductions:												
Valuation reductions-public infrastructure (Rm)												
Valuation reductions-nature reserves/park (Rm)												
Valuation reductions-mineral rights (Rm)												
Valuation reductions-R15,000 threshold (Rm)												
Valuation reductions-public worship (Rm)												
Valuation reductions-other (Rm)	2											
Total valuation reductions:												
Total value used for rating (Rm)	6											
Total land value (Rm)	6											
Total value of improvements (Rm)	6											
Total market value (Rm)	6											
Rating:												
Average rate	3	-	-	-	-	-	-	-	-	-	-	-
Rate revenue budget (R'000)		215 556	18 883	18	339 982	4 460	2 396	40 459	688	-	-	-
Rate revenue expected to collect (R'000)		189 690	16 617	16	299 185	3 925	2 108	35 604	605	-	-	-
Expected cash collection rate (%)	4	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	85.0%	0.0%	0.0%	0.0%
Special rating areas (R'000)		-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - indigent (R'000)												
Rebates, exemptions - pensioners (R'000)												
Rebates, exemptions - bona fide farm. (R'000)												
Rebates, exemptions - other (R'000)												
Phase-in reductions/discounts (R'000)												
Total rebates, exemptns, reductns, discs (R'000)		-	-	-	-	-	-	-	-	-	-	-

References

1. Land & Assistance Act, Restitution of Land Rights, Communal Property Associations
2. Include value of additional reductions is 'free' value greater than MPRA minimum.
3. Average rate - cents in the Rand. Eg 10.26 cents in the Rand is 0.1026, expressed to 6 decimal places maximum
4. Include arrears collections
5. In favour of the rate-payer
6. Provide relevant information for historical comparisons.

LIM354 Polokwane - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	2019/20	2020/21	2021/22	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework		
							Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Property rates (rate in the Rand)	1								
Residential properties			0.0054	0.0057	0.0061	0.0064			
Residential properties - vacant land			0.0245	0.0260	0.0275	0.0290			
Formal/informal settlements				-	-	-			
Small holdings			0.0054	0.0057	0.0061	0.0064			
Farm properties - used			0.0014	0.0014	0.0015	0.0016			
Farm properties - not used			0.0108	0.0115	0.0121	0.0128			
Industrial properties			0.0108	0.0115	0.0121	0.0128			
Business and commercial properties			0.0108	0.0115	0.0121	0.0128			
Communal land - residential				-	-	-			
Communal land - small holdings				-	-	-			
Communal land - farm property				-	-	-			
Communal land - business and commercial				-	-	-			
Communal land - other				-	-	-			
State-owned properties			0.0108	0.0115	0.0121	0.0128			
Municipal properties				-	-	-			
Public service infrastructure			0.0108	0.0115	0.0121	0.0128			
Privately owned towns serviced by the owner				-	-	-			
State trust land			0.0014	0.0014	0.0015	0.0016			
Restitution and redistribution properties			0.0014	0.0014	0.0015	0.0016			
Protected areas									
National monuments properties									
Property rates by usage									
Business and commercial properties							0.01	0.01	0.02
Industrial properties							0.01	0.01	0.02
Mining properties							0.01	0.01	0.02
Residential properties							0.01	0.01	0.01
Agricultural properties							0.00	0.00	0.00
Public benefit organisations							0.00	0.00	0.00
Public service purpose properties							0.01	0.01	0.02
Public service infrastructure properties							0.00	0.00	0.00
Vacant land									
Sport Clubs and Fields (Bitou only)									
Sectional Title Garages (Drakenstein only)									
Exemptions, reductions and rebates (Rands)									
Residential properties									
R15 000 threshold rebate		-	15 000	15 000	15 000	15 000	15 000	15 000	15 000
General residential rebate		-	85 000	85 000	85 000	85 000	85 000	85 000	85 000
Indigent rebate or exemption		-	100%	100%	100%	100%	100%	100%	100%
Pensioners/social grants rebate or exemption		-	80%	80%	80%	80%	80%	80%	80%
Temporary relief rebate or exemption		-	-	-	-	-	-	-	-
Bona fide farmers rebate or exemption		-	-	-	-	-	-	-	-
Other rebates or exemptions	2								
Water tariffs									
Domestic									
Basic charge/fix fee (Rands/month)		-	-	-	-	-	-	-	-
Service point - vacant land (Rands/month)		-	-	-	-	-	-	-	-
Water usage - flat rate tariff (c/kl)		-	-	-	-	-	-	-	-
Water usage - life line tariff		(describe structure)	8.31	8.93	9.68	10.55	12.34	14.44	16.90
Water usage - Block 1 (c/kl)		0 to 5 k? per 30 days' period	12.15	14.03	15.22	16.59	19.41	22.71	26.57
Water usage - Block 2 (c/kl)		5 to 10 k? per 30 days' period	13.26	15.31	16.61	18.10	21.18	24.78	28.99

Water usage - Block 3 (c/kl)	10 to 15 k? per 30 days' period	17.68	20.42	22.15	24.14	28.24	33.05	38.66
Water usage - Block 4 (c/kl)	15 to 20 k? per 30 days' period	20.99	24.25	26.31	28.68	33.56	39.26	45.93
Water usage - Block 5 (c/kl)	20 to 50 k? per 30 days	25.41	29.36	31.85	34.72	40.62	47.53	55.61
Water usage - Block 6 (c/kl)	More than 100 k? per 30 days	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-
Waste water tariffs								
Domestic								
Basic charge/fixd fee (Rands/month)		-	-	-	-	-	-	-
Service point - vacant land (Rands/month)		-	-	-	-	-	-	-
Waste water - flat rate tariff (c/kl)		-	-	-	-	-	-	-
Volumetric charge - Block 1 (c/kl)	500 m2	116.05	121.38	109.39	127.98	135.66	142.44	149.57
Volumetric charge - Block 2 (c/kl)	500 m2 to 2000 m2	18.95	19.82	17.88	20.92	22.17	23.28	24.45
Volumetric charge - Block 3 (c/kl)	1000 m2	15.39	16.09	14.51	16.98	18.00	18.90	19.84

Volumetric charge - Block 4 (c/k)		Additional Charge per	21.31	22.29	20.09	23.51	24.92	26.16	27.47
Other	2	-	-	-	-	-	-	-	-
Electricity tariffs									
Domestic									
Basic charge/fixd fee (Rands/month)		Basic electricity charge	105.00	110.00	120.32	129.31	151.29	158.86	168.39
Service point - vacant land (Rands/month)		-	-	-	-	-	-	-	-
FBE		(how is this targeted?)	-	-	-	-	-	-	-
Life-line tariff - meter		(describe structure)	120.00	138.00	151.25	176.96	207.04	217.40	230.44
Life-line tariff - prepaid		(describe structure)	120.00	138.00	151.25	176.96	207.04	217.40	230.44
Flat rate tariff - meter (c/kwh)		-	-	-	-	-	-	-	-
Flat rate tariff - prepaid(c/kwh)		-	-	-	-	-	-	-	-
Meter - IBT Block 1 (c/kwh)		Block 1 (0-50)	97.00	102.82	117.82	126.62	148.15	155.55	164.89
Meter - IBT Block 2 (c/kwh)		Block 2 (51 - 350)	126.63	134.23	153.81	165.29	193.39	203.06	215.24
Meter - IBT Block 3 (c/kwh)		Block 3 (351 - 600)	186.56	198.16	227.07	244.03	285.52	299.79	317.78
Meter - IBT Block 4 (c/kwh)		Block 4 (>600)	219.35	233.00	267.00	287.77	336.69	353.53	374.74
Meter - IBT Block 5 (c/kwh)		(fill in thresholds)	-	-	-	-	-	-	-
Prepaid - IBT Block 1 (c/kwh)		Block 1 (0-50)	97.00	125.00	117.82	126.62	148.15	155.55	164.89
Prepaid - IBT Block 2 (c/kwh)		Block 2 (51 - 350)	126.63	156.00	153.81	165.29	193.39	203.06	215.24
Prepaid - IBT Block 3 (c/kwh)		Block 3 (351 - 600)	186.56	230.00	227.07	244.03	285.52	299.79	317.78
Prepaid - IBT Block 4 (c/kwh)		Block 4 (>600)	219.35	266.00	267.00	287.77	336.69	353.53	374.74
Prepaid - IBT Block 5 (c/kwh)		(fill in thresholds)	-	-	-	-	-	-	-
Other	2	-	-	-	-	-	-	-	-
Waste management tariffs									
Domestic									
Street cleaning charge									
Basic charge/fixd fee									
80l bin - once a week									
250l bin - once a week									

References

1. If properties are not rated or zero rated this must be indicated as such
2. Please provide detailed descriptions on Sheet SA13b

LIM354 Polokwane - Supporting Table SA13b Service Tariffs by category - explanatory

Description	Ref	Provide description of tariff structure where appropriate	2019/20	2020/21	2021/22	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework		
							Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Exemptions, reductions and rebates (Rands)									
Revenue Foregone (exemptions, reductions and rebates)			50 880 000	53 932 800	57 168 768	60 255 881	38 431 716	40 353 277	42 774 459
Water tariffs									
Revenue Foregone (in excess of 6 kilolitres per indigent)		(fill in thresholds)	8 040 000	8 884 200	9 817 041	10 347 161	25 720 116	27 006 263	28 626 648
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
Waste water tariffs									
Revenue Foregone (in excess of free sanitation service to		(fill in structure)	14 541 144	16 358 787	18 403 635	19 397 432	20 366 244	21 384 695	22 667 794
		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
Electricity tariffs									
Revenue Foregone (in excess of 50 kwh per indigent)		(fill in thresholds)	22 488 795	23 924 250	26 077 433	27 694 233	32 876 148	34 519 927	36 591 121
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							

LIM354 Polokwane - Supporting Table SA14 Household bills

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24 % incr.	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Rand/cent											
Monthly Account for Household - 'Middle Income Range'											
Rates and services charges:											
Property rates		271.50	286.00	299.00	315.00	315.00	315.00	6.00%	333.90	350.60	368.12
Electricity: Basic levy		82.28	89.27	100.94	107.20	107.20	107.20	17.00%	125.42	131.70	139.60
Electricity: Consumption		1 405.98	1 525.48	1 724.86	1 831.81	1 831.81	1 831.81	17.00%	2 143.21	2 250.37	2 385.40
Water: Basic levy		-	-	-	-	-	-	17.00%	-	-	-
Water: Consumption		328.88	363.41	390.67	411.76	411.76	411.76	17.00%	481.76	505.85	536.20
Sanitation		63.30	67.09	71.12	74.96	74.96	74.96	6.00%	79.46	83.43	87.60
Refuse removal		105.66	112.00	118.72	125.13	125.13	125.13	6.00%	132.63	139.27	146.23
Other		110.00	116.60	123.60	130.27	130.27	130.27	6.0%	138.09	144.99	152.24
sub-total		2 367.60	2 559.85	2 828.91	2 996.13	2 996.13	2 996.13	14.6%	3 434.47	3 606.21	3 815.39
VAT on Services		308.82	333.89	368.99	390.80	390.80	390.80	0.15	447.98	470.37	497.66
Total large household bill:		2 676.42	2 893.74	3 197.90	3 386.93	3 386.93	3 386.93	14.6%	3 882.45	4 076.58	4 313.05
% increase/-decrease			8.1%	10.5%	5.9%	-	-	14.6%	14.6%	5.0%	5.8%
Monthly Account for Household - 'Affordable Range'											
Rates and services charges:											
Property rates		181.00	190.67	199.33	210.00	210.00	210.00	6.0%	222.60	233.73	245.42
Electricity: Basic levy		82.28	89.27	100.94	107.20	107.20	107.20	17.0%	125.42	131.70	139.60
Electricity: Consumption		592.59	642.96	727.00	772.07	772.07	772.07	17.0%	903.32	948.49	1 005.40
Water: Basic levy		-	-	-	-	-	-	17.0%	-	-	-
Water: Consumption		268.68	296.89	319.16	336.39	336.39	336.39	17.0%	393.58	413.26	438.05
Sanitation		63.30	67.09	71.12	74.96	74.96	74.96	6.0%	79.46	83.43	87.60
Refuse removal		105.66	112.00	118.72	125.13	125.13	125.13	6.0%	132.63	139.27	146.23
Other		55.00	58.30	61.80	65.14	65.14	65.14	6.0%	69.04	72.50	76.12
sub-total		1 348.51	1 457.18	1 598.07	1 690.89	1 690.89	1 690.89	13.9%	1 926.05	2 022.38	2 138.42
VAT on Services		175.89	190.07	208.44	220.55	220.55	220.55	15.0%	251.23	263.79	278.92
Total small household bill:		1 524.40	1 647.25	1 806.51	1 911.44	1 911.44	1 911.44	13.9%	2 177.28	2 286.17	2 417.34
% increase/-decrease			8.1%	9.7%	5.8%	-	-	13.9%	13.9%	5.0%	5.7%
Monthly Account for Household - 'Indigent' Household receiving free basic services											
Rates and services charges:											
Property rates		91.33	96.81	102.62	108.16	108.16	108.16	6.0%	114.65	120.39	126.40
Electricity: Basic levy		82.28	89.27	100.94	107.20	107.20	107.20	17.0%	125.42	131.70	139.60
Electricity: Consumption		337.59	366.29	414.16	439.84	439.84	439.84	17.0%	514.61	540.34	572.76
Water: Basic levy		-	-	-	-	-	-	17.0%	-	-	-
Water: Consumption		160.49	177.35	190.65	200.94	200.94	200.94	17.0%	235.10	246.86	261.67
Sanitation		-	-	-	-	-	-	6.0%	-	-	-
Refuse removal		39.47	41.84	44.35	46.74	46.74	46.74	6.0%	49.55	52.03	54.63
Other		-	-	-	-	-	-	6.0%	-	-	-
sub-total		711.16	771.56	852.72	902.88	902.88	902.88	15.1%	1 039.33	1 091.32	1 155.06
VAT on Services		92.76	100.64	111.22	117.77	117.77	117.77	15.0%	135.57	142.34	150.66
Total small household bill:		803.92	872.20	963.94	1 020.65	1 020.65	1 020.65	15.1%	1 174.90	1 233.66	1 305.72
% increase/-decrease			8.5%	10.5%	5.9%	-	-	15.1%	15.1%	5.0%	5.8%

References

1. Use as basis property value of R700 000, 1 000 kWh electricity and 30kl water
2. Use as basis property value of R500 000 and R700 000, 500 kWh electricity and 25kl water
3. Use as basis property value of R 300 000, 350kWh electricity and 20kl water (50 kWh electricity and 6 kl water free)

LIM354 Polokwane - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand										
Parent municipality										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		-	66 411	-	-	-	-	-	-	-
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Municipal Bonds		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	-	66 411	-	-	-	-	-	-	-
Entities										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		-	-	-	-	-	-	-	-	-
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		-	66 411	-	-	-	-	-	-	-

References

1. Total investments must reconcile to Budgeted Financial Position ('current' call investment deposits plus 'non-current' investments)

LIM354 Polokwane - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity Name of institution & investment ID	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate ³	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance	
		Yrs/Months													
Parent municipality															-
															-
															-
															-
Municipality sub-total										-		-	-		-
Entities															-
															-
															-
															-
Entities sub-total										-		-	-		-
TOTAL INVESTMENTS AND INTEREST	1									-		-	-		-

References

1. Total investments must reconcile to all items in Table SA15 for the Current Year (30 June)
2. List investments in expiry date order
3. If 'variable' is selected in column F, input interest rate range
4. Withdrawals to be entered as negative

check

LIM354 Polokwane - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Parent municipality										
Annuity and Bullet Loans		494 449	415 442	397 326	373 787	373 787	373 787	347 688	319 910	288 832
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	494 449	415 442	397 326	373 787	373 787	373 787	347 688	319 910	288 832
Entities										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	494 449	415 442	397 326	373 787	373 787	373 787	347 688	319 910	288 832

Unspent Borrowing - Categorised by type										
Parent municipality										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Entities										
Long-Term Loans (annuity/reducing balance)										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Unspent Borrowing	1	-	-	-	-	-	-	-	-	-

References

1. Total borrowing must reconcile to Budgeted Financial Position (Borrowing - non-current)

check borrowing balance	494 449	415 442	397 326	373 787	373 787	373 787	347 688	319 910	288 832
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LIM354 Polokwane - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		1 291 007	1 379 700	1 153 893	1 343 687	1 383 744	1 383 744	1 570 705	1 700 009	1 803 806
Local Government Equitable Share		922 586	1 181 763	998 407	1 196 549	1 196 549	1 196 549	1 318 621	1 441 144	1 542 151
EPWP Incentive (EPWP)		4 201	9 527	7 971	11 570	11 570	11 570	11 794		
Integrated National Electrification Programme (INEP)		15 209	29 000	16 561	3 600	3 600	3 600			9 000
Finance Management Grant (FMG)		2 500	2 500	2 400	2 400	2 055	2 055	2 400	2 400	2 538
Integrated Urban Development Grant (IUDG)		110 963	48 660	20 427	62 072	77 874	77 874	149 892	168 629	160 189
Public Transport Network Grant (PTNG)		222 495	101 393	101 910	61 496	86 096	86 096	82 499	82 337	84 427
Infrastructure Skills Development Grant (ISDG)		5 111	6 203	6 217	6 000	6 000	6 000	5 500	5 500	5 500
Energy Efficiency and Demand Management		7 346	654							
Municipal Infrastructure Grant										
Water Services Infrastructure Grant										
Municipal Systems Improvement Grant										
Municipal Disaster Relief Grant		596								
Other transfers/grants [insert description]										
Provincial Government:										
Sports Arts and Culture										
District Municipality:		882					18			
Capricorn District		882					18			
Other grant providers:										
Private Enterprises										
Total Operating Transfers and Grants	5	1 291 890	1 379 700	1 153 893	1 343 687	1 383 744	1 383 761	1 570 705	1 700 009	1 803 806
Capital Transfers and Grants										
National Government:		1 026 876	841 989	790 584	808 116	648 269	648 269	705 105	637 904	685 524
Public Transport Network Grant (PTNG)		20 563	121 725	76 634	138 000	80 410	80 410	131 479	133 331	127 407
Regional Bulk Infrastructure Grant (RBIG)		614 271	297 988	218 806	154 584	134 584	134 584	161 539	126 013	155 509
Neighbourhood Development Partnership Grant (NDPG)		20 557	22 751	48 000	40 000	31 111	31 111	32 168	20 000	20 000
Water Services Infrastructure Grant (WSIG)		88 587	58 067	50 000	77 160	63 124	63 124	72 700	76 871	80 315
Municipal Infrastructure Grant			24 700							
Integrated Urban Development Grant (IUDG)		267 327	299 420	377 105	363 972	308 295	308 295	286 057	258 688	287 488
Integrated National Electrification Programme (INEP)		15 571	17 338	11 439	29 400	29 400	29 400	17 161	18 000	9 806
Energy Efficiency and Demand Side Management Grant				6 000	5 000	1 000	1 000	4 000	5 000	5 000
Municipal Disaster Relief Grant (MDRG)				2 600						
Local Government Financial Management Grant						345	345			
Provincial Government:				1 000						
Department of Sports and Culture				1 000						
District Municipality:										
Capricorn District										
Other grant providers:										
Total Capital Transfers and Grants	5	1 026 876	841 989	791 584	808 116	648 269	648 269	705 105	637 904	685 524
TOTAL RECEIPTS OF TRANSFERS & GRANTS		2 318 766	2 221 689	1 945 477	2 151 803	2 032 012	2 032 030	2 275 810	2 337 913	2 489 330

References

1. Each transfer/grant is listed by name as gazetted together with the name of the transferring department or municipality, donor or other organisation
2. Amounts actually RECEIVED; not revenue recognised (objective is to confirm grants transferred)
3. Replacement of RSC levies
4. Housing subsidies for housing where ownership transferred to organisations or persons outside the control of the municipality
5. Total transfers and grants must reconcile to Budgeted Cash Flows
6. Motor vehicle licensing refunds to be included under 'agency' services (Not Grant Receipts)

LIM354 Polokwane - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
EXPENDITURE:										
Operating expenditure of Transfers and Grants										
National Government:		1 291 007	1 381 196	1 213 956	1 343 687	1 384 344	1 348 078	1 570 705	1 700 009	1 803 806
Local Government Equitable Share		922 586	1 181 769	1 055 884	1 196 549	1 196 549	1 196 549	1 318 621	1 441 144	1 542 151
EPWP Incentive (EPWP)		4 201	9 527	7 971	11 570	11 570	11 570	11 794	-	-
Integrated National Electrification Programme (INEP)		15 209	28 805	9 892	3 600	3 600	3 600	-	-	9 000
Finance Management Grant (FMG)		2 500	2 500	2 400	2 400	2 055	2 400	2 400	2 400	2 538
Integrated Urban Development Grant (IUDG)		110 963	53 493	67 119	62 072	83 174	66 463	149 892	168 629	160 189
Public Transport Network Grant (PTNG)		222 495	98 245	64 474	61 496	81 396	61 496	82 499	82 337	84 427
Infrastructure Skills Development Grant (ISDG)		5 111	6 203	6 217	6 000	6 000	6 000	5 500	5 500	5 500
Energy Efficiency and Demand Management		7 346	654	-	-	-	-	-	-	-
Municipal Infrastructure Grant		-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant		-	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant		-	-	-	-	-	-	-	-	-
Municipal Disaster Relief Grant		596	-	-	-	-	-	-	-	-
Other transfers/grants [insert description]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other transfers/grants [insert description]										
District Municipality:		882	-	-	-	-	18	-	-	-
Capricorn District		882	-	-	-	-	18	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total operating expenditure of Transfers and Grants:		1 291 890	1 381 196	1 213 956	1 343 687	1 384 344	1 348 096	1 570 705	1 700 009	1 803 806
Capital expenditure of Transfers and Grants										
National Government:		1 026 876	764 993	655 398	808 116	768 695	768 695	705 105	637 904	685 524
Public Transport Network Grant (PTNG)		20 563	87 988	42 641	138 000	118 100	118 100	131 479	133 331	127 407
Regional Bulk Infrastructure Grant (RBIG)		614 271	295 844	201 978	154 584	154 584	154 584	161 539	126 013	155 509
Neighbourhood Development Partnership Grant (NDPG)		20 557	22 750	25 315	40 000	31 111	31 111	32 168	20 000	20 000
Water Services Infrastructure Grant (WSIG)		88 587	51 274	39 561	77 160	77 160	77 160	72 700	76 871	80 315
Municipal Infrastructure Grant		-	24 700	-	-	-	-	-	-	-
Integrated Urban Development Grant (IUDG)		267 327	265 465	325 667	363 972	352 995	352 995	286 057	258 688	287 488
Integrated National Electrification Programme (INEP)		15 571	16 971	11 720	29 400	29 400	29 400	17 161	18 000	9 806
Energy Efficiency and Demand Side Management Grant (EEDS)		-	-	5 915	5 000	5 000	5 000	4 000	5 000	5 000
Municipal Disaster Relief Grant (MDRG)		-	-	2 600	-	-	-	-	-	-
Local Government Financial Management Grant		-	-	-	-	345	345	-	-	-
Other capital transfers/grants [insert desc]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total capital expenditure of Transfers and Grants		1 026 876	764 993	655 398	808 116	768 695	768 695	705 105	637 904	685 524
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		2 318 766	2 146 189	1 869 355	2 151 803	2 153 038	2 116 791	2 275 810	2 337 913	2 489 330

References

1. Expenditure must be separately listed for each transfer or grant received or recognised

LIM354 Polokwane - Supporting Table SA20 Reconciliation of transfers, grant receipts and unspent funds

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		1 291 890	1 379 700	1 153 893	1 343 687	1 383 744	1 383 761	1 570 705	1 700 009	1 803 806
Conditions met - transferred to revenue		1 291 890	1 379 700	1 153 893	1 343 687	1 383 744	1 383 761	1 570 705	1 700 009	1 803 806
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts		882	-	-	-	-	18	-	-	-
Conditions met - transferred to revenue		882	-	-	-	-	18	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		1 292 772	1 379 700	1 153 893	1 343 687	1 383 744	1 383 779	1 570 705	1 700 009	1 803 806
Total operating transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		1 026 876	841 989	791 584	808 116	648 269	648 269	705 105	637 904	685 524
Conditions met - transferred to revenue		1 026 876	841 989	791 584	808 116	648 269	648 269	705 105	637 904	685 524
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	1 000	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	1 000	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year										
Current year receipts										
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total capital transfers and grants revenue		1 026 876	841 989	792 584	808 116	648 269	648 269	705 105	637 904	685 524
Total capital transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		2 319 648	2 221 689	1 946 477	2 151 803	2 032 012	2 032 048	2 275 810	2 337 913	2 489 330
TOTAL TRANSFERS AND GRANTS - CTBM		-	-	-	-	-	-	-	-	-

References

1. Total capital transfers and grants revenue must reconcile to Budgeted Financial Performance and Financial Position; total recurrent grants revenue must reconcile to Budgeted Financial Performance

2. CTBM = conditions to be met

3. National Treasury database will require this reconciliation for each transfer/grant

Check opex	722	(6 684)	(62 053)	(5 000)	(5 600)	(5 565)	181 362	124 304	98 796
Check capex	(572 146)	(11 128)	220 945	105 406	(20 161)	(20 161)	91 970	83 205	89 416

LIM354 Polokwane - Supporting Table SA21 Transfers and grants made by the municipality

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Cash Transfers to other municipalities <i>Insert description</i>	1										
Total Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Entities/Other External Mechanisms <i>Polokwane Housing Association (PHA)</i>	2	7 940	66 078	39 500	14 500	10 600	10 600	49 500	10 470	10 962	11 477
Total Cash Transfers To Entities/Ems'		7 940	66 078	39 500	14 500	10 600	10 600	49 500	10 470	10 962	11 477
Cash Transfers to other Organs of State <i>Insert description</i>	3										
Total Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Organisations <i>SPCA</i>		480	480	480	2 500	500	500	500	1 152	1 206	1 263
Total Cash Transfers To Organisations		480	480	480	2 500	500	500	500	1 152	1 206	1 263
Cash Transfers to Groups of Individuals <i>Insert description</i>											
Total Cash Transfers To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL CASH TRANSFERS AND GRANTS	6	8 420	66 558	39 980	17 000	11 100	11 100	50 000	11 622	12 168	12 740
Non-Cash Transfers to other municipalities <i>Insert description</i>	1										
Total Non-Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to Entities/Other External Mechanisms <i>Insert description</i>	2										
Total Non-Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to other Organs of State <i>Insert description</i>	3										
Total Non-Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Non-Cash Grants to Organisations <i>Insert description</i>	4										
Total Non-Cash Grants To Organisations		-	-	-	-	-	-	-	-	-	-
Groups of Individuals <i>Insert description</i>	5										
Total Non-Cash Grants To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL NON-CASH TRANSFERS AND GRANTS		-	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS	6	8 420	66 558	39 980	17 000	11 100	11 100	50 000	11 622	12 168	12 740

References

1. Insert description listed by municipal name and demarcation code of recipient
2. Insert description of each entity or external mechanism (an external mechanism may be provided with resources to ensure a minimum level of service)
3. Insert description of each Organ of State (e.g. transfer to electricity provider to compensate for FBS provided)
4. Insert description of each other organisation (e.g. charity)
5. Insert description of each other organisation (e.g. the aged, child-headed households)
6. All descriptions should separate transfers for 'capital purposes' and 'operating purposes'

LIM354 Polokwane - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue Framework	
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25
		A	B	C	D	E	F	G	H
Councillors (Political Office Bearers plus Other)									
Basic Salaries and Wages		22 488	22 486	25 776	24 336	23 336	23 336	28 328	29 943
Pension and UIF Contributions		3 327	3 388	3 466	4 098	4 098	4 098	4 016	4 245
Medical Aid Contributions		659	711	394	615	615	615	329	348
Motor Vehicle Allowance		8 083	7 892	5 476	8 210	8 210	8 210	6 844	7 234
Cellphone Allowance		3 528	4 128	3 827	4 278	4 278	4 278	3 672	3 881
Housing Allowances		-	-	-	-	-	-	-	-
Other benefits and allowances		437	87	411	380	380	380	324	342
Sub Total - Councillors		38 522	38 692	39 349	41 917	40 917	40 917	43 514	45 994
% increase	4		0.4%	1.7%	6.5%	(2.4%)	-	6.3%	5.7%
Senior Managers of the Municipality									
Basic Salaries and Wages	2	9 847	11 180	10 471	17 229	17 340	17 340	18 529	19 585
Pension and UIF Contributions		1 354	1 564	1 340	1 370	1 554	1 554	2 898	3 063
Medical Aid Contributions		144	176	162	200	200	200	526	556
Overtime		-	-	-	-	-	-	-	-
Performance Bonus		117	-	59	-	-	-	1 380	1 454
Motor Vehicle Allowance	3	1 990	2 191	1 955	1 939	2 192	2 192	3 848	4 067
Cellphone Allowance	3	-	-	-	-	-	-	-	-
Housing Allowances	3	2 070	2 244	2 020	1 805	2 042	2 042	2 163	2 286
Other benefits and allowances	3	-	-	-	-	-	-	0	0
Payments in lieu of leave		-	-	559	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	218	-	-	-	20	21
In kind benefits		-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		15 522	17 355	16 783	22 542	23 328	23 328	29 365	31 034
% increase	4		11.8%	(3.3%)	34.3%	3.5%	-	25.9%	5.7%
Other Municipal Staff									
Basic Salaries and Wages		498 428	545 477	559 306	685 888	639 386	639 386	713 839	754 394
Pension and UIF Contributions		97 928	106 371	110 310	154 910	149 960	149 960	168 861	178 485
Medical Aid Contributions		35 595	39 627	42 356	45 704	45 704	45 704	49 849	52 691
Overtime		95 046	92 771	98 665	89 228	107 161	107 161	82 068	173 489
Performance Bonus		39 415	42 985	43 933	55 044	55 044	55 044	79 164	83 609
Motor Vehicle Allowance	3	48 980	48 258	53 328	58 492	58 492	58 492	66 131	69 900
Cellphone Allowance	3	108	225	163	175	175	175	149	158
Housing Allowances	3	8 367	8 934	14 588	9 875	10 095	10 095	8 630	9 121
Other benefits and allowances	3	11 449	12 932	13 538	11 243	19 938	19 938	11 493	12 148
Payments in lieu of leave		56 989	29 700	22 233	19 123	19 123	19 123	20 213	21 365
Long service awards		56	(167)	4 652	6 891	6 891	6 891	14 567	15 397
Post-retirement benefit obligations	6	12 611	25 106	43 454	8 000	8 000	8 000	8 000	8 456
Entertainment		-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-
Acting and post related allowance		2 487	3 626	3 440	0	3 070	3 070	6 626	6 937
In kind benefits		-	-	-	-	-	-	-	-
Sub Total - Other Municipal Staff		907 460	955 845	1 009 967	1 144 574	1 123 040	1 123 040	1 229 589	1 386 150
% increase	4		5.3%	5.7%	13.3%	(1.9%)	-	9.5%	12.7%
Total Parent Municipality		961 504	1 011 893	1 066 100	1 209 033	1 187 284	1 187 284	1 302 468	1 463 177
			5.2%	5.4%	13.4%	(1.8%)	-	9.7%	12.3%
Board Members of Entities									
Basic Salaries and Wages		-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-
Board Fees		-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-

Sub Total - Board Members of Entities % increase	4	-	-	-	-	-	-	-	-
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Senior Managers of Entities									
Basic Salaries and Wages		-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-
Other Staff of Entities									
Basic Salaries and Wages		-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-
Total Municipal Entities		-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		961 504	1 011 893	1 066 100	1 209 033	1 187 284	1 187 284	1 302 468	1 463 177
% increase	4		5.2%	5.4%	13.4%	(1.8%)	-	9.7%	12.3%
TOTAL MANAGERS AND STAFF	5.7	922 982	973 200	1 026 750	1 167 117	1 146 368	1 146 368	1 258 954	1 417 184

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LIM354 Polokwane - Supporting Table SA23 Salaries, allowances & benefits (political office bearers/councillors/senior managers)

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4		-	-	-			-
Chief Whip			564 405	84 661	260 755			909 821
Executive Mayor			916 894	237 001	44 400			1 198 295
Deputy Executive Mayor			-	-	-			-
Executive Committee			6 101 487	1 079 549	2 369 006			9 550 042
Total for all other councillors			20 745 116	2 944 160	8 166 146			31 855 422
Total Councillors	8	-	28 327 902	4 345 371	10 840 307			43 513 580
Senior Managers of the Municipality	5							
Municipal Manager (MM)			1 655 567	571 906	319 552	300 000		2 847 025
Chief Finance Officer			1 222 573	58 071	756 977	300 000		2 337 621
Chief Operations Officer			1 324 453	222 188	426 689	300 000		2 273 330
Corporate Shared Services			1 324 454	310 930	402 238	300 000		2 337 622
Community Services			1 324 454	310 930	402 238	300 000		2 337 622
Energy Services			1 324 454	246 640	466 527	300 000		2 337 621
Human Settlement			2 648 908	313 055	402 238	300 000		3 664 201
Planning Development			1 324 454	264 536	448 630	300 000		2 337 620
Public Safety			1 324 454	310 930	402 238	300 000		2 337 622
Transport Services			1 324 454	310 930	402 238	300 000		2 337 622
Water and Sanitation			1 280 491	272 904	416 590	300 000		2 269 985
								-
								-
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	-	44 406 618	7 538 391	15 686 462	3 300 000		70 931 471

References

1. Pension and medical aid
2. Total package must equal the total cost to the municipality
3. List each political office bearer by designation. Provide a total for all other councillors
4. Political office bearer is defined in MFMA s 1: speaker, executive mayor, deputy executive mayor, member of executive committee, mayor, deputy mayor, member of mayoral committee, the councillor designated to exercise powers and duties of mayor (MSA s 57)
5. Also list each senior manager reporting to MM by designation and each official with package >= senior manager by designation
6. List each entity where municipality has an interest and state percentage ownership and control
7. List each senior manager reporting to the CEO of an Entity by designation
8. Must reconcile to relevant section of Table SA24
9. Must reconcile to totals shown for the budget year of Table SA22
10. Correct as at 30 June

LIM354 Polokwane - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers		Ref	2021/22			Current Year 2022/23			Budget Year 2023/24		
Number		1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities											
Councillors (Political Office Bearers plus Other Councillors)			90	-	90	90	-	90	90	-	90
Board Members of municipal entities			-	-	-	-	-	-	-	-	-
Municipal employees		5	-	-	-	-	-	-	-	-	-
Municipal Manager and Senior Managers		3	10	-	10	9	-	9	10	-	10
Other Managers		7	104	100	4	124	110	3	137	100	1
Professionals			196	195	1	215	190	11	221	147	11
Finance			24	24	-	30	24	6	35	25	6
Spatial/town planning			30	30	-	30	23	-	27	11	-
Information Technology			8	8	-	11	9	-	11	11	-
Roads			8	8	-	9	8	-	9	9	-
Electricity			7	7	-	15	14	-	15	13	-
Water			10	10	-	12	11	-	19	11	-
Sanitation			-	-	-	-	-	-	-	-	-
Refuse			4	4	-	3	2	-	6	3	-
Other			105	104	1	105	99	5	99	64	5
Technicians			645	645	-	945	731	-	672	399	399
Finance			90	90	-	119	102	-	69	56	56
Spatial/town planning			29	29	-	29	22	-	12	10	10
Information Technology			10	10	-	11	10	-	11	8	8
Roads			36	36	-	42	39	-	12	12	12
Electricity			50	50	-	56	50	-	45	30	30
Water			28	28	-	52	44	-	53	24	24
Sanitation			-	-	-	-	-	-	-	-	-
Refuse			31	31	-	41	32	-	8	2	2
Other			371	371	-	595	432	-	462	257	257
Clerks (Clerical and administrative)			20	20	-	108	88	-	234	176	176
Service and sales workers			28	28	-	34	28	-	60	48	48
Skilled agricultural and fishery workers			-	-	-	-	-	-	-	-	-
Craft and related trades			-	-	-	-	-	-	-	-	-
Plant and Machine Operators			-	-	-	-	-	-	-	-	-
Elementary Occupations			688	688	50	645	654	-	702	562	562
TOTAL PERSONNEL NUMBERS		9	1 781	1 676	155	2 170	1 801	113	2 126	1 432	1 297
% increase						21.8%	7.5%	(27.1%)	(2.0%)	(20.5%)	1 047.8%
Total municipal employees headcount		6, 10	3 089	1 770	10	-	-	-	3 149	1 902	1 902
Finance personnel headcount		8, 10	190	144	21	210	154	-	212	161	161
Human Resources personnel headcount		8, 10	53	39	6	56	45	-	64	52	52

References

1. Positions must be funded and aligned to the municipality's current organisational structure
2. Full Time Equivalent (FTE). E.g. One full time person = 1FTE. A person working half time (say 4 hours out of 8) = 0.5FTE.
3. s57 of the Systems Act
4. Include only in Consolidated Statements
5. Include municipal entity employees in Consolidated Statements
6. Include headcount (number fo persons, Not FTE) of managers and staff only (exclude councillors)
7. Managers who provide the direction of a critical technical function
8. Total number of employees working on these functions

LIM354 Polokwane - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue																
Exchange Revenue																
Service charges - Electricity		151 717	151 717	151 717	151 717	151 717	151 717	151 717	151 717	151 717	151 717	151 717	151 717	1 820 601	1 911 631	2 026 328
Service charges - Water		29 236	29 236	29 236	29 236	29 236	29 236	29 236	29 236	29 236	29 236	29 236	29 236	350 836	368 378	390 480
Service charges - Waste Water Management		12 277	12 277	12 277	12 277	12 277	12 277	12 277	12 277	12 277	12 277	12 277	12 277	147 319	154 685	163 966
Service charges - Waste Management		11 803	11 803	11 803	11 803	11 803	11 803	11 803	11 803	11 803	11 803	11 803	11 803	141 640	148 722	157 646
Sale of Goods and Rendering of Services		1 182	1 182	1 182	1 182	1 182	1 182	1 182	1 182	1 182	1 182	1 182	1 182	14 187	14 896	15 790
Agency services		2 656	2 656	2 656	2 656	2 656	2 656	2 656	2 656	2 656	2 656	2 656	2 656	31 874	50 201	53 213
Interest		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		7 441	7 441	7 441	7 441	7 441	7 441	7 441	7 441	7 441	7 441	7 441	7 441	89 294	93 759	99 384
Interest earned from Current and Non Current Assets		1 745	1 745	1 745	1 745	1 745	1 745	1 745	1 745	1 745	1 745	1 745	1 745	20 940	21 987	23 306
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		1 043	1 043	1 043	1 043	1 043	1 043	1 043	1 043	1 043	1 043	1 043	1 043	12 512	13 137	13 926
Licence and permits		1 175	1 175	1 175	1 175	1 175	1 175	1 175	1 175	1 175	1 175	1 175	1 175	14 098	14 803	15 691
Operational Revenue		3 253	3 253	3 253	3 253	3 253	3 253	3 253	3 253	3 253	3 253	3 253	3 253	39 041	40 993	43 452
Non-Exchange Revenue																
Property rates		51 870	51 870	51 870	51 870	51 870	51 870	51 870	51 870	51 870	51 870	51 870	51 870	622 442	653 565	692 778
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		3 504	3 504	3 504	3 504	3 504	3 504	3 504	3 504	3 504	3 504	3 504	3 504	42 049	44 152	46 801
Licences or permits		37	37	37	37	37	37	37	37	37	37	37	37	441	463	491
Transfer and subsidies - Operational		131 309	131 309	131 309	131 309	131 309	131 309	131 309	131 309	131 309	131 309	131 309	131 309	1 575 705	1 705 009	1 808 806
Interest		1 860	1 860	1 860	1 860	1 860	1 860	1 860	1 860	1 860	1 860	1 860	1 860	22 323	23 440	24 846
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		412 109	412 109	412 109	412 109	412 109	412 109	412 109	412 109	412 109	412 109	412 109	412 109	4 945 302	5 259 820	5 576 904
Expenditure																
Employee related costs		104 913	104 913	104 913	104 913	104 913	104 913	104 913	104 913	104 913	104 913	104 913	104 913	1 258 954	1 417 184	1 497 774
Remuneration of councillors		3 626	3 626	3 626	3 626	3 626	3 626	3 626	3 626	3 626	3 626	3 626	3 626	43 514	45 994	48 615
Bulk purchases - electricity		96 844	96 844	96 844	96 844	96 844	96 844	96 844	96 844	96 844	96 844	96 844	96 844	1 162 130	1 216 750	1 273 937
Inventory consumed		28 040	28 040	28 040	28 040	28 040	28 040	28 040	28 040	28 040	28 040	28 040	28 040	336 483	352 292	368 844
Debt impairment		22 685	22 685	22 685	22 685	22 685	22 685	22 685	22 685	22 685	22 685	22 685	22 685	272 220	285 014	298 410
Depreciation and amortisation		22 685	22 685	22 685	22 685	22 685	22 685	22 685	22 685	22 685	22 685	22 685	22 685	272 220	285 014	298 410
Interest		3 711	3 711	3 711	3 711	3 711	3 711	3 711	3 711	3 711	3 711	3 711	3 711	44 535	46 629	48 820
Contracted services		69 999	69 999	69 999	69 999	69 999	69 999	69 999	69 999	69 999	69 999	69 999	69 999	839 992	872 969	914 579
Transfers and subsidies		968	968	968	968	968	968	968	968	968	968	968	968	11 622	12 168	12 740
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational costs		25 697	25 697	25 697	25 697	25 697	25 697	25 697	25 697	25 697	25 697	25 697	25 697	308 363	336 195	351 832
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		379 169	379 169	379 169	379 169	379 169	379 169	379 169	379 169	379 169	379 169	379 169	379 169	4 550 034	4 870 209	5 113 961
Surplus/(Deficit)		32 939	32 939	32 939	32 939	32 939	32 939	32 939	32 939	32 939	32 939	32 939	32 939	395 269	389 611	462 943
Transfers and subsidies - capital (monetary allocations)		58 759	58 759	58 759	58 759	58 759	58 759	58 759	58 759	58 759	58 759	58 759	58 759	705 105	637 904	685 524
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		91 698	91 698	91 698	91 698	91 698	91 698	91 698	91 698	91 698	91 698	91 698	91 698	1 100 373	1 027 515	1 148 468
Income Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		91 698	91 698	91 698	91 698	91 698	91 698	91 698	91 698	91 698	91 698	91 698	91 698	1 100 373	1 027 515	1 148 468
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		91 698	91 698	91 698	91 698	91 698	91 698	91 698	91 698	91 698	91 698	91 698	91 698	1 100 373	1 027 515	1 148 468
Share of Surplus/Deficit attributable to Associate Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	91 698	91 698	91 698	91 698	91 698	91 698	91 698	91 698	91 698	91 698	91 698	91 698	1 100 373	1 027 515	1 148 468

LIM354 Polokwane - Supporting Table SA26 Budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2023/24											Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand																
Revenue by Vote																
Vote 1 - Chief operations office		0	0	0	0	0	0	0	0	0	0	0	0	4	5	5
Vote 2 - Municipal managers office		0	0	0	0	0	0	0	0	0	0	0	0	2	2	2
Vote 3 - Water and sanitation		44 146	44 146	44 146	44 146	44 146	44 146	44 146	44 146	44 146	44 146	44 146	44 146	529 754	556 242	589 616
Vote 4 - Energy services		155 990	155 990	155 990	155 990	155 990	155 990	155 990	155 990	155 990	155 990	155 990	155 990	1 871 880	1 965 474	2 083 402
Vote 5 - Community Services		13 183	13 183	13 183	13 183	13 183	13 183	13 183	13 183	13 183	13 183	13 183	13 183	158 194	166 104	176 070
Vote 6 - Public safety		4 262	4 262	4 262	4 262	4 262	4 262	4 262	4 262	4 262	4 262	4 262	4 262	51 149	53 706	56 929
Vote 7 - Corporate and Shared Services		280	280	280	280	280	280	280	280	280	280	280	280	3 354	3 522	3 733
Vote 8 - Planning and Economic Development		2 424	2 424	2 424	2 424	2 424	2 424	2 424	2 424	2 424	2 424	2 424	2 424	29 091	30 545	32 378
Vote 9 - Budget and Treasury office		247 763	247 763	247 763	247 763	247 763	247 763	247 763	247 763	247 763	247 763	247 763	247 763	2 973 156	3 069 876	3 264 911
Vote 10 - Transport Operations		2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	2 796	33 557	51 969	55 087
Vote 11 - Human Settlement		22	22	22	22	22	22	22	22	22	22	22	22	266	279	296
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote		470 867	470 867	470 867	470 867	470 867	470 867	470 867	470 867	470 867	470 867	470 867	470 867	5 650 407	5 897 723	6 262 429
Expenditure by Vote to be appropriated																
Vote 1 - Chief operations office		12 194	12 194	12 194	12 194	12 194	12 194	12 194	12 194	12 194	12 194	12 194	12 194	146 329	153 663	161 831
Vote 2 - Municipal managers office		9 540	9 540	9 540	9 540	9 540	9 540	9 540	9 540	9 540	9 540	9 540	9 540	114 479	120 711	127 173
Vote 3 - Water and sanitation		57 363	57 363	57 363	57 363	57 363	57 363	57 363	57 363	57 363	57 363	57 363	57 363	688 354	745 880	790 341
Vote 4 - Energy services		128 734	128 734	128 734	128 734	128 734	128 734	128 734	128 734	128 734	128 734	128 734	128 734	1 544 811	1 635 889	1 721 839
Vote 5 - Community Services		33 558	33 558	33 558	33 558	33 558	33 558	33 558	33 558	33 558	33 558	33 558	33 558	402 694	434 859	457 373
Vote 6 - Public safety		32 105	32 105	32 105	32 105	32 105	32 105	32 105	32 105	32 105	32 105	32 105	32 105	385 262	420 117	442 744
Vote 7 - Corporate and Shared Services		26 690	26 690	26 690	26 690	26 690	26 690	26 690	26 690	26 690	26 690	26 690	26 690	320 285	353 881	371 288
Vote 8 - Planning and Economic Development		7 799	7 799	7 799	7 799	7 799	7 799	7 799	7 799	7 799	7 799	7 799	7 799	93 583	99 441	104 881
Vote 9 - Budget and Treasury office		35 875	35 875	35 875	35 875	35 875	35 875	35 875	35 875	35 875	35 875	35 875	35 875	430 498	454 923	479 785
Vote 10 - Transport Operations		33 461	33 461	33 461	33 461	33 461	33 461	33 461	33 461	33 461	33 461	33 461	33 461	401 532	427 329	431 881
Vote 11 - Human Settlement		1 851	1 851	1 851	1 851	1 851	1 851	1 851	1 851	1 851	1 851	1 851	1 851	22 207	23 517	24 825
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		379 169	379 169	379 169	379 169	379 169	379 169	379 169	379 169	379 169	379 169	379 169	379 169	4 550 034	4 870 209	5 113 961
Surplus/(Deficit) before assoc.		91 698	91 698	91 698	91 698	91 698	91 698	91 698	91 698	91 698	91 698	91 698	91 698	1 100 373	1 027 515	1 148 468
Income Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	91 698	91 698	91 698	91 698	91 698	91 698	91 698	91 698	91 698	91 698	91 698	91 698	1 100 373	1 027 515	1 148 468

LIM354 Polokwane - Supporting Table SA27 Budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue - Functional																
Governance and administration		248 076	248 076	248 076	248 076	248 076	248 076	248 076	248 076	248 076	248 076	248 076	248 076	2 976 908	3 073 816	3 269 087
Executive and council		0	0	0	0	0	0	0	0	0	0	0	0	2	2	2
Finance and administration		248 075	248 075	248 075	248 075	248 075	248 075	248 075	248 075	248 075	248 075	248 075	248 075	2 976 906	3 073 813	3 269 084
Internal audit		0	0	0	0	0	0	0	0	0	0	0	0	1	1	1
Community and public safety		536	536	536	536	536	536	536	536	536	536	536	536	6 434	6 756	7 161
Community and social services		189	189	189	189	189	189	189	189	189	189	189	189	2 274	2 388	2 531
Sport and recreation		303	303	303	303	303	303	303	303	303	303	303	303	3 633	3 814	4 043
Public safety		22	22	22	22	22	22	22	22	22	22	22	22	259	272	289
Housing		22	22	22	22	22	22	22	22	22	22	22	22	266	279	296
Health		0	0	0	0	0	0	0	0	0	0	0	0	2	2	2
Economic and environmental services		9 572	9 572	9 572	9 572	9 572	9 572	9 572	9 572	9 572	9 572	9 572	9 572	114 859	137 336	145 576
Planning and development		2 424	2 424	2 424	2 424	2 424	2 424	2 424	2 424	2 424	2 424	2 424	2 424	29 092	30 546	32 379
Road transport		7 004	7 004	7 004	7 004	7 004	7 004	7 004	7 004	7 004	7 004	7 004	7 004	84 046	104 982	111 281
Environmental protection		143	143	143	143	143	143	143	143	143	143	143	143	1 722	1 808	1 916
Trading services		212 684	212 684	212 684	212 684	212 684	212 684	212 684	212 684	212 684	212 684	212 684	212 684	2 552 205	2 679 816	2 840 605
Energy sources		155 990	155 990	155 990	155 990	155 990	155 990	155 990	155 990	155 990	155 990	155 990	155 990	1 871 880	1 965 474	2 083 402
Water management		31 125	31 125	31 125	31 125	31 125	31 125	31 125	31 125	31 125	31 125	31 125	31 125	373 505	392 180	415 711
Waste water management		13 021	13 021	13 021	13 021	13 021	13 021	13 021	13 021	13 021	13 021	13 021	13 021	156 249	164 061	173 905
Waste management		12 548	12 548	12 548	12 548	12 548	12 548	12 548	12 548	12 548	12 548	12 548	12 548	150 572	158 100	167 586
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Functional		470 867	470 867	470 867	470 867	470 867	470 867	470 867	470 867	470 867	470 867	470 867	470 867	5 650 407	5 897 723	6 262 429
Expenditure - Functional																
Governance and administration		93 612	93 612	93 612	93 612	93 612	93 612	93 612	93 612	93 612	93 612	93 612	93 612	1 123 339	1 205 886	1 268 944
Executive and council		12 277	12 277	12 277	12 277	12 277	12 277	12 277	12 277	12 277	12 277	12 277	12 277	147 320	155 388	163 732
Finance and administration		79 982	79 982	79 982	79 982	79 982	79 982	79 982	79 982	79 982	79 982	79 982	79 982	959 786	1 033 271	1 087 041
Internal audit		1 353	1 353	1 353	1 353	1 353	1 353	1 353	1 353	1 353	1 353	1 353	1 353	16 232	17 227	18 172
Community and public safety		30 606	30 606	30 606	30 606	30 606	30 606	30 606	30 606	30 606	30 606	30 606	30 606	367 274	397 091	418 453
Community and social services		7 247	7 247	7 247	7 247	7 247	7 247	7 247	7 247	7 247	7 247	7 247	7 247	86 966	92 167	97 251
Sport and recreation		14 850	14 850	14 850	14 850	14 850	14 850	14 850	14 850	14 850	14 850	14 850	14 850	178 202	193 246	203 329
Public safety		5 990	5 990	5 990	5 990	5 990	5 990	5 990	5 990	5 990	5 990	5 990	5 990	71 881	79 636	84 051
Housing		1 851	1 851	1 851	1 851	1 851	1 851	1 851	1 851	1 851	1 851	1 851	1 851	22 207	23 517	24 825
Health		668	668	668	668	668	668	668	668	668	668	668	668	8 017	8 525	8 998
Economic and environmental services		56 905	56 905	56 905	56 905	56 905	56 905	56 905	56 905	56 905	56 905	56 905	56 905	682 861	731 595	752 921
Planning and development		9 822	9 822	9 822	9 822	9 822	9 822	9 822	9 822	9 822	9 822	9 822	9 822	117 863	124 242	131 010
Road transport		44 426	44 426	44 426	44 426	44 426	44 426	44 426	44 426	44 426	44 426	44 426	44 426	533 117	576 087	588 975
Environmental protection		2 657	2 657	2 657	2 657	2 657	2 657	2 657	2 657	2 657	2 657	2 657	2 657	31 881	31 266	32 936
Trading services		198 047	198 047	198 047	198 047	198 047	198 047	198 047	198 047	198 047	198 047	198 047	198 047	2 376 560	2 535 637	2 673 642
Energy sources		128 734	128 734	128 734	128 734	128 734	128 734	128 734	128 734	128 734	128 734	128 734	128 734	1 544 811	1 635 889	1 721 839
Water management		51 073	51 073	51 073	51 073	51 073	51 073	51 073	51 073	51 073	51 073	51 073	51 073	612 879	665 857	706 464
Waste water management		6 290	6 290	6 290	6 290	6 290	6 290	6 290	6 290	6 290	6 290	6 290	6 290	75 475	80 022	83 878
Waste management		11 950	11 950	11 950	11 950	11 950	11 950	11 950	11 950	11 950	11 950	11 950	11 950	143 395	153 869	161 462
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional		379 169	379 169	379 169	379 169	379 169	379 169	379 169	379 169	379 169	379 169	379 169	379 169	4 550 034	4 870 209	5 113 961
Surplus/(Deficit) before assoc.		91 698	91 698	91 698	91 698	91 698	91 698	91 698	91 698	91 698	91 698	91 698	91 698	1 100 373	1 027 515	1 148 468
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	91 698	91 698	91 698	91 698	91 698	91 698	91 698	91 698	91 698	91 698	91 698	91 698	1 100 373	1 027 515	1 148 468

LIM354 Polokwane - Supporting Table SA28 Budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework			
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	
R thousand																	
Multi-year expenditure to be appropriated	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 1 - Chief operations office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal managers office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Water and sanitation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Energy services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Corporate and Shared Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Planning and Economic Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Budget and Treasury office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Transport Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Human Settlement		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated																	
Vote 1 - Chief operations office		72	72	72	72	72	72	72	72	72	72	72	72	870	10 040	10 231	
Vote 2 - Municipal managers office		283	283	283	283	283	283	283	283	283	283	283	283	3 400	-	-	
Vote 3 - Water and sanitation		26 584	26 584	26 584	26 584	26 584	26 584	26 584	26 584	26 584	26 584	26 584	26 584	319 008	281 215	303 765	
Vote 4 - Energy services		7 577	7 577	7 577	7 577	7 577	7 577	7 577	7 577	7 577	7 577	7 577	7 577	90 921	107 854	103 690	
Vote 5 - Community Services		5 112	5 112	5 112	5 112	5 112	5 112	5 112	5 112	5 112	5 112	5 112	5 112	61 340	40 470	42 169	
Vote 6 - Public safety		912	912	912	912	912	912	912	912	912	912	912	912	10 943	14 952	10 050	
Vote 7 - Corporate and Shared Services		2 611	2 611	2 611	2 611	2 611	2 611	2 611	2 611	2 611	2 611	2 611	2 611	31 331	13 779	10 208	
Vote 8 - Planning and Economic Development		968	968	968	968	968	968	968	968	968	968	968	968	11 614	12 472	9 780	
Vote 9 - Budget and Treasury office		48	48	48	48	48	48	48	48	48	48	48	48	580	-	-	
Vote 10 - Transport Operations		22 269	22 269	22 269	22 269	22 269	22 269	22 269	22 269	22 269	22 269	22 269	22 269	267 232	227 712	270 379	
Vote 11 - Human Settlement		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Capital single-year expenditure sub-total	2	66 437	66 437	66 437	66 437	66 437	66 437	66 437	66 437	66 437	66 437	66 437	66 437	797 239	708 495	760 271	
Total Capital Expenditure	2	66 437	66 437	66 437	66 437	66 437	66 437	66 437	66 437	66 437	66 437	66 437	66 437	797 239	708 495	760 271	

LIM354 Polokwane - Supporting Table SA29 Budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital Expenditure - Functional	1															
Governance and administration		3 100	3 100	3 100	3 100	3 100	3 100	3 100	3 100	3 100	3 100	3 100	3 100	37 200	15 831	11 731
Executive and council		283	283	283	283	283	283	283	283	283	283	283	283	3 400	-	-
Finance and administration		2 817	2 817	2 817	2 817	2 817	2 817	2 817	2 817	2 817	2 817	2 817	2 817	33 800	15 831	11 731
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety		3 587	3 587	3 587	3 587	3 587	3 587	3 587	3 587	3 587	3 587	3 587	3 587	43 046	46 762	42 832
Community and social services		434	434	434	434	434	434	434	434	434	434	434	434	5 204	15 893	15 744
Sport and recreation		3 153	3 153	3 153	3 153	3 153	3 153	3 153	3 153	3 153	3 153	3 153	3 153	37 842	30 870	27 089
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		23 659	23 659	23 659	23 659	23 659	23 659	23 659	23 659	23 659	23 659	23 659	23 659	283 908	245 561	284 417
Planning and development		968	968	968	968	968	968	968	968	968	968	968	968	11 614	12 472	9 780
Road transport		22 691	22 691	22 691	22 691	22 691	22 691	22 691	22 691	22 691	22 691	22 691	22 691	272 294	233 089	274 637
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services		36 090	36 090	36 090	36 090	36 090	36 090	36 090	36 090	36 090	36 090	36 090	36 090	433 085	400 340	421 291
Energy sources		7 577	7 577	7 577	7 577	7 577	7 577	7 577	7 577	7 577	7 577	7 577	7 577	90 921	111 332	103 690
Water management		17 249	17 249	17 249	17 249	17 249	17 249	17 249	17 249	17 249	17 249	17 249	17 249	206 987	191 811	224 247
Waste water management		9 335	9 335	9 335	9 335	9 335	9 335	9 335	9 335	9 335	9 335	9 335	9 335	112 021	89 404	79 518
Waste management		1 930	1 930	1 930	1 930	1 930	1 930	1 930	1 930	1 930	1 930	1 930	1 930	23 156	7 793	13 836
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	2	66 437	66 437	66 437	66 437	66 437	66 437	66 437	66 437	66 437	66 437	66 437	66 437	797 239	708 495	760 271
Funded by:																
National Government		51 095	51 095	51 095	51 095	51 095	51 095	51 095	51 095	51 095	51 095	51 095	51 095	613 134	554 699	596 108
Provincial Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital		51 095	51 095	51 095	51 095	51 095	51 095	51 095	51 095	51 095	51 095	51 095	51 095	613 134	554 699	596 108
Borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		15 342	15 342	15 342	15 342	15 342	15 342	15 342	15 342	15 342	15 342	15 342	15 342	184 104	153 796	164 163
Total Capital Funding		66 437	66 437	66 437	66 437	66 437	66 437	66 437	66 437	66 437	66 437	66 437	66 437	797 239	708 495	760 271

LIM354 Polokwane - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2023/24												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand															
Cash Receipts By Source													1		
Property rates	44 090	44 090	44 090	44 090	44 090	44 090	44 090	44 090	44 090	44 090	44 090	44 090	529 076	575 137	609 645
Service charges - electricity revenue	148 303	148 303	148 303	148 303	148 303	148 303	148 303	148 303	148 303	148 303	148 303	148 303	1 779 637	1 934 570	2 050 644
Service charges - water revenue	28 579	28 579	28 579	28 579	28 579	28 579	28 579	28 579	28 579	28 579	28 579	28 579	342 942	372 798	395 166
Service charges - sanitation revenue	12 000	12 000	12 000	12 000	12 000	12 000	12 000	12 000	12 000	12 000	12 000	12 000	144 004	156 541	165 933
Service charges - refuse revenue	11 538	11 538	11 538	11 538	11 538	11 538	11 538	11 538	11 538	11 538	11 538	11 538	138 453	150 507	159 537
Rental of facilities and equipment	1 019	1 019	1 019	1 019	1 019	1 019	1 019	1 019	1 019	1 019	1 019	1 019	12 230	13 295	14 093
Interest earned - external investments	1 745	1 745	1 745	1 745	1 745	1 745	1 745	1 745	1 745	1 745	1 745	1 745	20 940	21 987	23 306
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	2 978	2 978	2 978	2 978	2 978	2 978	2 978	2 978	2 978	2 978	2 978	2 978	35 742	38 853	41 185
Licences and permits	1 184	1 184	1 184	1 184	1 184	1 184	1 184	1 184	1 184	1 184	1 184	1 184	14 212	15 449	16 376
Agency services	2 596	2 596	2 596	2 596	2 596	2 596	2 596	2 596	2 596	2 596	2 596	2 596	31 156	50 803	53 851
Transfers and Subsidies - Operational	131 309	131 309	131 309	131 309	131 309	131 309	131 309	131 309	131 309	131 309	131 309	131 309	1 575 705	1 705 009	1 808 806
Other revenue	24 314	24 314	24 314	24 314	24 314	24 314	24 314	24 314	24 314	24 314	24 314	24 314	291 770	280 616	294 347
Cash Receipts by Source	409 656	409 656	409 656	409 656	409 656	409 656	409 656	409 656	409 656	409 656	409 656	409 656	4 915 869	5 315 567	5 632 890
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	58 759	58 759	58 759	58 759	58 759	58 759	58 759	58 759	58 759	58 759	58 759	58 759	705 105	637 904	685 524
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	468 414	468 414	468 414	468 414	468 414	468 414	468 414	468 414	468 414	468 414	468 414	468 414	5 620 973	5 953 470	6 318 415
Cash Payments by Type															
Employee related costs	100 638	100 638	100 638	100 638	100 638	100 638	100 638	100 638	100 638	100 638	100 638	100 638	1 207 657	1 358 522	1 435 657
Remuneration of councillors	3 445	3 445	3 445	3 445	3 445	3 445	3 445	3 445	3 445	3 445	3 445	3 445	41 338	43 694	46 185
Interest	3 526	3 526	3 526	3 526	3 526	3 526	3 526	3 526	3 526	3 526	3 526	3 526	42 309	44 297	46 379
Bulk purchases - electricity	105 802	105 802	105 802	105 802	105 802	105 802	105 802	105 802	105 802	105 802	105 802	105 802	1 269 627	1 329 299	1 391 776
Acquisitions - water & other inventory	30 620	30 620	30 620	30 620	30 620	30 620	30 620	30 620	30 620	30 620	30 620	30 620	367 443	384 706	402 781
Contracted services	75 777	75 777	75 777	75 777	75 777	75 777	75 777	75 777	75 777	75 777	75 777	75 777	909 320	946 593	991 744
Transfers and subsidies - other municipalities	829	829	829	829	829	829	829	829	829	829	829	829	9 947	10 414	10 903
Transfers and subsidies - other	91	91	91	91	91	91	91	91	91	91	91	91	1 094	1 146	1 199
Other expenditure	67 748	67 748	67 748	67 748	67 748	67 748	67 748	67 748	67 748	67 748	67 748	67 748	812 980	1 042 686	1 119 037
Cash Payments by Type	388 476	388 476	388 476	388 476	388 476	388 476	388 476	388 476	388 476	388 476	388 476	388 476	4 661 715	5 161 358	5 445 661
Other Cash Flows/Payments by Type															
Capital assets	72 582	72 582	72 582	72 582	72 582	72 582	72 582	72 582	72 582	72 582	72 582	72 582	870 983	774 031	830 596
Repayment of borrowing	2 091	2 091	2 091	2 091	2 091	2 091	2 091	2 091	2 091	2 091	2 091	2 091	25 088	27 778	31 078
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	463 149	463 149	463 149	463 149	463 149	463 149	463 149	463 149	463 149	463 149	463 149	463 149	5 557 787	5 963 167	6 307 335
NET INCREASE/(DECREASE) IN CASH HELD	5 266	5 266	5 266	5 266	5 266	5 266	5 266	5 266	5 266	5 266	5 266	5 266	63 187	(9 697)	11 080
Cash/cash equivalents at the month/year begin:	232 670	237 936	243 201	248 467	253 732	258 998	264 263	269 529	274 794	280 060	285 326	290 591	232 670	295 857	286 160
Cash/cash equivalents at the month/year end:	237 936	243 201	248 467	253 732	258 998	264 263	269 529	274 794	280 060	285 326	290 591	295 857	295 857	286 160	297 240

LIM354 Polokwane - NOT REQUIRED - municipality does not have entities

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R million										
Financial Performance										
Property rates		-	-	-	-	-	-	-	-	-
Service charges		-	-	-	-	-	-	-	-	-
Investment revenue		-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		-	-	-	-	-	-	-	-	-
Other own revenue		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)		-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		-	-	-	-	-	-	-	-	-
Employee costs		-	-	-	-	-	-	-	-	-
Remuneration of Board Members		-	-	-	-	-	-	-	-	-
Depreciation and amortisation		-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-
Inventory consumed and bulk purchases		-	-	-	-	-	-	-	-	-
Transfers and subsidies		-	-	-	-	-	-	-	-	-
Other expenditure		-	-	-	-	-	-	-	-	-
Total Expenditure		-	-	-	-	-	-	-	-	-
Surplus/(Deficit)		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations)		-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		-	-	-	-	-	-	-	-	-
Capital expenditure & funds sources										
Capital expenditure		-	-	-	-	-	-	-	-	-
Transfers recognised - capital		-	-	-	-	-	-	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-
Internally generated funds		-	-	-	-	-	-	-	-	-
Total sources of capital funds		-	-	-	-	-	-	-	-	-
Financial position										
Total current assets		-	-	-	-	-	-	-	-	-
Total non current assets		-	-	-	-	-	-	-	-	-
Total current liabilities		-	-	-	-	-	-	-	-	-
Total non current liabilities		-	-	-	-	-	-	-	-	-
Community wealth/Equity		-	-	-	-	-	-	-	-	-
Cash flows										
Net cash from (used) operating		-	-	-	-	-	-	-	-	-
Net cash from (used) investing		-	-	-	-	-	-	-	-	-
Net cash from (used) financing		-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end		-	-	-	-	-	-	-	-	-

LIM354 Polokwane - Supporting Table SA32 List of external mechanisms

External mechanism	Yrs/ Mths	Period of agreement 1.	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2.
Name of organisation		Number			R thousand

References

1. Total agreement period from commencement until end
2. Annual value

LIM354 Polokwane - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework			Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Forecast 2032/33	Total Contract Value
		Total	Original Budget	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	Estimate							
R thousand	1.3													
Parent Municipality:														
Revenue Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Parent Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Entities:														
Revenue Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Entity Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-

References

1. Total implication for all preceding years to be summed and total stated in 'Preceding Years' column
2. List all contracts with future financial obligations beyond the three years covered by the MTREF (MFMA s33)
3. For municipalities with approved total revenue not exceeding R250 m - all contracts with an annual cost greater than R500 000. For municipalities with approved total revenue greater than R250 m - all contracts with an annual cost greater than R1million. For municipalities with approved total revenue greater than R500 m - all contracts with an annual cost greater than R5 million

LIM354 Polokwane - Supporting Table SA34a Capital expenditure on new assets by asset class

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital expenditure on new assets by Asset Class/Sub-class	1	849 451	400 268	337 038	513 002	501 844	501 844	477 400	436 296	474 997
Infrastructure										
Roads Infrastructure		191 901	74 501	123 309	103 369	98 269	98 269	78 580	51 589	67 795
Roads		118 568	1 797	585	68 677	57 658	57 658	59 061	34 685	52 771
Road Structures		73 333	72 704	122 724	34 692	40 610	40 610	18 793	16 170	14 494
Road Furniture		-	-	-	-	-	-	725	734	529
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		3 641	-	2 142	20 196	12 355	12 355	12 594	10 154	10 435
Drainage Collection		3 641	-	2 142	20 196	12 355	12 355	12 594	10 154	10 435
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		46 882	45 519	41 449	106 000	76 803	76 803	87 443	98 724	90 647
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		795	-	-	12 174	5 478	5 478	-	-	2 174
HV Switching Station		-	-	-	15 913	15 913	15 913	-	-	-
HV Transmission Conductors		29 231	44 605	36 142	61 478	39 043	39 043	52 955	54 376	65 598
MV Substations		-	-	-	-	-	-	870	8 696	-
MV Switching Stations		6 786	914	-	-	-	-	4 348	-	-
MV Networks		133	-	164	696	870	870	-	1 304	1 304
LV Networks		9 938	-	-	11 391	11 151	11 151	24 488	28 696	17 223
Capital Spares		-	-	5 143	4 348	4 348	4 348	4 783	5 652	4 348
Water Supply Infrastructure		310 142	194 289	132 863	149 379	175 168	175 168	187 281	180 204	211 415
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		154 066	89 570	11 945	15 652	15 652	15 652	12 552	11 827	46 685
Reservoirs		11 623	4 450	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	40 893	40 893	-	-	-
Bulk Mains		85 832	65 863	42 089	81 414	58 394	58 394	136 280	127 702	145 552
Distribution		58 621	34 405	48 163	52 313	60 229	60 229	37 154	37 413	17 391
Distribution Points		-	-	30 667	-	-	-	1 295	3 263	1 787
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		287 189	85 037	36 576	127 739	134 895	134 895	105 167	89 565	80 870
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		287 189	85 037	36 576	118 769	118 769	118 769	96 471	86 957	78 261
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	8 696	16 126	16 126	8 696	2 609	2 609
Capital Spares		-	-	-	274	0	0	-	-	-
Solid Waste Infrastructure		9 695	830	699	6 155	4 155	4 155	6 087	5 802	13 637
Landfill Sites		1 513	-	-	170	170	170	2 609	3 496	11 097
Waste Transfer Stations		8 181	743	699	5 217	3 217	3 217	435	598	1 919
Waste Processing Facilities		-	-	-	-	-	-	435	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	87	-	767	767	767	2 609	1 708	622
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	91	-	164	200	200	249	258	199
Data Centres		-	91	-	164	200	200	249	258	199
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-

	42 049	274 296	56 437	106 881	80 022	80 022	93 724	92 371	95 799
Community Assets									
Community Facilities	176 235	239 989	29 199	74 245	50 001	50 001	73 699	79 289	88 911
Halls	-	-	909	187	455	455	1 304	653	199
Centres	-	916	6 792	3 543	2 131	2 131	2 174	3 522	4 308
Crèches	-	-	-	-	-	-	-	-	-
Clinics/Care Centres	-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations	-	-	-	-	-	-	-	1 446	795
Testing Stations	181	4 301	2 125	3 204	306	306	-	1 607	909
Museums	607	79	-	-	-	-	51	1 177	754
Galleries	-	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-	-
Libraries	621	-	2	352	666	666	292	1 148	1 125
Cemeteries/Crematoria	-	-	-	-	-	-	-	663	794
Police	749	-	1 226	752	512	512	-	1 016	989
Parks	402	-	-	-	-	-	-	262	397
Public Open Space	161 281	-	1 622	1 304	1 304	1 304	2 388	1 913	2 873
Nature Reserves	-	-	-	-	-	-	-	-	-
Public Ablution Facilities	-	161	-	522	522	522	6 725	1 033	199
Markets	-	-	-	207	104	104	-	381	569
Stalls	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	11 977	234 342	15 650	64 174	44 000	44 000	60 764	59 306	66 304
Capital Spares	418	189	874	-	-	-	-	5 164	8 696
Sport and Recreation Facilities	(134 187)	34 307	27 238	32 636	30 021	30 021	20 024	13 082	6 888
Indoor Facilities	-	-	-	-	-	-	-	-	-
Outdoor Facilities	(134 187)	34 307	27 238	32 636	30 021	30 021	20 024	12 744	6 412
Capital Spares	-	-	-	-	-	-	-	338	476
Heritage assets	6 210	-	-	-	-	-	-	326	331
Monuments	-	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-
Works of Art	6 210	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	326	331
Other Heritage	-	-	-	-	-	-	-	-	-
Investment properties	0	279	2 265	15 628	10 065	10 065	11 614	12 472	9 527
Revenue Generating	0	279	2 265	14 606	4 782	4 782	10 505	9 822	7 391
Improved Property	-	-	-	13 043	3 428	3 428	7 561	7 561	6 087
Unimproved Property	0	279	2 265	1 562	1 354	1 354	2 944	2 261	1 304
Non-revenue Generating	-	-	-	1 022	5 283	5 283	1 108	2 650	2 136
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	1 022	5 283	5 283	1 108	2 650	2 136
Other assets	19 070	1 369	248	3 004	2 648	2 648	2 173	3 900	6 836
Operational Buildings	19 070	1 369	248	3 004	2 648	2 648	2 173	3 900	6 836
Municipal Offices	4 953	-	245	2 839	1 788	1 788	1 590	2 547	3 176
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	165	165	165	-	-	-
Workshops	-	-	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	-	-	-
Stores	2 416	1 207	3	-	695	695	-	-	-
Laboratories	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-
Depots	11 701	162	-	-	-	-	582	1 353	3 659
Capital Spares	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Staff Housing	-	-	-	-	-	-	-	-	-
Social Housing	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	(7 383)	-	1 489	-	-	-	-	-	-
Biological or Cultivated Assets	(7 383)	-	1 489	-	-	-	-	-	-
Intangible Assets	179 681	-	-	613	(0)	(0)	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	179 681	-	-	613	(0)	(0)	-	-	-
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	179 681	-	-	613	(0)	(0)	-	-	-
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
Computer Equipment	10 226	12 929	2 668	2 174	2 474	2 474	466	381	397
Computer Equipment	10 226	12 929	2 668	2 174	2 474	2 474	466	381	397
Furniture and Office Equipment	1 457	1 162	3 486	261	261	261	469	645	348
Furniture and Office Equipment	1 457	1 162	3 486	261	261	261	469	645	348
Machinery and Equipment	41 080	9 205	3 731	3 662	3 634	3 634	10 864	9 362	5 987
Machinery and Equipment	41 080	9 205	3 731	3 662	3 634	3 634	10 864	9 362	5 987
Transport Assets	52 894	54 143	31 774	17 391	31 304	31 304	71 293	11 833	4 742
Transport Assets	52 894	54 143	31 774	17 391	31 304	31 304	71 293	11 833	4 742
Land	(8 021)	-	-	-	-	-	-	-	-
Land	(8 021)	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Living resources	-	-	-	-	-	-	-	-	-
Mature	-	-	-	-	-	-	-	-	-
Policing and Protection	-	-	-	-	-	-	-	-	-
Zoological plants and animals	-	-	-	-	-	-	-	-	-
Immature	-	-	-	-	-	-	-	-	-
Policing and Protection	-	-	-	-	-	-	-	-	-

Zoological plants and animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	1 186 712	753 651	439 138	662 615	632 252	632 252	668 003	567 586	598 964

LIM354 Polokwane - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Capital expenditure on renewal of existing assets by Asset Class/Sub-class	1									
Infrastructure		298 457	2 094	73 790	21 043	32 703	32 703	3 740	7 291	26 461
Roads Infrastructure		27 198	2 094	34 527	18 870	17 486	17 486	2 436	5 552	26 461
Roads		24 773	-	33 300	18 870	17 486	17 486	1 815	4 897	26 117
Road Structures		2 424	2 094	1 227	-	-	-	320	334	-
Road Furniture		-	-	-	-	-	-	301	321	344
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		7 187	-	1 449	2 174	2 174	2 174	1 304	1 739	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		6 287	-	-	-	-	-	-	1 739	-
Capital Spares		900	-	1 449	2 174	2 174	2 174	1 304	-	-
Water Supply Infrastructure		160 316	-	-	-	13 043	13 043	-	-	-
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		160 316	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	13 043	13 043	-	-	-
Sanitation Infrastructure		97 772	-	37 814	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		(680)	-	-	-	-	-	-	-	-
Waste Water Treatment Works		98 451	-	37 814	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		5 985	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		5 985	-	-	-	-	-	-	-	-
Community Assets		1 890	12 413	6 250	5 067	3 132	3 132	7 269	7 229	8 556
Community Facilities		1 407	12 413	6 250	4 719	3 132	3 132	5 913	5 298	7 238
Halls		-	1 043	811	321	275	275	-	381	-
Centres		1 082	1 049	786	442	229	229	-	640	953
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-
Museums		94	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-

Libraries	141	1 259	524	1 174	889	889	-	1 659	199	
Cemeteries/Crematoria	-	-	-	-	-	-	-	-	-	
Police	-	-	-	-	-	-	-	-	-	
Parks	90	-	-	-	-	-	-	-	-	
Public Open Space	-	-	-	-	-	-	-	-	-	
Nature Reserves	-	-	-	-	-	-	-	-	-	
Public Ablution Facilities	-	-	-	-	-	-	-	-	-	
Markets	-	-	-	-	-	-	-	-	-	
Stalls	-	-	-	-	-	-	-	-	-	
Abattoirs	-	-	-	-	-	-	-	-	-	
Airports	-	-	-	-	-	-	-	-	-	
Taxi Ranks/Bus Terminals	-	9 063	4 129	2 783	1 739	1 739	5 913	2 619	6 087	
Capital Spares	-	-	-	-	-	-	-	-	-	
Sport and Recreation Facilities	483	-	-	348	-	-	1 356	1 930	1 318	
Indoor Facilities	-	-	-	-	-	-	-	-	-	
Outdoor Facilities	483	-	-	348	-	-	1 356	1 930	1 318	
Capital Spares	-	-	-	-	-	-	-	-	-	
Heritage assets	-	-	-	-	-	-	-	-	-	
Monuments	-	-	-	-	-	-	-	-	-	
Historic Buildings	-	-	-	-	-	-	-	-	-	
Works of Art	-	-	-	-	-	-	-	-	-	
Conservation Areas	-	-	-	-	-	-	-	-	-	
Other Heritage	-	-	-	-	-	-	-	-	-	
Investment properties	-	-	-	-	-	-	-	-	-	
Revenue Generating	-	-	-	-	-	-	-	-	-	
Improved Property	-	-	-	-	-	-	-	-	-	
Unimproved Property	-	-	-	-	-	-	-	-	-	
Non-revenue Generating	-	-	-	-	-	-	-	-	-	
Improved Property	-	-	-	-	-	-	-	-	-	
Unimproved Property	-	-	-	-	-	-	-	-	-	
Other assets	26 312	3 579	2 028	957	1 028	1 028	9 826	6 264	4 091	
Operational Buildings	26 312	3 579	2 028	957	1 028	1 028	9 826	6 264	4 091	
Municipal Offices	28 174	3 579	2 028	957	1 028	1 028	9 826	6 264	4 091	
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-	
Building Plan Offices	-	-	-	-	-	-	-	-	-	
Workshops	-	-	-	-	-	-	-	-	-	
Yards	-	-	-	-	-	-	-	-	-	
Stores	-	-	-	-	-	-	-	-	-	
Laboratories	-	-	-	-	-	-	-	-	-	
Training Centres	-	-	-	-	-	-	-	-	-	
Manufacturing Plant	-	-	-	-	-	-	-	-	-	
Depots	(1 861)	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
Housing	-	-	-	-	-	-	-	-	-	
Staff Housing	-	-	-	-	-	-	-	-	-	
Social Housing	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	
Intangible Assets	-	-	-	-	-	-	-	-	-	
Servitudes	-	-	-	-	-	-	-	-	-	
Licences and Rights	-	-	-	-	-	-	-	-	-	
Water Rights	-	-	-	-	-	-	-	-	-	
Effluent Licences	-	-	-	-	-	-	-	-	-	
Solid Waste Licences	-	-	-	-	-	-	-	-	-	
Computer Software and Applications	-	-	-	-	-	-	-	-	-	
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-	
Unspecified	-	-	-	-	-	-	-	-	-	
Computer Equipment	-	-	-	-	-	-	-	-	-	
Computer Equipment	-	-	-	-	-	-	-	-	-	
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-	
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-	
Machinery and Equipment	-	-	-	-	-	-	-	-	-	
Machinery and Equipment	-	-	-	-	-	-	-	-	-	
Transport Assets	-	-	-	-	-	-	-	-	-	
Transport Assets	-	-	-	-	-	-	-	-	-	
Land	-	-	-	-	-	-	-	-	-	
Land	-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	
Living resources	-	-	-	-	-	-	-	-	-	
Mature	-	-	-	-	-	-	-	-	-	
Policing and Protection	-	-	-	-	-	-	-	-	-	
Zoological plants and animals	-	-	-	-	-	-	-	-	-	
Immature	-	-	-	-	-	-	-	-	-	
Policing and Protection	-	-	-	-	-	-	-	-	-	
Zoological plants and animals	-	-	-	-	-	-	-	-	-	
Total Capital Expenditure on renewal of existing assets	1	326 659	18 087	82 068	27 067	36 864	36 864	20 835	20 784	39 108
Renewal of Existing Assets as % of total capex		5.1%	1.8%	11.1%	3.2%	4.4%	4.4%	2.6%	2.9%	5.1%
Renewal of Existing Assets as % of deprcn"		45.9%	2.0%	10.8%	10.4%	14.2%	14.2%	7.7%	7.3%	13.1%

LIM354 Polokwane - Supporting Table SA34c Repairs and maintenance expenditure by asset class

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Repairs and maintenance expenditure by Asset Class/Sub-class	1									
Infrastructure		324 487	456 881	665 581	545 166	516 468	516 468	475 596	530 539	557 372
Roads Infrastructure		36 175	73 227	205 060	96 899	79 884	79 884	72 469	79 063	83 048
Roads		760	-	-	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		35 415	73 227	205 060	96 899	79 884	79 884	72 469	79 063	83 048
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		49 679	108 569	132 170	141 261	137 623	137 623	144 343	168 966	177 958
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		49 679	108 569	132 170	141 261	137 623	137 623	144 343	168 966	177 958
Water Supply Infrastructure		156 286	185 421	222 507	200 796	205 148	205 148	186 411	207 051	217 695
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		156 286	185 421	222 507	200 796	205 148	205 148	186 411	207 051	217 695
Sanitation Infrastructure		4 435	10 627	18 537	19 391	18 216	18 216	16 716	17 483	18 284
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		4 435	10 627	18 537	19 391	18 216	18 216	16 716	17 483	18 284
Solid Waste Infrastructure		77 912	79 037	87 308	86 820	75 595	75 595	55 657	57 977	60 388
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		77 912	79 037	87 308	86 820	75 595	75 595	55 657	57 977	60 388
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Community Assets		38 241	40 356	47 995	48 176	50 254	50 254	63 132	69 829	73 523
Community Facilities		6 645	9 487	11 810	11 269	14 762	14 762	22 405	23 458	24 560
Halls		-	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-

Testing Stations	-	-	-	-	-	-	-	-	-
Museums	-	-	-	24	24	24	24	25	26
Galleries	-	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria	-	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-	-
Parks	1 550	2 550	2 000	-	-	-	-	-	-
Public Open Space	-	-	-	-	-	-	-	-	-
Nature Reserves	8	-	50	8	1	1	1	1	1
Public Ablution Facilities	-	-	-	-	-	-	2 849	2 983	3 124
Markets	-	-	-	-	-	-	-	-	-
Stalls	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-
Capital Spares	5 087	6 937	9 760	11 237	14 737	14 737	19 530	20 448	21 409
Sport and Recreation Facilities	31 596	30 869	36 186	36 907	35 492	35 492	40 727	46 371	48 963
Indoor Facilities	-	-	-	-	-	-	-	-	-
Outdoor Facilities	-	-	-	-	-	-	-	-	-
Capital Spares	31 596	30 869	36 186	36 907	35 492	35 492	40 727	46 371	48 963
Heritage assets	-	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
Other assets	28 454	42 305	44 553	49 637	51 001	51 001	52 918	57 025	60 034
Operational Buildings	28 454	42 305	44 553	49 637	51 001	51 001	52 918	57 025	60 034
Municipal Offices	28 454	42 305	44 553	49 637	51 001	51 001	52 918	57 025	60 034
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Staff Housing	-	-	-	-	-	-	-	-	-
Social Housing	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Intangible Assets	14 303	10 105	11 686	11 016	10 766	10 766	10 766	11 272	11 802
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	14 303	10 105	11 686	11 016	10 766	10 766	10 766	11 272	11 802
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	-	-	-	-	-	-	-	-
Local Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	14 303	10 105	11 686	11 016	10 766	10 766	10 766	11 272	11 802
Computer Equipment	4 930	4 045	6 990	7 405	8 005	8 005	8 005	8 381	8 775
Computer Equipment	4 930	4 045	6 990	7 405	8 005	8 005	8 005	8 381	8 775
Furniture and Office Equipment	12 318	8 827	9 283	9 756	9 756	9 756	9 756	10 215	10 695
Furniture and Office Equipment	12 318	8 827	9 283	9 756	9 756	9 756	9 756	10 215	10 695
Machinery and Equipment	500	-	-	3	3	3	476	498	4 808
Machinery and Equipment	500	-	-	3	3	3	476	498	4 808
Transport Assets	33 064	34 688	42 299	46 357	54 417	54 417	71 416	74 398	77 681
Transport Assets	33 064	34 688	42 299	46 357	54 417	54 417	71 416	74 398	77 681
Land	-								
Land	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-								
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Living resources	-								
Living resources	-	-	-	-	-	-	-	-	-

Mature	-	-	-	-	-	-	-	-	-	
Policing and Protection	-	-	-	-	-	-	-	-	-	
Zoological plants and animals	-	-	-	-	-	-	-	-	-	
Immature	-	-	-	-	-	-	-	-	-	
Policing and Protection	-	-	-	-	-	-	-	-	-	
Zoological plants and animals	-	-	-	-	-	-	-	-	-	
Total Repairs and Maintenance Expenditure	1	456 298	597 207	828 387	717 516	700 670	700 670	692 066	762 156	804 691
R&M as a % of PPE & Investment Property		2.9%	4.9%	7.0%	4.8%	4.7%	4.7%	5.9%	6.6%	7.1%
R&M as % Operating Expenditure		11.8%	13.9%	16.8%	17.1%	16.6%	16.6%	16.4%	16.8%	16.5%

LIM354 Polokwane - Supporting Table SA34d Depreciation by asset class

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Depreciation by Asset Class/Sub-class	1									
Infrastructure		462 887	573 444	484 247	172 316	172 316	172 316	180 414	188 894	197 772
Roads Infrastructure		253 098	285 250	228 959	91 680	91 680	91 680	95 989	100 501	105 224
Roads		-	-	-	-	-	-	-	-	-
Road Structures		249 686	285 250	228 959	91 680	91 680	91 680	95 989	100 501	105 224
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		3 412	-	-	-	-	-	-	-	-
Storm water Infrastructure		28 005	35 592	31 617	9 972	9 972	9 972	10 440	10 931	11 445
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		28 005	35 592	31 617	9 972	9 972	9 972	10 440	10 931	11 445
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		34 915	44 375	39 351	12 432	12 432	12 432	13 016	13 628	14 269
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		34 915	44 375	39 351	12 432	12 432	12 432	13 016	13 628	14 269
Water Supply Infrastructure		-	8 106	6 857	2 166	2 166	2 166	2 268	2 375	2 486
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	8 106	6 857	2 166	2 166	2 166	2 268	2 375	2 486
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		24 661	31 346	27 797	8 782	8 782	8 782	9 195	9 627	10 079
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		24 661	31 346	27 797	8 782	8 782	8 782	9 195	9 627	10 079
Solid Waste Infrastructure		119 880	165 812	147 039	46 454	46 454	46 454	48 637	50 923	53 316
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		119 880	165 812	147 039	46 454	46 454	46 454	48 637	50 923	53 316
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		2 328	2 962	2 627	830	830	830	869	910	953
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		2 328	2 962	2 627	830	830	830	869	910	953
Community Assets		119 651	152 243	134 896	42 612	42 612	42 612	44 615	46 712	48 907
Community Facilities		31 767	40 411	35 846	11 319	11 319	11 319	11 851	12 408	12 992
Halls		-	-	-	-	-	-	-	-	-
Centres		2 616	3 333	2 967	932	932	932	976	1 021	1 070
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		201	256	227	72	72	72	75	79	82
Fire/Ambulance Stations		2 458	3 126	2 772	876	876	876	917	960	1 005

Testing Stations	427	546	484	153	153	153	160	168	175
Museums	-	-	-	-	-	-	-	-	-
Galleries	-	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria	870	1 106	981	310	310	310	324	340	356
Police	-	-	-	-	-	-	-	-	-
Parks	-	-	-	-	-	-	-	-	-
Public Open Space	4 431	5 631	4 994	1 578	1 578	1 578	1 652	1 729	1 811
Nature Reserves	-	-	-	-	-	-	-	-	-
Public Ablution Facilities	87	111	99	31	31	31	33	34	36
Markets	-	-	-	-	-	-	-	-	-
Stalls	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-
Capital Spares	20 676	26 301	23 323	7 368	7 368	7 368	7 715	8 077	8 457
Sport and Recreation Facilities	87 884	111 832	99 050	31 293	31 293	31 293	32 763	34 303	35 915
Indoor Facilities	-	-	-	-	-	-	-	-	-
Outdoor Facilities	-	7 075	6 274	1 982	1 982	1 982	2 075	2 173	2 275
Capital Spares	87 884	104 757	92 776	29 310	29 310	29 310	30 688	32 130	33 640
Heritage assets	6 208	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-
Works of Art	6 208	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
Other assets	-	4 340	3 848	1 216	1 216	1 216	1 273	1 333	1 395
Operational Buildings	-	4 340	3 848	1 216	1 216	1 216	1 273	1 333	1 395
Municipal Offices	-	4 340	3 848	1 216	1 216	1 216	1 273	1 333	1 395
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Staff Housing	-	-	-	-	-	-	-	-	-
Social Housing	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Intangible Assets	219	4 426	142	45	45	45	47	49	51
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	219	4 426	142	45	45	45	47	49	51
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	219	4 426	142	45	45	45	47	49	51
Local Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
Computer Equipment	6 845	4 826	7 836	2 470	2 470	2 470	2 586	2 708	2 835
Computer Equipment	6 845	4 826	7 836	2 470	2 470	2 470	2 586	2 708	2 835
Furniture and Office Equipment	26 194	33 421	29 702	9 363	9 363	9 363	9 803	10 264	10 746
Furniture and Office Equipment	26 194	33 421	29 702	9 363	9 363	9 363	9 803	10 264	10 746
Machinery and Equipment	10 171	13 042	11 548	3 648	3 648	3 648	3 820	3 999	4 187
Machinery and Equipment	10 171	13 042	11 548	3 648	3 648	3 648	3 820	3 999	4 187
Transport Assets	79 478	101 939	89 674	28 331	28 331	28 331	29 662	31 056	32 516
Transport Assets	79 478	101 939	89 674	28 331	28 331	28 331	29 662	31 056	32 516
Land	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
Zoo's Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Zoo's Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Living resources	-	-	-	-	-	-	-	-	-

Mature	-	-	-	-	-	-	-	-	-	
Policing and Protection	-	-	-	-	-	-	-	-	-	
Zoological plants and animals	-	-	-	-	-	-	-	-	-	
Immature	-	-	-	-	-	-	-	-	-	
Policing and Protection	-	-	-	-	-	-	-	-	-	
Zoological plants and animals	-	-	-	-	-	-	-	-	-	
Total Depreciation	1	711 652	887 679	761 893	260 000	260 000	260 000	272 220	285 014	298 410

LIM354 Polokwane - Supporting Table SA34e Capital expenditure on the upgrading of existing assets by asset class

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1									
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		4 543 242	223 738	213 238	145 838	152 062	152 062	92 972	107 335	114 604
Roads Infrastructure		217 620	108 249	114 168	134 882	134 975	134 975	79 783	84 975	81 586
Roads		84 383	8 121	2 471	93 142	105 277	105 277	50 065	35 747	42 957
Road Structures		133 238	100 128	111 696	40 000	29 698	29 698	29 312	48 690	38 511
Road Furniture		-	-	-	1 739	0	0	406	538	119
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		(237)	-	-	3 130	3 130	3 130	3 316	7 737	8 957
Drainage Collection		-	-	-	3 130	3 130	3 130	3 316	7 737	8 957
Storm water Conveyance		(237)	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		4 039 879	-	2 448	870	-	-	-	5 217	13 043
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		1 353	-	-	870	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		4 038 526	-	2 448	-	-	-	-	5 217	13 043
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		33 627	4 660	3 367	4 348	11 348	11 348	9 510	8 998	10 223
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		680	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		786	1 872	3 367	4 348	11 348	11 348	9 510	8 998	10 223
Bulk Mains		11 727	2 788	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		20 434	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		237 622	109 671	91 138	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		680	-	-	-	-	-	-	-	-
Waste Water Treatment Works		236 942	109 671	91 138	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		6 295	1 249	-	-	-	-	-	-	-
Landfill Sites		6 295	1 249	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		8 437	(91)	2 116	2 609	2 609	2 609	363	408	794
Data Centres		8 437	(91)	2 116	2 609	2 609	2 609	363	408	794
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Community Assets		10 442	23 142	3 970	10 609	6 442	6 442	8 907	10 228	7 157
Community Facilities		4 234	1 213	1 615	1 913	1 913	1 913	4 559	6 750	3 679
Halls		-	-	-	-	-	-	-	-	-
Centres		1 242	-	312	-	-	-	-	1 117	199
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		497	-	1 303	1 913	1 913	1 913	3 255	3 288	2 117

Museums	-	-	-	-	-	-	-	-	-	
Galleries	-	-	-	-	-	-	-	-	-	
Theatres	-	-	-	-	-	-	-	-	-	
Libraries	856	-	-	-	-	-	-	-	-	
Cemeteries/Crematoria	-	-	-	-	-	-	-	-	-	
Police	-	-	-	-	-	-	-	-	-	
Parks	-	-	-	-	-	-	-	-	265	
Public Open Space	-	-	-	-	-	-	-	524	397	
Nature Reserves	2 158	-	-	-	-	-	1 304	1 495	529	
Public Ablution Facilities	-	-	-	-	-	-	-	-	-	
Markets	-	-	-	-	-	-	-	-	-	
Stalls	-	-	-	-	-	-	-	326	172	
Abattoirs	-	-	-	-	-	-	-	-	-	
Airports	-	-	-	-	-	-	-	-	-	
Taxi Ranks/Bus Terminals	(518)	-	-	-	-	-	-	-	-	
Capital Spares	-	1 213	-	-	-	-	-	-	-	
Sport and Recreation Facilities	6 208	21 929	2 355	8 696	4 529	4 529	4 348	3 478	3 478	
Indoor Facilities	-	-	-	-	-	-	-	-	-	
Outdoor Facilities	6 208	21 929	2 355	8 696	4 529	4 529	4 348	3 478	3 478	
Capital Spares	-	-	-	-	-	-	-	-	-	
Heritage assets	-	-	-	-	-	-	-	-	-	
Monuments	-	-	-	-	-	-	-	-	-	
Historic Buildings	-	-	-	-	-	-	-	-	-	
Works of Art	-	-	-	-	-	-	-	-	-	
Conservation Areas	-	-	-	-	-	-	-	-	-	
Other Heritage	-	-	-	-	-	-	-	-	-	
Investment properties	-	-	-	-	-	-	-	-	253	
Revenue Generating	-	-	-	-	-	-	-	-	253	
Improved Property	-	-	-	-	-	-	-	-	-	
Unimproved Property	-	-	-	-	-	-	-	-	253	
Non-revenue Generating	-	-	-	-	-	-	-	-	-	
Improved Property	-	-	-	-	-	-	-	-	-	
Unimproved Property	-	-	-	-	-	-	-	-	-	
Other assets	315 530	5 836	375	1 739	1 739	1 739	6 522	2 561	185	
Operational Buildings	315 530	5 836	375	1 739	1 739	1 739	6 522	2 561	185	
Municipal Offices	281 174	5 262	118	1 739	1 739	1 739	6 522	2 561	185	
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-	
Building Plan Offices	595	-	-	-	-	-	-	-	-	
Workshops	-	-	-	-	-	-	-	-	-	
Yards	-	-	257	-	-	-	-	-	-	
Stores	7 973	573	-	-	-	-	-	-	-	
Laboratories	-	-	-	-	-	-	-	-	-	
Training Centres	-	-	-	-	-	-	-	-	-	
Manufacturing Plant	-	-	-	-	-	-	-	-	-	
Depots	25 787	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
Housing	-	-	-	-	-	-	-	-	-	
Staff Housing	-	-	-	-	-	-	-	-	-	
Social Housing	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	
Intangible Assets	-	-	-	-	-	-	-	-	-	
Servitudes	-	-	-	-	-	-	-	-	-	
Licences and Rights	-	-	-	-	-	-	-	-	-	
Water Rights	-	-	-	-	-	-	-	-	-	
Effluent Licences	-	-	-	-	-	-	-	-	-	
Solid Waste Licences	-	-	-	-	-	-	-	-	-	
Computer Software and Applications	-	-	-	-	-	-	-	-	-	
Land Settlement Software Applications	-	-	-	-	-	-	-	-	-	
Unspecified	-	-	-	-	-	-	-	-	-	
Computer Equipment	5 471	(11)	(113)	-	-	-	-	-	-	
Computer Equipment	5 471	(11)	(113)	-	-	-	-	-	-	
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-	
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-	
Machinery and Equipment	-	-	-	-	-	-	-	-	-	
Machinery and Equipment	-	-	-	-	-	-	-	-	-	
Transport Assets	-	-	-	-	-	-	-	-	-	
Transport Assets	-	-	-	-	-	-	-	-	-	
Land	-	-	-	-	-	-	-	-	-	
Land	-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	
Living resources	-	-	-	-	-	-	-	-	-	
Mature	-	-	-	-	-	-	-	-	-	
Policing and Protection	-	-	-	-	-	-	-	-	-	
Zoological plants and animals	-	-	-	-	-	-	-	-	-	
Immature	-	-	-	-	-	-	-	-	-	
Policing and Protection	-	-	-	-	-	-	-	-	-	
Zoological plants and animals	-	-	-	-	-	-	-	-	-	
Total Capital Expenditure on upgrading of existing assets	1	4 874 685	252 705	217 469	158 186	160 243	160 243	108 401	120 125	122 199
Upgrading of Existing Assets as % of total capex		76.3%	24.7%	29.4%	18.7%	19.3%	19.3%	13.6%	17.0%	16.1%

<u>Upgrading of Existing Assets as % of deprecn*</u>		685.0%	28.5%	28.5%	60.8%	61.6%	61.6%	39.8%	42.1%	40.9%
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LIM354 Polokwane - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2023/24 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Present value
R thousand								
Capital expenditure	1							
Vote 1 - Chief operations office		870	10 040	10 231				
Vote 2 - Municipal managers office		3 400	-	-				
Vote 3 - Water and sanitation		319 008	281 215	303 765				
Vote 4 - Energy services		90 921	107 854	103 690				
Vote 5 - Community Services		61 340	40 470	42 169				
Vote 6 - Public safety		10 943	14 952	10 050				
Vote 7 - Corporate and Shared Services		31 331	13 779	10 208				
Vote 8 - Planning and Economic Development		11 614	12 472	9 780				
Vote 9 - Budget and Treasury office		580	-	-				
Vote 10 - Transport Operations		267 232	227 712	270 379				
Vote 11 - Human Settlement		-	-	-				
Vote 12 -		-	-	-				
Vote 13 -		-	-	-				
Vote 14 -		-	-	-				
Vote 15 -		-	-	-				
<i>List entity summary if applicable</i>								
Total Capital Expenditure		797 239	708 495	760 271	-	-	-	-
Future operational costs by vote	2							
Vote 1 - Chief operations office		146 329	153 663	161 831				
Vote 2 - Municipal managers office		114 479	120 711	127 173				
Vote 3 - Water and sanitation		688 354	745 880	790 341				
Vote 4 - Energy services		1 544 811	1 635 889	1 721 839				
Vote 5 - Community Services		402 694	434 859	457 373				
Vote 6 - Public safety		385 262	420 117	442 744				
Vote 7 - Corporate and Shared Services		320 285	353 881	371 288				
Vote 8 - Planning and Economic Development		93 583	99 441	104 881				
Vote 9 - Budget and Treasury office		430 498	454 923	479 785				
Vote 10 - Transport Operations		401 532	427 329	431 881				
Vote 11 - Human Settlement		22 207	23 517	24 825				
Vote 12 -		-	-	-				
Vote 13 -		-	-	-				
Vote 14 -		-	-	-				
Vote 15 -		-	-	-				
<i>List entity summary if applicable</i>								
Total future operational costs		4 550 034	4 870 209	5 113 961	-	-	-	-
Future revenue by source	3							
Exchange Revenue								
Service charges - Electricity		1 820 601	1 911 631	2 026 328				
Service charges - Water		350 836	368 378	390 480				
Service charges - Waste Water Management		147 319	154 685	163 966				
Service charges - Waste Management		141 640	148 722	157 646				
Agency services		31 874	50 201	53 213				
<i>List other revenues sources if applicable</i>								
<i>List entity summary if applicable</i>								
Total future revenue		2 492 269	2 633 616	2 791 633	-	-	-	-
Net Financial Implications		2 855 003	2 945 087	3 082 599	-	-	-	-

References

1. Summarise the total capital cost until capital project is operational (MFMA s19(2)(a))
2. Summary of future operational costs from when projects operational (present value until the end of each asset's useful life) (MFMA s19(2)(b))
3. Summarise the future revenue from when projects are operational, including municipal tax and tariff implications, (present value until the end of asset's useful life)

LIM354 Polokwane - Supporting Table SA36 Detailed capital budget

R thousand												2023/24 Medium Term Revenue & Expenditure Framework				
Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Audited Outcome 2021/22	Current Year 2022/23 Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Parent municipality:																
<i>List all capital projects grouped by Function</i>																
Planning for Construction of New Fire Stations:Depots:Construction of Municipal		333	gn-infrastructu	0	0	0	Other Assets	0	trative or Head Office (Including Satellite		0	-	-	-	338	915
Upgrading of Fire Training facility2600	Operational Buildings:Depots:Construction of	334	gn-infrastructu	0	0	0	Other Assets	0	trative or Head Office (Including Satellite		0	-	-	-	338	915
Extension of Silicon Fire station2600	Operational Buildings:Depots:Construction of	335	gn-infrastructu	0	0	0	Other Assets	0	trative or Head Office (Including Satellite		0	-	-	-	338	915
New Matlala Fire station2600	Operational Buildings:Depots:Construction of	336	gn-infrastructu	0	0	0	Other Assets	Road Structures	trative or Head Office (Including Satellite		0	-	-	-	338	915
WIP Replacement of Streetlights and de	Operational Buildings:Municipal Offices:Con	637	gn-infrastructu	0	0	0	Other Assets	0	trative or Head Office (Including Satellite		0	-	-	-	338	662
Design and Construction of New Piete	Community Facilities:Centres:Construction	1 036	gn-infrastructu	0	0	0	Community Assets	0	Whole of the Municipality		0	-	-	-	338	915
Acquisition of fleet- Cherry Picker	Community Facilities:Centres:Construction	686	gn-infrastructu	0	0	0	Community Assets	0	trative or Head Office (Including Satellite		0	-	-	870	1 739	1 739
Plant and Equipment34400	Community Facilities:Centres:Thusing Ser	1 008	gn-infrastructu	0	0	0	Community Assets	0	trative or Head Office (Including Satellite		0	-	-	-	338	794
WIP Upgrade Gamma Substation and insta	Community Facilities:Centres:Renovation of	1 009	gn-infrastructu	0	0	0	Community Assets	0	trative or Head Office (Including Satellite		0	-	-	-	302	159
Increase license area assets34400	Operational Buildings:Municipal Offices:Con	638	gn-infrastructu	0	0	0	Other Assets	0	Ward:Ward 18		0	-	-	-	435	463
LV Networks:Installation of street light	Operational Buildings:Municipal Offices:Con	639	gn-infrastructu	0	0	0	Other Assets	0	Ward:Ward 27		0	-	-	-	435	463
SCADA on RTU34400	Community Facilities:Centres:Upgrading of	1 034	gn-infrastructu	0	0	0	Community Assets	0	trative or Head Office (Including Satellite		0	-	-	-	306	265
WIP Install New Bakone to IOTA 66KV de	Community Facilities:Centres:Mobile service	219	gn-infrastructu	0	0	0	Community Assets	0	trative or Head Office (Including Satellite		0	-	-	-	338	622
WIP Refurbishing of Ivydale networks	Community Facilities:Centres:Construction	220	gn-infrastructu	0	0	0	Community Assets	0	trative or Head Office (Including Satellite		0	-	-	-	338	291
Installation of street lights along Nelson M	Community Facilities:Centres: Upgrading of	553	gn-infrastructu	0	0	0	Community Assets	0	trative or Head Office (Including Satellite		0	-	-	-	301	199
Installation of Solar Street lights along Matl	Community Facilities:Parks:Upgrading of Tr	1 023	gn-infrastructu	0	0	0	Community Assets	0	Whole of the Municipality		0	-	-	-	-	265
Installation of Apollo lights at Westerberg (Community Facilities:Public Open Space:Pl	327	gn-infrastructu	0	0	0	Community Assets	0	trative or Head Office (Including Satellite		0	-	-	-	544	-
WIP Electrification Of Urban Households in	Community Facilities:Nature Reserves:Upgr	609	gn-infrastructu	0	0	0	Community Assets	0	Ward:Ward 20		0	-	-	-	408	529
WIP Electrification Of Urban Households in	Community Facilities:Centres:Upgrading of	1 021	gn-infrastructu	0	0	0	Community Assets	0	Whole of the Municipality		0	-	-	-	816	-
Installation of High Mast lights-Rural Area	Transport Assets:Tractor 4X4 with hydraulic	700	gn-infrastructu	0	0	0	Transport Assets	Roads	Whole of the Municipality		0	-	-	2 294	-	-
Electrification of Urban household? in Ses	Community Facilities:Capital Spares:Fencin	736	gn-infrastructu	0	0	0	Community Assets	0	Ward:Ward 5		0	-	-	-	4 348	8 696
Electrification of Urban household?in Ses	Community Facilities:Public Open Space:Up	1 071	gn-infrastructu	0	0	0	Community Assets	0	trative or Head Office (Including Satellite		0	-	-	929	231	265
Electrification Of Urban Households in Exte	Community Facilities:Public Open Space:Gr	1 073	gn-infrastructu	0	0	0	Community Assets	0	Whole of the Municipality		0	-	-	1 025	529	1 739
WIP Retrofit high mast lights with LED light	Community Facilities:Public Open Space:Gr	726	gn-infrastructu	0	0	0	Community Assets	0	Ward:Ward 23		0	-	-	435	609	870
WIP Install New Bakone to IOTA 66KV dou	Community Facilities:Parks:Fencing of mun	1 067	gn-infrastructu	0	0	0	Community Assets	0	Whole of the Municipality		0	-	-	-	262	397
WIP Design and construction 66KV Distribu	Community Facilities:Nature Reserves:CWP	507	gn-infrastructu	0	0	0	Community Assets	0	Ward:Ward 20		0	-	-	1 304	1 088	-
Retrofit Street Lights in the Municipal area	Community Facilities:Public Ablution Facilit	508	gn-infrastructu	0	0	0	Community Assets	0	Ward:Ward 29		0	-	-	725	680	-
WIP Replacement of Oil RMU's and Substa	Community Facilities:Public Open Space:Cl	505	gn-infrastructu	0	0	0	Community Assets	0	Ward:Ward 25		0	-	-	-	262	199
WIP Design and construct 66KV line betwe	Community Facilities:Public Open Space:Cl	506	gn-infrastructu	0	0	0	Community Assets	0	Ward:Ward 26		0	-	-	-	262	199
Acquisition of fleet	Roads Infrastructure:Roads:CWP 392 Pavir	504	gn-infrastructu	0	0	0	Roads Infrastructure	0	Ward:Ward 20		0	-	-	-	544	331
Purchase of Water Tanker Trucks x10	Sport and Recreation Facilities:Outdoor Fac	301	gn-infrastructu	0	0	0	Community Assets	0	Whole of the Municipality		0	-	-	895	1 172	2 609
2X security Panel van	Machinery and Equipment:Grass cutting eq	1 118	gn-infrastructu	0	0	0	Machinery and Equipment	0	trative or Head Office (Including Satellite		0	-	-	2 609	258	265
Provision of Laptops PCs and Peripheral De	Community Facilities:Cemeteries/Crematori	325	gn-infrastructu	0	0	0	Community Assets	0	Whole of the Municipality		0	-	-	-	338	529
WIP Network Upgrade5210	Community Facilities:Cemeteries/Crematori	326	gn-infrastructu	0	0	0	Community Assets	0	trative or Head Office (Including Satellite		0	-	-	-	325	265
WIP Implementation of ICT Strategy5210	Transport Assets:LDV Light Delivery Vehicl	280	gn-infrastructu	0	0	0	Transport Assets	0	Whole of the Municipality		0	-	-	-	3 478	-
Purchase of Vehicles for Office Bearers (M	Community Facilities:Testing Stations:New	355	gn-infrastructu	0	0	0	Community Assets	0	Whole of the Municipality		0	-	-	-	344	182
Pur-chase of Art works46400	Machinery and Equipment:Acquisition of fire	699	gn-infrastructu	0	0	0	Machinery and Equipment	0	trative or Head Office (Including Satellite		0	-	-	586	306	334
Public Art sculpture46400	Machinery and Equipment:6 fioto pumps	700	gn-infrastructu	0	0	0	Machinery and Equipment	0	trative or Head Office (Including Satellite		0	-	-	-	306	175
Collection development- books46400	Machinery and Equipment:Miscellaneous ec	703	gn-infrastructu	0	0	0	Machinery and Equipment	0	Whole of the Municipality		0	-	-	293	330	176
Installation of the Boardwalk at Bakone Mat	Machinery and Equipment:6 Electric semisa	705	gn-infrastructu	0	0	0	Machinery and Equipment	0	trative or Head Office (Including Satellite		0	-	-	-	330	176
New exhibition Irish House46400	Machinery and Equipment:16 x Multipurpos	1 113	gn-infrastructu	0	0	0	Machinery and Equipment	0	Whole of the Municipality		0	-	-	321	306	191
Purchase of the museum shelves	Machinery and Equipment:Obsolete fire eq	1 114	gn-infrastructu	0	0	0	Machinery and Equipment	0	Whole of the Municipality		0	-	-	-	308	150
Purchase of the Drone for museum	Machinery and Equipment:Rescue ropesh/hit	1 115	gn-infrastructu	0	0	0	Machinery and Equipment	0	trative or Head Office (Including Satellite		0	-	-	585	337	176
Purchase of the fridge for the museum	Machinery and Equipment:Industrial lifting r	1 116	gn-infrastructu	0	0	0	Machinery and Equipment	0	trative or Head Office (Including Satellite		0	-	-	-	362	190
Extension of the Fire and Traffic Training F	Machinery and Equipment:Industrial Fire F	238	gn-infrastructu	0	0	0	Machinery and Equipment	0	Whole of the Municipality		0	-	-	622	365	189
Upgrading of Seshego Library3010	Machinery and Equipment:Resuscitation eq	241	gn-infrastructu	0	0	0	Machinery and Equipment	0	Whole of the Municipality		0	-	-	-	306	188
Refurbishment of Mankweng Library	Machinery and Equipment:65 and 100 mm l	340	gn-infrastructu	0	0	0	Machinery and Equipment	0	Whole of the Municipality		0	-	-	-	303	174
Fencing of New Council Chamber Precinct	Machinery and Equipment:38mm small Fire	341	gn-infrastructu	0	0	0	Machinery and Equipment	0	Whole of the Municipality		0	-	-	-	313	177
Refurbishment of Municipal Public toilets3	Machinery and Equipment:Hydraulic equipm	342	gn-infrastructu	0	0	0	Machinery and Equipment	0	Whole of the Municipality		0	-	-	1 584	312	176
Refurbishment of the City Pool3010	Machinery and Equipment:CWP 386 New si	475	gn-infrastructu	0	0	0	Machinery and Equipment	0	Ward:Ward 23		0	-	-	-	310	164
Refurbishment of Westenberg Hall3010	Machinery and Equipment:CWP 387 New B	476	gn-infrastructu	0	0	0	Machinery and Equipment	0	Ward:Ward 23		0	-	-	-	308	163
Upgrading of Show ground facility	Machinery and Equipment:CWP 388 Comp	477	gn-infrastructu	0	0	0	Machinery and Equipment	0	Ward:Ward 23		0	-	-	-	317	167
Library Dikgale	Machinery and Equipment:CWP 389 Gas de	478	gn-infrastructu	0	0	0	Machinery and Equipment	0	Ward:Ward 23		0	-	-	-	308	163
Library Aganang3010	Machinery and Equipment:CWP 390 Fir/Th	479	gn-infrastructu	0	0	0	Machinery and Equipment	0	Ward:Ward 23		0	-	-	-	307	163
WIP Construction of the integrated Control	Community Facilities:Fire/Ambulance Statio	1 039	gn-infrastructu	0	0	0	Community Assets	0	Whole of the Municipality		0	-	-	-	321	196
WIP Refurbishment of City Library and Aut	Community Facilities:Fire/Ambulance Statio	1 040	gn-infrastructu	0	0	0	Community Assets	0	trative or Head Office (Including Satellite		0	-	-	-	342	193
WIP Refurbishment of Mike's Kitchen Butle	Community Facilities:Fire/Ambulance Statio	1 041	gn-infrastructu	0	0	0	Community Assets	0	trative or Head Office (Including Satellite		0	-	-	-	376	196
WIP Extension of offices at Ladanna electri	Community Facilities:Fire/Ambulance Statio	1 043	gn-infrastructu	0	0	0	Community Assets	0	trative or Head Office (Including Satellite		0	-	-	-	407	209
WIP Construction of Mankweng Traffic and	Electrical Infrastructure:Capital Spares:Repl	302	gn-infrastructu	0	0	0	Electrical Infrastructure	Power Plants	Whole of the Municipality		0	-	-	3 478	4 348	4 348
WIP Upgrading of Traffic Logistics Offices3	Electrical Infrastructure:MV Switching Statio	303	gn-infrastructu	0	0	0	Electrical Infrastructure	Power Plants	Whole of the Municipality		0	-	-	4 348	-	-
WIP Refurbishment of Nirvana Hall3010	Transport Assets:Acquisition of fleet- Chem	278	gn-infrastructu	0	0	0	Transport Assets	Roads	Whole of the Municipality		0	-	-	2 174	2 174	-
WIP Upgrading of Jack Botes Hall	Electrical Infrastructure:HV Transmission C	897	gn-infrastructu	0	0	0	Electrical Infrastructure	Power Plants	Whole of the Municipality		0	-	-	1 304	1 204	1 304
WIP Aganang Cluster offices refurbishment	Electrical Infrastructure:MV Networks:Upgr	818	gn-infrastructu	0	0	0	Electrical Infrastructure	Power Plants	Ward:Ward 20		0	-	-	-	5 217	13 043
WIP Construction of the City Multi-Function	Electrical Infrastructure:MV Networks:Incre	908	gn-infrastructu	0	0	0	Electrical Infrastructure	Power Plants	Whole of the Municipality		0	-	-	-	1 304	1 304
WIP Municipal Furniture and Office Equipm	Electrical Infrastructure:LV Networks:Installa	598	gn-infrastructu	0	0	0	Electrical Infrastructure	Power Plants	Ward:Ward 6		0	-	-	-	-	1 739
WIP Civic Centre refurbishment3010	Electrical Infrastructure:HV Transmission C	889	gn-infrastructu	0	0	0	Electrical Infrastructure	Power Plants	Whole of the Municipality		0	-	-	3 478	3 478	4 348
WIP Renovation of offices3010	Electrical Infrastructure:HV Transmission C	892	gn-infrastructu	0	0	0	Electrical Infrastructure	Power Plants	Whole of the Municipality		0	-	-	17 391	14 783	21 739
Construction of Mankweng Water and Sani	Electrical Infrastructure:Capital Spares:Refu	307	gn-infrastructu	0	0	0	Electrical Infrastructure	Power Plants	Whole of the Municipality		0	-	-	1 304	-	-
PT facility upgrade6100	Electrical Infrastructure:LV Networks:CWP	469	gn-infrastructu	0	0	0	Electrical Infrastructure	Power Plants	Ward:Ward 8		0	-	-	1 739	1 739	1 739
Construction of bus station in Seshego	Electrical Infrastructure:LV Networks:Installa	596	gn-infrastructu	0	0	0	Electrical Infrastructure	Power Plants	Ward:Ward 41		0	-	-	1 739	1 739	-

WIP widening of sandriver bridge(trunk)	Electrical Infrastructure:LV Networks:Install	600	Infrastructure	0	0	0	Electrical Infrastructure	Power Plants	Ward:Ward 19	0	0	-	-	-	1 739	-
WIP Upgrading of Transit Mall	Electrical Infrastructure:LV Networks:CWP	474	Infrastructure	0	0	0	Electrical Infrastructure	Power Plants	Ward:Ward 8	0	0	-	-	-	-	5 918
WIP Construction of bus depot Civil works	Electrical Infrastructure:LV Networks:Electr	527	Infrastructure	0	0	0	Electrical Infrastructure	Power Plants	Ward:Ward 8	0	0	-	-	-	1 739	-
WIP Environmental Management Seshego	Electrical Infrastructure:LV Networks:Install	599	Infrastructure	0	0	0	Electrical Infrastructure	Power Plants	Whole of the Municipality	0	0	-	-	-	4 783	4 783
WIP Environmental Management in Polokwane	Electrical Infrastructure:LV Networks:Electr	602	Infrastructure	0	0	0	Electrical Infrastructure	Power Plants	Ward:Ward 8	0	0	-	-	-	1 304	1 304
WIP Construction & provision of Bus Depot	Electrical Infrastructure:LV Networks:Electr	602	Infrastructure	0	0	0	Electrical Infrastructure	Power Plants	Ward:Ward 8	0	0	-	-	-	14 923	11 304
WIP Occupational Health & Safety (OHS) M	Electrical Infrastructure:LV Networks:Electr	722	Infrastructure	0	0	0	Electrical Infrastructure	Power Plants	Ward:Ward 23	0	0	-	-	-	4 348	2 609
WIP Construction of Bus station upper stru	Electrical Infrastructure:Capital Spares:CWP	439	Infrastructure	0	0	0	Electrical Infrastructure	Power Plants	Ward:Ward 10	0	0	-	-	-	1 304	1 304
WIP Refurbishment of Daytime Loyer Bus	Electrical Infrastructure:HV Transmission C	892	Infrastructure	0	0	0	Electrical Infrastructure	Power Plants	Ward:Ward 21	0	0	-	-	-	9 435	17 391
WIP Upgrad & constr of Trunk route 108/20	Electrical Infrastructure:HV Transmission C	290	Infrastructure	0	0	0	Electrical Infrastructure	Power Plants	Ward:Ward 8	0	0	-	-	-	21 346	20 816
WIP Ditlou intersection	Electrical Infrastructure:LV Networks:Retof	633	Infrastructure	0	0	0	Electrical Infrastructure	Power Plants	Whole of the Municipality	0	0	-	-	-	1 739	-
Control Centre	Electrical Infrastructure:HV Substations:Ret	518	Infrastructure	0	0	0	Electrical Infrastructure	Power Plants	Ward:Ward 21	0	0	-	-	-	-	2 174
Walk-in centre (refurbishment)	Electrical Infrastructure:MV Substations:Det	524	Infrastructure	0	0	0	Electrical Infrastructure	Power Plants	Ward:Ward 8	0	0	-	-	-	870	8 696
Establishment of artificial grass surfaces in	Transport Assets:Acquisition of fleet	708	Infrastructure	0	0	0	Transport Assets	Road Structures	trative or Head Office (Including Satellite	0	0	-	-	-	17 787	322
Construction of Sebaveng / Dikalea Sport C	Transport Assets:Purchase of Water Tanke	615	Infrastructure	0	0	0	Transport Assets	Roads	trative or Head Office (Including Satellite	0	0	-	-	-	2 257	1 098
Installation of Solar System at the New Pet	Transport Assets:Panel van	701	Infrastructure	0	0	0	Transport Assets	Roads	Whole of the Municipality	0	0	-	-	-	1 260	-
Procurement of Conference Table and Cha	Computer Equipment:Provision of Laptops	647	Infrastructure	0	0	0	Computer Equipment		trative or Head Office (Including Satellite	0	0	-	-	-	466	381
WIP EXT 44/78 Sports and Recreation Fac	Information and Communication Infrastructu	885	Infrastructure	0	0	0	Information and Communication Infrastructu		Whole of the Municipality	0	0	-	-	-	353	408
WIP Construction of Softball stadium in City	Information and Communication Infrastructu	1 007	Infrastructure	0	0	0	Information and Communication Infrastructu		trative or Head Office (Including Satellite	0	0	-	-	-	249	258
WIP Construction of clear view fencing arou	Transport Assets:Purchase of Vehicles for C	441	Infrastructure	0	0	0	Transport Assets	Roads	trative or Head Office (Including Satellite	0	0	-	-	-	3 400	-
WIP Nirvana stadium outside field and ablu	Community Facilities:Museums:Pur-chase o	1 048	Infrastructure	0	0	0	Community Assets		trative or Head Office (Including Satellite	0	0	-	-	-	-	326
Molepo Sports Complex	Community Facilities:Museums:Public ar	1 049	Infrastructure	0	0	0	Community Assets		Whole of the Municipality	0	0	-	-	-	-	326
Incomplete Sports Complex Laasteheop	Community Facilities:Libraries:Collection de	1 051	Infrastructure	0	0	0	Community Assets		trative or Head Office (Including Satellite	0	0	-	-	-	292	305
WIP Upgrading of Mankweng Stadium-road	Heritage Assets:Conservation Areas:install	338	Infrastructure	0	0	0	Heritage Assets		trative or Head Office (Including Satellite	0	0	-	-	-	-	326
Nirvana Soccer Grounds and Cricket Grou	Community Facilities:Museums:New exhibit	1 047	Infrastructure	0	0	0	Community Assets		Whole of the Municipality	0	0	-	-	-	-	307
Grass Cutting equipment45100	Community Facilities:Museums:CWP 401 P	480	Infrastructure	0	0	0	Community Assets		Ward:Ward 39	0	0	-	-	-	-	218
Procurement of fields maintenance equipm	Community Facilities:Museums:CWP 402 P	481	Infrastructure	0	0	0	Community Assets		Ward:Ward 39	0	0	-	-	-	-	-
Procurement of Sports Fields Poles and Ne	Community Facilities:Museums:CWP 403 P	482	Infrastructure	0	0	0	Community Assets		Whole of the Municipality	0	0	-	-	-	51	-
Upgrading of Seshego Stadium	Community Facilities:Police:Extension of th	1 056	Infrastructure	0	0	0	Community Assets		Whole of the Municipality	0	0	-	-	-	-	435
Refurbishment of the Nirvana Swimming P	Community Facilities:Libraries:Upgrading of	1 015	Infrastructure	0	0	0	Community Assets		Whole of the Municipality	0	0	-	-	-	-	435
Acquisitions:Outsourced	Community Facilities:Libraries:Refurbishme	1 016	Infrastructure	0	0	0	Community Assets		Whole of the Municipality	0	0	-	-	-	-	816
Refurbishment of the Seshego Swimming	Operational Buildings:Municipal Offices:Fen	636	Infrastructure	0	0	0	Other Assets		Whole of the Municipality	0	0	-	-	-	-	1 304
Upgrading of City traffic & licensing centre	Community Facilities:Public Ablution Facilit	600	Infrastructure	0	0	0	Community Assets		Whole of the Municipality	0	0	-	-	-	6 000	353
Procurement of 2 x equipped mobile Bus	Sport and Recreation Facilities:Outdoor Fac	1 018	Infrastructure	0	0	0	Community Assets		Ward:Ward 39	0	0	-	-	-	389	435
Purchase alcohol testers41400	Community Facilities:Halls:Refurbishment o	1 032	Infrastructure	0	0	0	Community Assets		Ward:Ward 19	0	0	-	-	-	-	326
Procurement of office cleaning equipment?	Community Facilities:Stalls:Upgrading of SH	319	Infrastructure	0	0	0	Community Facilities		Whole of the Municipality	0	0	-	-	-	-	326
Installation of Traffic Lights Within City CBC	Community Facilities:Libraries:Library Dkga	598	Infrastructure	0	0	0	Community Assets		Whole of the Municipality	0	0	-	-	-	-	326
Construction of Safe Hub	Community Facilities:Libraries:Library Agan	1 050	Infrastructure	0	0	0	Community Assets		Ward:Ward 45	0	0	-	-	-	-	517
Roads 20 Ton Excavator	Community Facilities:Police:Construction of	1 055	Infrastructure	0	0	0	Community Assets		Whole of the Municipality	0	0	-	-	-	-	381
Roads 4 Ton Truck	Community Facilities:Libraries:Refurbishme	1 014	Infrastructure	0	0	0	Community Assets		Whole of the Municipality	0	0	-	-	-	-	408
Roads Motor Grader 6x4	Community Facilities:Markets:Refurbishme	1 074	Infrastructure	0	0	0	Community Assets		Whole of the Municipality	0	0	-	-	-	-	381
Rehabilitation of Burger from Hospital to Su	Operational Buildings:Municipal Offices:Ext	631	Infrastructure	0	0	0	Other Assets		Whole of the Municipality	0	0	-	-	-	-	326
Rehabilitation of Beryl from Veldspaat to M	Community Facilities:Testing Stations:Cons	1 046	Infrastructure	0	0	0	Community Assets		Ward:Ward 26	0	0	-	-	-	-	1 263
Rehabilitation of Blaauwberg from Bulawavo	Operational Buildings:Municipal Offices:Upc	1 028	Infrastructure	0	0	0	Other Assets		trative or Head Office (Including Satellite	0	0	-	-	-	-	381
Upgrading of Storm Water in Seshego	Community Facilities:Halls: Refurbishment o	267	Infrastructure	0	0	0	Community Assets		Ward:Ward 19	0	0	-	-	-	-	381
Upgrading of road from Ga Mamphaka to S	Community Facilities:Halls:Upgrading of Jas	1 031	Infrastructure	0	0	0	Community Assets		Whole of the Municipality	0	0	-	-	-	-	1 304
Upgrading of arterial road in Magongwa villa	Community Facilities:Centres:Agangan Clu	1 038	Infrastructure	0	0	0	Community Assets		Whole of the Municipality	0	0	-	-	-	435	326
Construction of Access Roads	Community Facilities:Centres:Construction	488	Infrastructure	0	0	0	Community Assets		Ward:Ward 22	0	0	-	-	-	-	136
Construction of 12x1200mm dia low level b	Furniture and Office Equipment:Municipal F	1 099	Infrastructure	0	0	0	Furniture and Office Equipment		trative or Head Office (Including Satellite	0	0	-	-	-	469	326
Upgrading of road from Splitkop to Segwag	Operational Buildings:Municipal Offices:Civi	542	Infrastructure	0	0	0	Other Assets		trative or Head Office (Including Satellite	0	0	-	-	-	870	544
Lining of Earth 500m earth channel near Ma	Operational Buildings:Municipal Offices: Ret	543	Infrastructure	0	0	0	Other Assets		trative or Head Office (Including Satellite	0	0	-	-	-	435	299
WIP Hospital view additional roads	Operational Buildings:Municipal Offices:Cor	628	Infrastructure	0	0	0	Other Assets		Whole of the Municipality	0	0	-	-	-	-	489
Paving of AKI streets in RDP section SDA	Community Facilities:Taxi Ranks/Bus Termi	1 075	Infrastructure	0	0	0	Community Assets		Whole of the Municipality	0	0	-	-	-	8 156	13 478
Planning for Paving of internal streets in Se	Community Facilities:Taxi Ranks/Bus Termi	328	Infrastructure	0	0	0	Community Assets		Ward:Ward 22	0	0	-	-	-	4 783	17 826
Paving of internal rna roads to University	Roads Infrastructure:Roads:Widening of Sa	512	Infrastructure	0	0	0	Roads Infrastructure		Ward:Ward 8	0	0	-	-	-	6 522	4 783
Paving of 54th and 58th avenue in Seshego	Community Facilities:Taxi Ranks/Bus Termi	261	Infrastructure	0	0	0	Community Assets		Ward:Ward 39	0	0	-	-	-	5 913	2 619
Paving of 67th	Community Facilities:Taxi Ranks/Bus Termi	1 076	Infrastructure	0	0	0	Community Assets		Whole of the Municipality	0	0	-	-	-	-	13 913
Paving of 57th street in Seshego Zone 4	Community Facilities:Taxi Ranks/Bus Termi	1 081	Infrastructure	0	0	0	Community Assets		Ward:Ward 13	0	0	-	-	-	1 304	1 304
Planning for Paving of internal streets in Se	Community Facilities:Taxi Ranks/Bus Termi	1 082	Infrastructure	0	0	0	Community Assets		Ward:Ward 21	0	0	-	-	-	1 304	1 228
Paving of internal street from the hostel to	Community Facilities:Taxi Ranks/Bus Termi	263	Infrastructure	0	0	0	Community Assets		Ward:Ward 11	0	0	-	-	-	17 391	21 659
Paving of internal street connecting 137th a	Community Facilities:Taxi Ranks/Bus Termi	264	Infrastructure	0	0	0	Community Assets		trative or Head Office (Including Satellite	0	0	-	-	-	1 304	1 637
Upgrading of road from Maja Moshate to Fe	Community Facilities:Taxi Ranks/Bus Termi	534	Infrastructure	0	0	0	Community Assets		Ward:Ward 39	0	0	-	-	-	12 609	2 174
WIP Refurbishment of Street Names Board	Operational Buildings:Municipal Offices:Ref	212	Infrastructure	0	0	0	Other Assets	check	Ward:Ward 23	0	0	-	-	-	6 522	1 637
WIP Rehabilitation of Rabe from Oost to Bo	Roads Infrastructure:Road Structures:Upgr	208	Infrastructure	0	0	0	Roads Infrastructure		Ward:Ward 13	0	0	-	-	-	23 043	41 304
WIP Rehabilitation of Bodenstein from Sch	Roads Infrastructure:Road Structures:Ditlou	517	Infrastructure	0	0	0	Roads Infrastructure		Ward:Ward 17	0	0	-	-	-	3 043	870
WIP Rehabilitation of Jorissen from Munnik	Operational Buildings:Municipal Offices:Cor	546	Infrastructure	0	0	0	Other Assets		Whole of the Municipality	0	0	-	-	-	2 783	2 174
WIP Rehabilitation of Mochala from Excelsio	Operational Buildings:Municipal Offices:Wal	685	Infrastructure	0	0	0	Other Assets		Whole of the Municipality	0	0	-	-	-	5 739	3 247
WIP Rehabilitation of Hans Van Rensburg H	Sport and Recreation Facilities:Capital Spar	351	Infrastructure	0	0	0	Community Assets		Whole of the Municipality	0	0	-	-	-	-	338
Rehabilitation of Crescent and Orient drive	Sport and Recreation Facilities:Outdoor Fac	251	Infrastructure	0	0	0	Community Assets		Ward:Ward 33	0	0	-	-	-	2 532	7 524
WIP Upgrading of arterial road in Tshwane	Sport and Recreation Facilities:Outdoor Fac	735	Infrastructure	0	0	0	Community Assets		trative or Head Office (Including Satellite	0	0	-	-	-	2 609	1 739
WIP Upgrading of road from Ralema prima	Furniture and Office Equipment:Procurement	253	Infrastructure	0	0	0	Furniture and Office Equipment		trative or Head Office (Including Satellite	0	0	-	-	-	-	319
Paving of Internal Street in Ga Ujane to D33	Sport and Recreation Facilities:Outdoor Fac	1 092	Infrastructure	0	0	0	Community Assets		Ward:Ward 8	0	0	-	-	-	5 293	-
WIP Nelson Mandela Bo-olelo Crossing	Sport and Recreation Facilities:Outdoor Fac	1 096	Infrastructure	0	0	0	Community Assets		Ward:Ward 39	0	0	-	-	-	4 348	-
WIP Paving of streets in Moleleji Cluster	Sport and Recreation Facilities:Outdoor Fac	329	Infrastructure	0	0	0	Community Assets		Whole of the Municipality	0	0	-	-	-	-	347
WIP Paving of streets in Seshego Cluster	Sport and Recreation Facilities:Outdoor Fac	330	Infrastructure	0	0	0	Community Assets		Whole of the Municipality	0	0	-	-	-	-	347
WIP Paving of streets in Sebaying Dikgpa	Sport and Recreation Facilities:Outdoor Fac	691	Infrastructure	0	0	0	Community Assets		Ward:Ward 4	0	0	-	-	-	6 957	1 739
WIP Paving of streets in Mankweng Cluste	Sport and Recreation Facilities:Outdoor Fac	738	Infrastructure	0	0	0	Community Assets		Ward:Ward 5	0	0	-	-	-	-	1 304
WIP Paving of streets in Molepo	Roads Infrastructure:Roads:Upgrading of M	531	Infrastructure	0	0	0	Roads Infrastructure		Ward:Ward 26	0	0	-	-	-	1 267	-
WIP Paving of streets in Aganang Cluster	Sport and Recreation Facilities:Outdoor Fac	1 089	Infrastructure	0	0	0	Community Assets		Ward:Ward 19	0	0	-	-	-	-	310

Construction of ramp at Dikgale transfer	Roads Infrastructure:Roads:Upgrading of r	571	Infrastructure	0	0	0	Roads Infrastructure	0	Ward:Ward 16	0	0	-	-	-	-	-	
WIP control No dumping Boards43400	Roads Infrastructure:Roads:Upgrading of r	572	Infrastructure	0	0	0	Roads Infrastructure	0	Ward:Ward 6	0	0	-	-	-	-	-	
Mankweng depot truck wash bay	Roads Infrastructure:Roads:Completion of r	573	Infrastructure	0	0	0	Roads Infrastructure	0	Ward:Ward 7	0	0	-	-	-	-	-	
Seshego depot truck wash bay	Roads Infrastructure:Roads:Upgrading of r	576	Infrastructure	0	0	0	Roads Infrastructure	0	Ward:Ward 33	0	0	-	-	-	-	-	
Gates and parameter fence at Ladanna de	Roads Infrastructure:Roads:Upgrading of B	577	Infrastructure	0	0	0	Roads Infrastructure	0	Ward:Ward 3	0	0	-	-	-	-	-	
Installation of CCTV cameras at the landfill	Roads Infrastructure:Roads:Upgrading of r	579	Infrastructure	0	0	0	Roads Infrastructure	0	Ward:Ward 2	0	0	-	-	-	-	-	
Extension of boardroom at waste offices	Roads Infrastructure:Roads:Paving of Dwe	591	Infrastructure	0	0	0	Roads Infrastructure	0	Ward:Ward 8	0	0	-	-	-	816	621	
Construction of septic tank at Mankweng t	Roads Infrastructure:Roads:Construction of	675	Infrastructure	0	0	0	Roads Infrastructure	0	Ward:Ward 21	0	0	-	-	-	-	4 348	
Purchase of Educational and Awareness of	Roads Infrastructure:Roads:Construction of	676	Infrastructure	0	0	0	Roads Infrastructure	0	Ward:Ward 22	0	0	-	-	-	-	4 348	
SCM Forklift	Roads Infrastructure:Roads:Paving of stree	678	Infrastructure	0	0	0	Roads Infrastructure	0	Ward:Ward 35	0	0	-	-	-	4 348	-	
Mixed use development on the land adjace	Roads Infrastructure:Roads:Paving of stree	679	Infrastructure	0	0	0	Roads Infrastructure	0	Ward:Ward 29	0	0	-	-	-	4 348	-	
WIP New Municipal Offices HQ (Polokwane)	Roads Infrastructure:Roads:Paving of stree	681	Infrastructure	0	0	0	Roads Infrastructure	0	Ward:Ward 2	0	0	-	-	-	-	-	
Township establishment various farm portio	Roads Infrastructure:Roads:Paving of stree	682	Infrastructure	0	0	0	Roads Infrastructure	0	Ward:Ward 45	0	0	-	-	-	4 348	-	
Development of the Agro-processing/Logist	Roads Infrastructure:Roads:Paving of intern	683	Infrastructure	0	0	0	Roads Infrastructure	0	Ward:Ward 24	0	0	-	-	-	870	2 609	
WIP Township establishment at portion 151	Roads Infrastructure:Roads:Upgrading of st	684	Infrastructure	0	0	0	Roads Infrastructure	0	Ward:Ward 19	0	0	-	-	-	3 478	-	
WIP Implementation of the ICM program (L	Roads Infrastructure:Roads:Paving of stree	688	Infrastructure	0	0	0	Roads Infrastructure	0	Ward:Ward 27	0	0	-	-	-	4 348	-	
WIP Township Establishment for the Eco-er	Roads Infrastructure:Roads:Paving of intern	689	Infrastructure	0	0	0	Roads Infrastructure	0	Ward:Ward 8	0	0	-	-	-	4 348	-	
WIP Establishment of Arts and Cultural HU	Roads Infrastructure:Roads:Paving of stree	690	Infrastructure	0	0	0	Roads Infrastructure	0	Ward:Ward 14	0	0	-	-	-	4 348	-	
WIP Provision of short term engineering ser	Roads Infrastructure:Roads:Tarring of Road	724	Infrastructure	0	0	0	Roads Infrastructure	0	Ward:Ward 4	0	0	-	-	-	4 537	3 025 5 217	
WIP Upgrading of the R293 area Township	Roads Infrastructure:Roads:Paving of intern	725	Infrastructure	0	0	0	Roads Infrastructure	0	Ward:Ward 23	0	0	-	-	-	3 025	3 025	
WIP Post Incubation Hub-Installation of ser	Roads Infrastructure:Roads:Upgrading of ar	738	Infrastructure	0	0	0	Roads Infrastructure	0	Ward:Ward 2	0	0	-	-	-	2 823	2 739 4 824	
Thakgale Rural Sanitation Phase 1	Storm water Infrastructure:Drainage Collect	202	Infrastructure	0	0	0	Storm water Infrastructure	0	Whole of the Municipality	0	0	-	-	-	11 081	6 824 7 826	
Construction of VIP at Maripathegong villag	Storm water Infrastructure:Drainage Collect	533	Infrastructure	0	0	0	Storm water Infrastructure	0	Ward:Ward 8	0	0	-	-	-	1 512	2 609 2 609	
WIP Mashashane Water Works33600	Roads Infrastructure:Road Furniture:Refurb	668	Infrastructure	0	0	0	Roads Infrastructure	0	Ward:Ward 21	0	0	-	-	-	301	321 344	
Kalkspruit Water Supply(Aganang)	Machinery and Equipment:Installation of C	612	Infrastructure	0	0	0	Machinery and Equipment	0	Ward:Ward 21	0	0	-	-	-	694	680 397	
Houtriver RWS	Machinery and Equipment:CCTV and Acces	613	Infrastructure	0	0	0	Machinery and Equipment	0	Whole of the Municipality	0	0	-	-	-	83	- 106	
Drilling of Boreholes at (Disteneng)	Machinery and Equipment:Fiber splicing eq	614	Infrastructure	0	0	0	Machinery and Equipment	0	Whole of the Municipality	0	0	-	-	-	-	- 105	
WIP Oifantspoort RWS (Mmotong wa Pere)	Machinery and Equipment:Supply of flags	1 125	Infrastructure	0	0	0	Machinery and Equipment	0	trative or Head Office (Including Satellite	0	0	-	-	-	-	54	-
WIP Motlapo RWS33600	Machinery and Equipment:Supply and instal	1 126	Infrastructure	0	0	0	Machinery and Equipment	0	trative or Head Office (Including Satellite	0	0	-	-	-	-	68	-
WIP Moletjie East RWS 233600	Machinery and Equipment:Provision of acco	257	Infrastructure	0	0	0	Machinery and Equipment	0	trative or Head Office (Including Satellite	0	0	-	-	-	435	544 371	
WIP Moletjie North RWS33600	Machinery and Equipment:Provision two wa	259	Infrastructure	0	0	0	Machinery and Equipment	0	trative or Head Office (Including Satellite	0	0	-	-	-	217	140 95	
WIP Sebaying/Dikgale RWS 233600	Machinery and Equipment:CWP 397 Purche	510	Infrastructure	0	0	0	Machinery and Equipment	0	Whole of the Municipality	0	0	-	-	-	174	261 159	
WIP Moletjie South RWS33600	Operational Buildings:Municipal Offices:Sup	632	Infrastructure	0	0	0	Other Assets	0	trative or Head Office (Including Satellite	0	0	-	-	-	286	305 291	
WIP Chusene Maja RWS phase 933600	Transport Assets:Sewer Combination Truck	593	Infrastructure	0	0	0	Transport Assets	0	Whole of the Municipality	0	0	-	-	-	5 000	2 447 1 257	
WIP Molepo RWS phase 1033600	Transport Assets:TLB Bobcat	690	Infrastructure	0	0	0	Transport Assets	0	Whole of the Municipality	0	0	-	-	-	650	-	
WIP Laaslehoop RWS phase 1033600	Transport Assets:Double Cab 4x2 Diesel LT	708	Infrastructure	0	0	0	Transport Assets	0	Whole of the Municipality	0	0	-	-	-	7 500	-	
WIP Maniweng RWS phase 1033600	Transport Assets:Double Cab 4x4 Diesel LT	709	Infrastructure	0	0	0	Transport Assets	0	Whole of the Municipality	0	0	-	-	-	2 400	-	
WIP Boyne RWS phase 1033600	Sanitation Infrastructure:Waste Water Treat	427	Infrastructure	0	0	0	Sanitation Infrastructure	0	Whole of the Municipality	0	0	-	-	-	96 471	86 957 78 261	
WIP Bakone RWS	Solid Waste Infrastructure:Landfill Sites:Ext	914	Infrastructure	0	0	0	Solid Waste Infrastructure	0	Whole of the Municipality	0	0	-	-	-	870	471 662	
Polokwane Bulk Water Supply	Solid Waste Infrastructure:Landfill Sites:Ga	311	Infrastructure	0	0	0	Solid Waste Infrastructure	0	Ward:Ward 4	0	0	-	-	-	870	1 512 4 783	
WIP Badimong RWS phase 1033600 roll o	Solid Waste Infrastructure:Landfill Sites:Ga	312	Infrastructure	0	0	0	Solid Waste Infrastructure	0	Ward:Ward 4	0	0	-	-	-	870	1 512 5 652	
WIP Aganang RWS (2) (Mahoi and Ramm	Machinery and Equipment:CWP 399 Purche	472	Infrastructure	0	0	0	Machinery and Equipment	0	Ward:Ward 23	0	0	-	-	-	-	321 199	
WIP Aganang RWS (3)	Machinery and Equipment:CWP 400 Purche	473	Infrastructure	0	0	0	Machinery and Equipment	0	Ward:Ward 20	0	0	-	-	-	-	-	
Water Tractor 4 x 4 with grass slasher	Machinery and Equipment:CWP 399 Purche	511	Infrastructure	0	0	0	Machinery and Equipment	0	Ward:Ward 23	0	0	-	-	-	310	-	
Installation of Prepaid Water Meters at See	Solid Waste Infrastructure:Capital Spares:2	920	Infrastructure	0	0	0	Solid Waste Infrastructure	0	trative or Head Office (Including Satellite	0	0	-	-	-	870	381 199	
Installation of Prepaid Water Meters at Mar	Solid Waste Infrastructure:Capital Spares:6	921	Infrastructure	0	0	0	Solid Waste Infrastructure	0	trative or Head Office (Including Satellite	0	0	-	-	-	1 304	381 199	
0 Solid Waste Infrastructure:Capital Spares:C	0	470	Infrastructure	0	0	0	Solid Waste Infrastructure	0	Ward:Ward 23	0	0	-	-	-	-	680 159	
0 Transport Assets:12 Ton 6x4 wheel refuse t	0	695	Infrastructure	0	0	0	Transport Assets	0	Whole of the Municipality	0	0	-	-	-	4 166	-	
0 Transport Assets:6x4 16 Ton RORO with ar	0	696	Infrastructure	0	0	0	Transport Assets	0	Whole of the Municipality	0	0	-	-	-	5 511	-	
0 Transport Assets:TLB Backhole	0	698	Infrastructure	0	0	0	Transport Assets	0	Whole of the Municipality	0	0	-	-	-	3 478	-	
0 Transport Assets:TLB Bobcat	0	699	Infrastructure	0	0	0	Transport Assets	0	Whole of the Municipality	0	0	-	-	-	2 586	-	
0 Solid Waste Infrastructure:Waste Transfer S	0	243	Infrastructure	0	0	0	Solid Waste Infrastructure	0	trative or Head Office (Including Satellite	0	0	-	-	-	-	299 860	
0 Solid Waste Infrastructure:Waste Transfer S	0	244	Infrastructure	0	0	0	Solid Waste Infrastructure	0	trative or Head Office (Including Satellite	0	0	-	-	-	-	299 860	
0 Solid Waste Infrastructure:Waste Transfer S	0	266	Infrastructure	0	0	0	Solid Waste Infrastructure	0	Ward:Ward 4	0	0	-	-	-	435	-	
0 Solid Waste Infrastructure:Waste Transfer S	0	603	Infrastructure	0	0	0	Solid Waste Infrastructure	0	Ward:Ward 24	0	0	-	-	-	-	199	
0 Solid Waste Infrastructure:Capital Spares:6	0	922	Infrastructure	0	0	0	Solid Waste Infrastructure	0	trative or Head Office (Including Satellite	0	0	-	-	-	435	267 66	
0 Operational Buildings:Depots:Mankweng de	0	337	Infrastructure	0	0	0	Other Assets	0	trative or Head Office (Including Satellite	0	0	-	-	-	291	-	
0 Operational Buildings:Depots:Seshego depo	0	338	Infrastructure	0	0	0	Other Assets	0	trative or Head Office (Including Satellite	0	0	-	-	-	291	-	
0 Community Facilities:Capital Spares:Gates	0	350	Infrastructure	0	0	0	Community Assets	0	trative or Head Office (Including Satellite	0	0	-	-	-	-	816	
0 Machinery and Equipment:Installation of C	0	344	Infrastructure	0	0	0	Machinery and Equipment	0	trative or Head Office (Including Satellite	0	0	-	-	-	-	-	
0 Operational Buildings:Municipal Offices:Ext	0	322	Infrastructure	0	0	0	Other Assets	0	trative or Head Office (Including Satellite	0	0	-	-	-	-	544	
0 Solid Waste Infrastructure:Waste Processin	0	313	Infrastructure	0	0	0	Solid Waste Infrastructure	0	Ward:Ward 27	0	0	-	-	-	435	-	
0 Machinery and Equipment:Purchase of Edu	0	256	Infrastructure	0	0	0	Machinery and Equipment	0	trative or Head Office (Including Satellite	0	0	-	-	-	435	310	
0 Transport Assets:Forklift	0	712	Infrastructure	0	0	0	Transport Assets	0	Whole of the Municipality	0	0	-	-	-	580	-	
0 Investment Properties:Revenue Generating	0	1 108	Infrastructure	0	0	0	Investment Properties	0	Whole of the Municipality	0	0	-	-	-	-	-	
0 Operational Buildings:Municipal Offices:New	0	331	Infrastructure	0	0	0	Other Assets	0	Whole of the Municipality	0	0	-	-	-	-	-	
0 Investment Properties:Non-revenue Genera	0	671	Infrastructure	0	0	0	Investment Properties	0	Whole of the Municipality	0	0	-	-	-	-	1 558 1 739	
0 Investment Properties:Non-revenue Genera	0	692	Infrastructure	0	0	0	Investment Properties	0	Ward:Ward 23	0	0	-	-	-	-	397	
0 Investment Properties:Revenue Generating	0	1 103	Infrastructure	0	0	0	Investment Properties	0	Ward:Ward 8	0	0	-	-	-	576	-	
0 Investment Properties:Revenue Generating	0	1 106	Infrastructure	0	0	0	Investment Properties	0	Ward:Ward 6	0	0	-	-	-	130	-	
0 Investment Properties:Revenue Generating	0	1 107	Infrastructure	0	0	0	Investment Properties	0	Ward:Ward 20	0	0	-	-	-	2 150	2 261 1 304	
0 Investment Properties:Revenue Generating	0	1 109	Infrastructure	0	0	0	Investment Properties	0	Ward:Ward 6	0	0	-	-	-	87	-	
0 Investment Properties:Revenue Generating	0	352	Infrastructure	0	0	0	Investment Properties	0	Ward:Ward 6	0	0	-	-	-	7 561	7 561 6 087	
0 Investment Properties:Revenue Generating	0	1 029	Infrastructure	0	0	0	Investment Properties	0	Ward:Ward 13	0	0	-	-	-	-	253	
0 Investment Properties:Non-revenue Genera	0	485	Infrastructure	0	0	0	Investment Properties	0	Ward:Ward 23	0	0	-	-	-	1 108	1 091	
0 Sanitation Infrastructure:Toilet Facilities:The	0	540	Infrastructure	0	0	0	Sanitation Infrastructure	0	Ward:Ward 37	0	0	-	-	-	8 696	-	
0 Sanitation Infrastructure:Toilet Facilities:Cor	0	723	Infrastructure	0	0	0	Sanitation Infrastructure	0	Ward:Ward 5	0	0	-	-	-	-	2 609 2 609	
0 Water Supply Infrastructure:Water Treatme	0	823	Infrastructure	0	0	0	Water Supply Infrastructure	0	Whole of the Municipality	0	0	-	-	-	9 510	8 998 10 223	
0 Water Supply Infrastructure:Boreholes:Kalk	0	674	Infrastructure	0	0	0	Water Supply Infrastructure	0	Ward:Ward 40	0	0	-	-	-	2 476	4 681 41 468	

LIM354 Potokwane - Supporting Table SA37 Projects delayed from previous financial year/s

R thousand	Function	Project name	Project number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Previous target year to complete	Current Year 2022/23		2023/24 Medium Term Revenue & Expenditure Framework			
														Original Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	
Parent municipality: List all capital projects grouped by Function																			
Entities: List all capital projects grouped by Entity																			
	Entity Name Project name																		

References

List all projects with planned completion dates in current year that have been re-budgeted in the MTREF
 Asset class as per table A9 and asset sub-class as per table SA34
 GPS coordinates correct to seconds. Provide a logical starting point on networked infrastructure.

LIM354 Polokwane - Supporting Table SA38 Consolidated detailed operational projects

R thousand	Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Prior year outcomes		2023/24 Medium T
													Audited Outcome 2021/22	Current Year 2022/23 Full Year Forecast	Budget Year 2023/24
Parent municipality: <i>List all operational projects grouped by Function</i>															
Parent Operational expenditure													-	-	-
Entities: <i>List all Operational projects grouped by Entity</i>															
Entity A Water project A															
Entity B Electricity project B															
Entity Operational expenditure													-	-	-
Total Operational expenditure													-	-	-

References

Must reconcile with Budgeted Operating Expenditure

Asset class as per table A9 and asset sub-class as per table SA34

GPS coordinates correct to seconds. Provide a logical starting point on networked infrastructure.

Project Number consists of MSCOA Project Longcode and seq No (sample PO001001002001002001002_00066)

check 4 925 570 4 209 361 4 550 034

ANNEXURE C:

Polokwane Housing Association Budget and D Schedule

ANNUAL BUDGET OF POLOKWANE HOUSING ASSOCIATION

2023/24- 2025/26 MEDIUM TERM REVENUE AND EXPENDITURE

FORECASTS



Polokwane Housing Association



"A Promise Delivered"

Annual Budget and service delivery agreement - Polokwane Housing Association (PHA) For the Period 2023/2024 to 2025/2026

Despite global and national economic challenges and international economic slowdown, the PHA's financial history indicates that the entity has managed to survive year on year. As the municipal entity the PHA is mandated to develop and manage Integrated Human Settlements, Social and Non-Social Housing Rental Housing Units within the jurisdiction of Polokwane Municipality.

As a Municipal Entity entrusted with managing rental housing units, PHA is required to comply with Municipal Finance Management Act, Act 56 of 2003, the Municipal System Act, Act 32 of 2000, the Companies Act, Act 71 of 2008, the Housing Code, the Social Housing Act of 2008, and all other relevant legislation applicable to the municipal entity.

The PHA's mandate includes, amongst others, the responsibility for administrative processes, accounting and financial management, tenant liaison, policy and guideline formation, capital raising, agency role and other functions that Polokwane Municipality may require in applying the principles of rental housing in Polokwane. The mandate has been extended to include participating in the non-social housing rental space, i.e. gap market and profit making rental housing. Above all PHA must ensure its financial sustainability.

The financial plan for 2023/24 reflects that, with the projected allocation of all rental units of 1150 units, the entity will be generating R37.5million for the year. The 2023/24 budget process was prepared following a similar approach used in previous years. The budget takes into account the current market conditions, such as inflation, historical trend analysis, as well as the proposed Polokwane Municipality budget guidelines. The combined budgeted operating deficit is projected at R6mil for the year, this deficit is mainly due non-cash items (Depreciation and Impairment of Receivables) of R17million.

The 2023/24 budget includes a R10million operational grant which would assist the entity in making certain that the entity's cash flow remains positive and that the entity is able to fund its operations. For 2024/25 and 2025/26 the operational grant remains at R10million. For two outer years the operational budget is split between R7million to fund operations R3million will go towards equity in assisting the development of Polokwane extension 76 which will be 208 units

Due to the nature of our business and Funding of new projects being hard to secure, PHA is embarking on Public Private Partnerships. For the period between 2024 and 2025 financial year the entity is projecting to develop 754 Gap market units and 5116 student accommodation beds. These projects are to be developed using the Built Operate and Transfer model (BOT). Under this model the entity is putting forth as its own equity contribution land as investment. After 30 years the private sector partners will transfer the facility to the entity. In the meantime, the private sector partners will be paying the entity royalties monthly. These new developments will lessen PHA's dependency on the municipality. The PHA's existence is informed by the SMART pillar which forms one of the Municipality's SMART Pillars. i.e SMART Economy. Etc. in attainment of vision 2030 smart city.

For 2023/24 employment costs are budgeted at 7% for budget purposes which is consistent with South African Local Government Bargaining Council.

Service Delivery Agreement between the City and the PHA

Service Delivery Agreement

Period of Agreement	No period stipulated but subject to annual reviews in terms of Section 93A of the systems Act
Service Provided	Rentals of Units
Expiry date of SDA	N/A
Monetary value	1 000. Of R1 shares worth R1000
Ownership and control	Shareholding as at 31 December 2022 Polokwane Municipality 100%
Mandate	Develop and Manage Integrated Human Settlements
Funding over medium term	R10 Million 2023/24 R10 Million 2024/25 R10 Million 2025/26

Summary of SDA	Sets out the obligation of PHA to Polokwane Municipality in respect of compliance and performance Issues
Past performance and future objectives	<p>Has fairly met targets in the past, except with Ga-Rena Project which is cumbersome, PHA is confident that it will maintain high level of rental occupation and rental collection.</p> <p>PHA hopes to meet future housing demands</p>





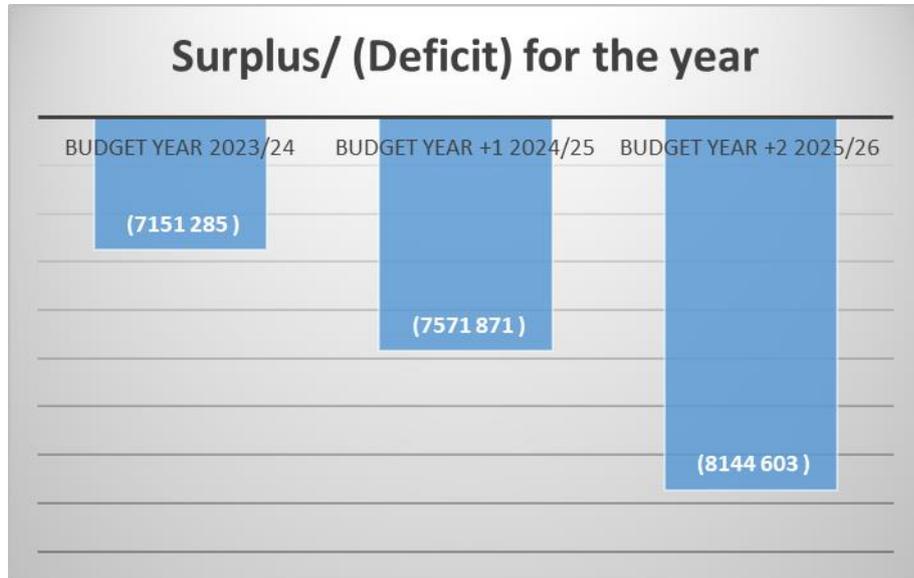
SUMMARY

1. The annual budget for the financial year 2023/2024 and indicative for the two projected outer years 2024/2025 and 2025/2026 can be summarized as follow:

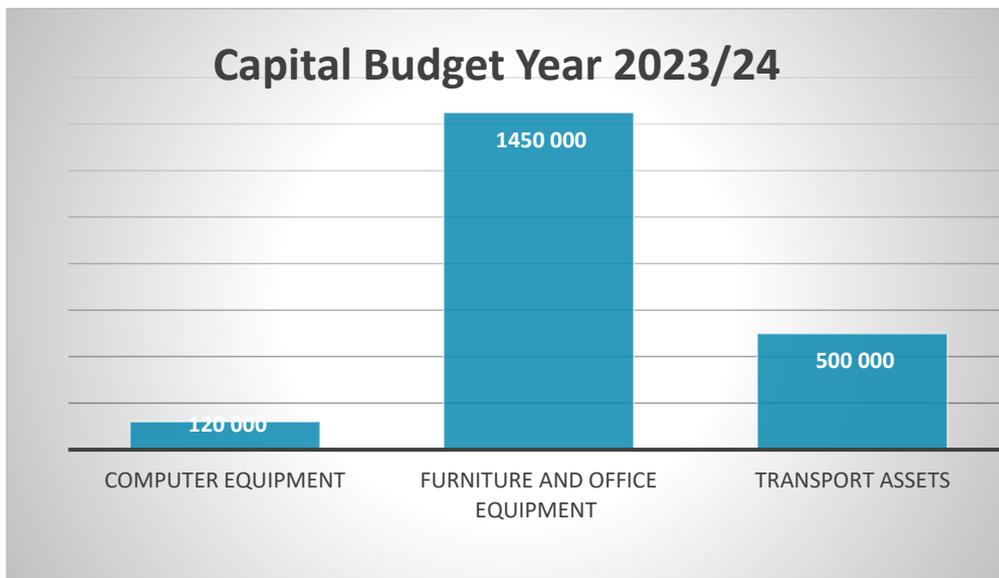
Operating revenue and expenditure summary:

Description R thousand	2023/24 Medium Term Revenue & Expenditure Framework		
	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Total Operational Revenue	37 578	38 331	39 122
Capital transfers recognised	-	-	-
Total Revenue	37 578	38 331	39 122
Total Expenditure	44 730	45 903	47 267
Surplus/ (Deficit) for the year	(7 151)	(7 572)	(8 145)

Surplus and deficit



The table below represents the **Capital Budget**



Entities Annual budget MTREF & Supporting tables.

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Municipal annual budgets and MTREF & supporting tables

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national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Contact details:

Technical enquiries to the MFMA Helpline at:
lgdataqueries@treasury.gov.za

Data submission enquiries:
Electronic documents: lgdocuments@treasury.gov.za
Queries on formats: lgdataqueries@treasury.gov.za



Preparation Instructions

Municipality Name:

LIM354 Polokwane

Municipal Entity Name:

Polokwane Housing Agency

CFO Name:

Tel:

Fax:

E-Mail:

Budget for MTREF starting:

2023

Budget Year:

2023/24

Printing Instructions

Submission of Data

Showing / Hiding Columns

Hide Reference columns on all

Hide Pre-audit columns on all

Showing / Clearing Highlights

Clear Highlights on all sheets

	Yes
	No
Type of Entities Range:	Parent Municipality Consolidated Information
Entity Name	Polokwane Housing Agency
MTREF Range:	2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028
MTREF Linked:	10
MTREF:	2023
Fin Year:	

Polokwane Housing Agency - Table D1 Budget Summary

Description	2019/20	2020/21	2021/22	Current Year 2022/23			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousands									
Financial Performance									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-
Investment revenue	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational	7 834	11 811	24 870	14 000	10 000	10 000	10 000	10 000	10 000
Other own revenue	11 558	11 308	11 333	15 872	13 770	13 770	27 578	28 331	29 122
	19 392	23 118	36 203	29 872	23 770	23 770	37 578	38 331	39 122
Total Revenue (excluding capital transfers and contributions)									
Employee costs	9 320	10 128	7 112	14 089	13 902	13 902	16 846	17 639	18 471
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Depreciation and Debt impairment	5 136	5 149	-	5 027	5 027	5 027	9 527	9 527	9 527
Finance charges	-	-	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	-	-	-	14	12	12	12	13	14
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	14 749	14 504	6 854	16 151	15 555	15 555	18 344	18 724	19 255
Total Expenditure	29 205	29 781	13 967	35 281	34 496	34 496	44 730	45 903	47 267
Surplus/(Deficit)	(9 813)	(6 663)	22 236	(5 409)	(10 726)	(10 726)	(7 151)	(7 572)	(8 145)
Transfers and subsidies - capital (monetary allocations)	65 239	107 999	29 100	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	55 425	101 337	51 336	(5 409)	(10 726)	(10 726)	(7 151)	(7 572)	(8 145)
Income Tax	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	55 425	101 337	51 336	(5 409)	(10 726)	(10 726)	(7 151)	(7 572)	(8 145)
Capital expenditure & funds sources									
Capital expenditure	87 645	109 107	38 999	1 835	1 835	1 835	2 070	-	-
Transfers recognised - capital	87 597	109 160	38 999	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	1 835	1 835	1 835	2 070	-	-
Total sources of capital funds	87 597	109 160	38 999	1 835	1 835	1 835	2 070	-	-
Financial position									
Total current assets	37 130	52 575	59 760	15 360	9 297	9 297	12 436	18 110	23 348
Total non current assets	179 453	283 445	317 102	176 355	176 355	176 355	294 045	284 518	274 991
Total current liabilities	-	-	-	-	-	-	-	-	-
Total non current liabilities	1	1	1	-	-	-	-	-	-
Community wealth/Equity	116 873	273 624	323 234	180 048	174 731	174 731	292 661	286 089	278 945
Cash flows									
Net cash from (used) operating	(19 866)	(3 682)	(7 090)	2 055	(11 983)	(5 653)	9 865	9 450	(8 287)
Net cash from (used) investing	(34 148)	(93 537)	(40 267)	(1 835)	(1 835)	(675)	(1 863)	-	-
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	(50 628)	(97 218)	(49 141)	1 993	(12 045)	(7 618)	10 373	19 823	11 535

Polokwane Housing Agency - Table D2 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Revenue											
Exchange Revenue											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	-	-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services		-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		-	-	-	-	-	-	-	-	-	-
Interest earned from Current and Non Current Assets		2	-	-	-	-	-	0	-	-	-
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		11 555	11 288	11 287	15 850	13 718	13 718	9 454	27 518	28 268	29 056
Licence and permits		-	-	-	-	-	-	-	-	-	-
Operational Revenue		1	28	46	22	52	52	34	60	63	66
Non-Exchange Revenue											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-
Licences or permits		-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		7 834	11 811	24 870	14 000	10 000	10 000	8 728	10 000	10 000	10 000
Interest		-	-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	(8)	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		19 392	23 118	36 203	29 872	23 770	23 770	18 215	37 578	38 331	39 122
Expenditure											
Employee related costs	2	9 320	10 128	7 112	14 089	13 902	13 902	10 812	16 846	17 639	18 471
Remuneration of Board Members		-	-	-	-	-	-	-	-	-	-
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	8	-	-	-	14	12	12	-	12	13	14
Debt impairment	3	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation		5 136	5 149	-	5 027	5 027	5 027	3 000	9 527	9 527	9 527
Interest		-	-	-	-	-	-	-	-	-	-
Contracted services		4 652	3 897	5 428	4 867	4 820	4 820	2 622	7 198	7 420	7 779
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		8 671	8 359	-	8 000	8 000	8 000	-	8 000	8 000	8 000
Operational costs		1 426	2 249	1 427	3 284	2 735	2 735	(900)	3 146	3 305	3 476
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-
Total Expenditure		29 205	29 781	13 967	35 281	34 496	34 496	15 534	44 730	45 903	47 267
Surplus/(Deficit)		(9 813)	(6 663)	22 236	(5 409)	(10 726)	(10 726)	2 681	(7 151)	(7 572)	(8 145)
Transfers and subsidies - capital (monetary)	6	65 239	107 999	29 100	-	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		55 425	101 337	51 336	(5 409)	(10 726)	(10 726)	2 681	(7 151)	(7 572)	(8 145)
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		55 425	101 337	51 336	(5 409)	(10 726)	(10 726)	2 681	(7 151)	(7 572)	(8 145)
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		55 425	101 337	51 336	(5 409)	(10 726)	(10 726)	2 681	(7 151)	(7 572)	(8 145)
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	55 425	101 337	51 336	(5 409)	(10 726)	(10 726)	2 681	(7 151)	(7 572)	(8 145)

Polokwane Housing Agency - Table D4 Budgeted Financial Position

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
ASSETS											
Current assets											
Cash and cash equivalents		(9 554)	(1 784)	(1 290)	1 837	(2 125)	(2 125)	(1 289)	10 362	19 799	11 500
Trade and other receivables from exchange transactions	1	46 670	39 184	45 845	13 488	11 387	11 387	49 663	(3 256)	(7 007)	6 544
Receivables from non-exchange transactions	1	-	15 161	15 161	-	-	-	15 161	5 299	5 299	5 299
Current portion of non-current receivables		23	23	23	-	-	-	23	23	23	23
Inventory	2	-	-	-	34	36	36	-	(12)	(26)	(39)
VAT		-	-	-	-	-	-	-	-	-	-
Other current assets		(9)	(9)	21	-	-	-	39	21	21	21
Total current assets		37 130	52 575	59 760	15 360	9 297	9 297	63 596	12 436	18 110	23 348
Non current assets											
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		63 184	58 086	58 086	-	-	-	58 086	-	-	-
Property, plant and equipment	3	116 224	225 322	258 979	176 305	176 305	176 305	259 654	294 012	284 485	274 958
Biological assets		-	-	-	-	-	-	-	-	-	-
Living and non-living resources		-	-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-	-
Intangible assets		45	37	37	50	50	50	37	33	33	33
Trade and other receivables from exchange transactions		-	-	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-	-	-	-	-	-
Other non-current assets		-	-	-	-	-	-	-	-	-	-
Total non current assets		179 453	283 445	317 102	176 355	176 355	176 355	317 777	294 045	284 518	274 991
TOTAL ASSETS		216 583	336 020	376 862	191 715	185 652	185 652	381 374	306 481	302 628	298 338
LIABILITIES											
Current liabilities											
Bank overdraft		-	-	-	-	-	-	-	-	-	-
Financial liabilities		-	-	-	-	-	-	-	-	-	-
Consumer deposits		6	(1 678)	(1 518)	-	-	-	(1 702)	1 685	1 685	1 685
Trade and other payables from exchange transactions	4	(8 370)	1 961	(8 766)	10 949	10 204	10 204	(6 752)	10 712	13 431	16 286
Trade and other payables from non-exchange transactions	5	0	8	8	(450)	(450)	(450)	8	8	8	8
Provision		53 170	61 717	61 717	1 168	1 168	1 168	61 717	1 414	1 414	1 414
VAT		-	-	-	-	-	-	-	-	-	-
Other current liabilities		(522)	386	386	-	-	-	386	-	-	-
Total current liabilities		44 284	62 395	51 827	11 667	10 922	10 922	53 658	13 819	16 538	19 393
Non current liabilities											
Financial liabilities	6	-	-	-	-	-	-	-	-	-	-
Provision	7	-	-	-	-	-	-	-	-	-	-
Long term portion of trade payables		-	-	-	-	-	-	-	-	-	-
Other non-current liabilities		1	1	1	-	-	-	1	-	-	-
Total non current liabilities		1	1	1	-	-	-	1	-	-	-
TOTAL LIABILITIES		44 285	62 396	51 828	11 667	10 922	10 922	53 659	13 819	16 538	19 393
NET ASSETS		172 298	273 624	325 034	180 048	174 731	174 731	327 715	292 662	286 090	278 946
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	38 555	195 306	244 916	101 730	96 413	96 413	249 397	214 343	207 771	200 627
Reserves and funds	9	78 318	78 318	78 318	78 318	78 318	78 318	78 318	78 318	78 318	78 318
Other		-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	10	116 873	273 624	323 234	180 048	174 731	174 731	327 715	292 661	286 089	278 945

References

1. Detail breakdown in Table SA3 for Trade receivables from Exchange and Non-exchange transactions
2. Include completed low cost housing to be transferred to beneficiaries within 12 months detail provided in Table SA3
3. Include 'Construction-work-in-progress' (disclosed separately in annual financial statements) detail in SA3
4. Detail breakdown in Table SA3.
5. Detail breakdown in Table SA3.

Polokwane Housing Agency - Table D5 Budgeted Cash Flow

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23				2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		-	-	-	-	-	-	-	-	-	-
Service charges		-	-	-	-	-	-	-	-	-	-
Other revenue		(11 326)	(33)	(30)	7 936	7 936	7 936	(12)	23 442	24 082	7 572
Transfers and Subsidies - Operational	1	-	-	-	14 000	(0)	(0)	-	10 000	10 000	10 000
Transfers and Subsidies - Capital	1	-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(8 540)	(3 649)	(7 060)	(19 880)	(19 918)	(19 918)	(5 641)	(23 576)	(24 632)	(25 859)
Finance charges		-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		(19 866)	(3 682)	(7 090)	2 055	(11 983)	(11 983)	(5 653)	9 865	9 450	(8 287)
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		(34 148)	(93 537)	(40 267)	(1 835)	(1 835)	1 835	(675)	(1 863)	-	-
NET CASH FROM/(USED) INVESTING ACTIVITIES		(34 148)	(93 537)	(40 267)	(1 835)	(1 835)	1 835	(675)	(1 863)	-	-
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		(54 014)	(97 218)	(47 357)	221	(13 817)	(10 148)	(6 328)	8 002	9 450	(8 287)
Cash/cash equivalents at the year begin:	2	3 386	-	(1 784)	1 773	1 773	1 773	(1 290)	2 370	10 373	19 823
Cash/cash equivalents at the year end:	2	(50 628)	(97 218)	(49 141)	1 993	(12 045)	(8 375)	(7 618)	10 373	19 823	11 535

Polokwane Housing Agency - Supporting Table SD1 Measurable performance targets

Performance target description	Unit of measurement	2019/20	2020/21	2021/22	Current Year 2022/23				Medium Term Revenue and Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
<i>Insert measure/s description</i>											

Notes

1. The format of the objectives are to be negotiated between the entity and the municipality

Polokwane Housing Agency - Supporting Table SD2 Financial and non-financial indicators

Description of indicator	Basis of calculation	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			Medium Term Revenue and Expenditure Framework			
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Borrowing Management												
Credit Rating												
Capital Charges to Operating Expenditure	Finance charges & Depreciation / Operating Expenditure		18%	17%	0%	14%	15%	15%	19%	21%	21%	20%
Borrowed funding of capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital												
Gearing	Long Term Borrowing / Funds & Reserves		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Liquidity												
Current Ratio	Current assets / current liabilities		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Current Ratio adjusted for debtors	Current assets/current liabilities less debtors > 90 days		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Liquidity Ratio	Monetary Assets / Current Liabilities		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Revenue Management												
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts / Last 12 Mths Billing			0%	0%	0%	0%	0%	0%	0%	0%	0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		241%	235%	169%	45%	48%	48%	356%	5%	4%	30%
Longstanding Debtors Reduction Due To Recovery	Debtors > 12 Mths Recovered / Total Debtors > 12 Months Old											
Creditors Management												
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))											
Creditors to Cash and Investments			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Funding of Provisions												
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions											
Other Indicators												
Electricity Distribution Losses (2)	Total Volume Losses (kWh) Total Cost of Losses (Rand '000) % Volume (units purchased and generated less units sold)/units purchased and generated	1										
Water Distribution Losses (2)	Total Volume Losses (kℓ) Total Cost of Losses (Rand '000) % Volume (units purchased and generated less units sold)/units purchased and generated											
Employee costs	Employee costs/Total Revenue - capital revenue		48.1%	43.8%	19.6%	47%	58%	58%	59%	45%	46%	47%
Remuneration	Total remuneration/(Total Revenue - capital revenue)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		0.0%	0.0%	0.0%	0%	0%	0%	0%	0%	0%	0%
Finance charges & Depreciation	FCAD/(Total Revenue - capital revenue)		26.5%	22.3%	0.0%	17%	21%	21%	16%	25%	25%	24%
Financial viability indicators												
i. Debt coverage	(Total Operating Revenue - Operating Grants)/(Debt service payments due within financial year)		-	-	-	-	-	-	-	-	-	-
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services		0%	0.0%	0.0%	0%	0%	0%	0%	0%	0%	0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure		663%	10.8	7.1	6.7	8.7	-	12.8	18.2	10.0	9.5

Polokwane Housing Agency - Supporting Table SD3 Budgeted Investment Portfolio

Investments by Maturity Name of institution & investment ID	Ref	Period of Investment Yrs/Months	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate	Commission Paid (Rands)	Commission Recipient
	1				-	-	-	

References

- Supporting Table SD4 Board member allowances and staff benefits

Summary of Employee and Board Member remuneration	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			Medium Term Revenue and Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
		A	B	C	D	E	F		G	H	I
R thousands											
Remuneration											
Board Members of Entities											
Basic Salaries and Wages		-	-	966	1 889	1 283	1 283	825	1 889	1 984	2 083
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-	-
Medical Aid Contributions		(151)	5	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	56	198	150	150	13	150	158	165
Cellphone Allowance		-	-	-	-	-	-	-	-	-	-
Housing Allowances		-	-	-	-	-	-	-	-	-	-
Other benefits and allowances		894	991	-	155	(0)	(0)	-	-	-	-
Board Fees		-	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-	-
Sub Total - Board Members of Entities		743	996	1 022	2 242	1 433	1 433	838	2 039	2 141	2 248
% increase			0	0	0	0		(0)	0	0	5.0%
Senior Managers of Entities											
Basic Salaries and Wages		1 488	186	826	1 414	1 419	1 419	1 353	1 461	1 534	1 611
Pension and UIF Contributions		23	9	-	-	-	-	-	-	-	-
Medical Aid Contributions		50	6	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		72	9	-	-	-	-	-	-	-	-
Cellphone Allowance		-	-	-	-	-	-	-	-	-	-
Housing Allowances		6	1	-	-	-	-	-	-	-	-
Other benefits and allowances		0	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Entities		1 639	211	826	1 414	1 419	1 419	1 353	1 461	1 534	1 611
% increase			(0)	0	0	0		0	0	0	5.0%
Other Staff of Entities											
Basic Salaries and Wages		4 410	6 441	3 550	6 946	7 110	7 110	5 558	9 181	9 590	10 020
Pension and UIF Contributions		695	807	535	1 143	1 136	1 136	958	1 357	1 424	1 496
Medical Aid Contributions		447	369	187	633	519	519	361	569	597	627
Overtime		32	1	-	60	60	60	25	60	63	66
Performance Bonus		344	371	405	480	1 000	1 000	767	584	614	644
Motor Vehicle Allowance		203	325	276	667	717	717	551	1 128	1 184	1 243
Cellphone Allowance		138	122	94	178	120	120	67	105	110	116
Housing Allowances		223	231	135	255	257	257	242	301	316	332
Other benefits and allowances		123	1	42	11	11	11	1	1	1	1
Payments in lieu of leave		324	254	41	60	60	60	70	-	-	-
Long service awards		-	-	-	-	60	60	21	60	63	66
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-	-
Sub Total - Other Staff of Entities		6 938	8 922	5 265	10 433	11 049	11 049	8 621	13 346	13 963	14 611
% increase			0	(0)	0	0		0	0	0	4.6%
Total Municipal Entities remuneration		9 320	10 128	7 112	14 089	13 902	13 902	10 812	16 846	17 639	18 471

- Supporting Table SD5 Summary of personnel numbers

Summary of Personnel Numbers		Ref	2021/22			Current Year 2022/23			Budget Year 2023/24		
Number		1	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities											
Councillors (Political Office Bearers plus Other Councillors)											
Board Members of municipal entities		3									
Municipal entity employees											
CEO and Senior Managers		4									
Other Managers		2									
Professionals		6									
Finance			-	-	-	-	-	-	-	-	-
Spatial/town planning											
Information Technology											
Roads											
Electricity											
Water											
Sanitation											
Refuse											
Other											
Technicians			-	-	-	-	-	-	-	-	-
Finance											
Spatial/town planning											
Information Technology											
Roads											
Electricity											
Water											
Sanitation											
Refuse											
Other											
Clerks (Clerical and administrative)											
Service and sales workers											
Skilled agricultural and fishery workers											
Craft and related trades											
Plant and Machine Operators											
Elementary Occupations											
Total Personnel Numbers			-	-	-	-	-	-	-	-	-
% increase											
Total entity employees headcount		5									
Finance personnel headcount		7									
Human Resources personnel headcount		7									

References

1. Full Time Equivalent (FTE). E.g. One full time person = 1FTE. A person working half time (say 4 hours out of 8) = 0.5FTE.
2. s57 of the Systems Act
3. Include only in Consolidated Statements
4. Include municipal entity employees in Consolidated Statements
5. Include headcount (number to persons, Not FTE) of managers and staff only (exclude councillors)
6. Managers who provide the direction of a critical technical function
7. Total number of employees working on these functions

Polokwane Housing Agency - Supporting Table SD7a Capital expenditure on new assets by asset class

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-

Community Assets	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-
Halls	-	-	-	-	-	-	-	-	-
Centres	-	-	-	-	-	-	-	-	-
Crèches	-	-	-	-	-	-	-	-	-
Clinics/Care Centres	-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations	-	-	-	-	-	-	-	-	-
Testing Stations	-	-	-	-	-	-	-	-	-
Museums	-	-	-	-	-	-	-	-	-
Galleries	-	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria	-	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-	-
Parks	-	-	-	-	-	-	-	-	-
Public Open Space	-	-	-	-	-	-	-	-	-
Nature Reserves	-	-	-	-	-	-	-	-	-
Public Ablution Facilities	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Stalls	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Indoor Facilities	-	-	-	-	-	-	-	-	-
Outdoor Facilities	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-	-
Investment properties	87 597	109 160	38 999	-	-	-	-	-	-
Revenue Generating	87 597	109 160	38 999	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	87 597	109 160	38 999	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-
Municipal Offices	-	-	-	-	-	-	-	-	-
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Staff Housing	-	-	-	-	-	-	-	-	-
Social Housing	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	-	-	-	-	-	-	-	-
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
Computer Equipment	48	(53)	-	52	52	52	120	-	-
Computer Equipment	48	(53)	-	52	52	52	120	-	-
Furniture and Office Equipment	-	-	-	1 348	1 348	1 348	1 450	-	-
Furniture and Office Equipment	-	-	-	1 348	1 348	1 348	1 450	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	435	435	435	500	-	-
Transport Assets	-	-	-	435	435	435	500	-	-
Land	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Living resources	-	-	-	-	-	-	-	-	-
Mature	-	-	-	-	-	-	-	-	-
Policing and Protection	-	-	-	-	-	-	-	-	-
Zoological plants and animals	-	-	-	-	-	-	-	-	-
Immature	-	-	-	-	-	-	-	-	-
Policing and Protection	-	-	-	-	-	-	-	-	-

Zoological plants and animals		-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	87 645	109 107	38 999	1 835	1 835	1 835	2 070	-

Polokwane Housing Agency - Supporting Table SD7b Capital expenditure on renewal of existing assets by asset class

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Halls		-	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-

Libraries	-	-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria	-	-	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-	-	-
Parks	-	-	-	-	-	-	-	-	-	-
Public Open Space	-	-	-	-	-	-	-	-	-	-
Nature Reserves	-	-	-	-	-	-	-	-	-	-
Public Ablution Facilities	-	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-	-
Stalls	-	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-	-
Indoor Facilities	-	-	-	-	-	-	-	-	-	-
Outdoor Facilities	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-	-
Municipal Offices	-	-	-	-	-	-	-	-	-	-
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-
Staff Housing	-	-	-	-	-	-	-	-	-	-
Social Housing	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-	-
Water Rights	-	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	-	-	-	-	-	-	-	-	-
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	-
Living resources	-	-	-	-	-	-	-	-	-	-
Mature	-	-	-	-	-	-	-	-	-	-
Policing and Protection	-	-	-	-	-	-	-	-	-	-
Zoological plants and animals	-	-	-	-	-	-	-	-	-	-
Immature	-	-	-	-	-	-	-	-	-	-
Policing and Protection	-	-	-	-	-	-	-	-	-	-
Zoological plants and animals	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing assets	1	-	-	-	-	-	-	-	-	-
Renewal of Existing Assets as % of total capex		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Renewal of Existing Assets as % of deprecn"		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Polokwane Housing Agency - Supporting Table SD7c Expenditure on repairs and maintenance by asset class

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Repairs and maintenance expenditure by Asset Class/Sub-class	1									
Infrastructure		-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Halls		-	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-

Testing Stations	-	-	-	-	-	-	-	-	-
Museums	-	-	-	-	-	-	-	-	-
Galleries	-	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria	-	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-	-
Parks	-	-	-	-	-	-	-	-	-
Public Open Space	-	-	-	-	-	-	-	-	-
Nature Reserves	-	-	-	-	-	-	-	-	-
Public Ablution Facilities	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Stalls	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Indoor Facilities	-	-	-	-	-	-	-	-	-
Outdoor Facilities	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-
Municipal Offices	-	-	-	-	-	-	-	-	-
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Staff Housing	-	-	-	-	-	-	-	-	-
Social Housing	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	-	-	-	-	-	-	-	-
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
Zoo's Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Zoo's Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Living resources	-	-	-	-	-	-	-	-	-

Mature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	1	-	-	-	-	-	-	-	-	-
R&M as a % of PPE		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M as % Operating Expenditure		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Polokwane Housing Agency - Supporting Table SD7d Depreciation by asset class

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
Depreciation by Asset Class/Sub-class	1	-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Halls		-	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-

Testing Stations	-	-	-	-	-	-	-	-	-
Museums	-	-	-	-	-	-	-	-	-
Galleries	-	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria	-	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-	-
Parks	-	-	-	-	-	-	-	-	-
Public Open Space	-	-	-	-	-	-	-	-	-
Nature Reserves	-	-	-	-	-	-	-	-	-
Public Ablution Facilities	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Stalls	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Indoor Facilities	-	-	-	-	-	-	-	-	-
Outdoor Facilities	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
Other assets	5 095	5 095	-	4 998	4 998	4 998	9 496	9 496	9 496
Operational Buildings	2 733	5 095	-	14	14	14	14	14	14
Municipal Offices	-	-	-	-	-	-	-	-	-
Pay/Enquiry Points	2 733	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-	-	-
Capital Spares	-	5 095	-	14	14	14	14	14	14
Housing	2 361	-	-	4 985	4 985	4 985	9 483	9 483	9 483
Staff Housing	-	-	-	-	-	-	-	-	-
Social Housing	2 361	-	-	4 985	4 985	4 985	9 483	9 483	9 483
Capital Spares	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Intangible Assets	13	12	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	13	12	-	-	-	-	-	-	-
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	13	12	-	-	-	-	-	-	-
Local Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
Computer Equipment	14	-	-	-	-	-	-	-	-
Computer Equipment	14	-	-	-	-	-	-	-	-
Furniture and Office Equipment	14	26	-	12	12	12	14	14	14
Furniture and Office Equipment	14	26	-	12	12	12	14	14	14
Machinery and Equipment	-	16	-	16	16	16	16	16	16
Machinery and Equipment	-	16	-	16	16	16	16	16	16
Transport Assets	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
Zoo's Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Living resources	-	-	-	-	-	-	-	-	-

Mature	-	-	-	-	-	-	-	-	-	
<i>Policing and Protection</i>	-	-	-	-	-	-	-	-	-	
<i>Zoological plants and animals</i>	-	-	-	-	-	-	-	-	-	
Immature	-	-	-	-	-	-	-	-	-	
<i>Policing and Protection</i>	-	-	-	-	-	-	-	-	-	
<i>Zoological plants and animals</i>	-	-	-	-	-	-	-	-	-	
Total Depreciation	1	5 136	5 149	-	5 027	5 027	5 027	9 527	9 527	9 527

Polokwane Housing Agency - Supporting Table SD7e Capital expenditure on upgrading of existing assets by asset class

Description	Ref	2019/20	2020/21	2021/22	Current Year 2022/23			2023/24 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26
R thousand	1									
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Halls		-	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-

Museums	-	-	-	-	-	-	-	-	-	-
Galleries	-	-	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria	-	-	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-	-	-
Parks	-	-	-	-	-	-	-	-	-	-
Public Open Space	-	-	-	-	-	-	-	-	-	-
Nature Reserves	-	-	-	-	-	-	-	-	-	-
Public Ablution Facilities	-	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-	-
Stalls	-	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-	-
Indoor Facilities	-	-	-	-	-	-	-	-	-	-
Outdoor Facilities	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-
Heritage assets	-	-	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-	-
Municipal Offices	-	-	-	-	-	-	-	-	-	-
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-	-
Staff Housing	-	-	-	-	-	-	-	-	-	-
Social Housing	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-	-
Water Rights	-	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	-	-	-	-	-	-	-	-	-
Local Settlement Software Applications	-	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	-
Living resources	-	-	-	-	-	-	-	-	-	-
Mature	-	-	-	-	-	-	-	-	-	-
Policing and Protection	-	-	-	-	-	-	-	-	-	-
Zoological plants and animals	-	-	-	-	-	-	-	-	-	-
Immature	-	-	-	-	-	-	-	-	-	-
Policing and Protection	-	-	-	-	-	-	-	-	-	-
Zoological plants and animals	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure on upgrading of existing assets	1	-	-	-	-	-	-	-	-	-
Upgrading of Existing Assets as % of total capex		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Upgrading of Existing Assets as % of deprecn*		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
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Polokwane Housing Agency - Supporting Table SD8 Future financial implications of the capital expenditure budget

Description	Ref	Preceding Years	Current Year 2022/23	2023/24 Medium Term Revenue & Expenditure Framework			Forecast 2026/27	Forecast 2027/28
		Budget Year 2023/24	Budget Year +1 2024/25	Budget Year +2 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Present value
R thousands								
Entities:								
Revenue Obligation By Contract	2							
<i>Contract 1</i>								
<i>Contract 2</i>								
<i>Contract 3 etc</i>								
Total Operating Revenue Implication		-	-	-	-	-	-	-
Expenditure Obligation By Contract	2							
<i>Contract 1</i>								
<i>Contract 2</i>								
<i>Contract 3 etc</i>								
Total Operating Expenditure Implication		-	-	-	-	-	-	-
Capital Expenditure Obligation By Contract	2							
<i>Contract 1</i>								
<i>Contract 2</i>								
<i>Contract 3 etc</i>								
Total Capital Expenditure Implication		-	-	-	-	-	-	-
Total Entity Expenditure Implication		-	-	-	-	-	-	-

• Supporting Table SD9 Detailed capital budget

Polokwane Housing Agency - Supporting Table SD10 External mechanisms

External mechanism Name of organisation R thousands	Ref	Period of agreement 1	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2
		Years/months			
					-

ANNEXURE D:

MFMA Budget Circulars



Municipal Budget Circular for the 2023/24 MTREF

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Introduction

This budget circular provides guidance to municipalities with their compilation of the 2023/24 Medium Term Revenue and Expenditure Framework (MTREF). It is linked to the Municipal Budget and Reporting Regulations (MBRR) and the Municipal Standard Chart of Accounts (mSCOA), and strives to support municipalities' budget preparation processes so that the minimum requirements are achieved.

Among the objectives of this budget circular is to demonstrate how municipalities should undertake annual budget preparation in accordance with the budget and financial management reform agenda by focussing on key "game changers". These game-changers include ensuring that municipal budgets are funded, revenue management is optimised, assets are managed efficiently, supply chain management processes are adhered to, mSCOA is implemented correctly and that audit findings are addressed.

Municipalities are reminded to refer to the annual budget circulars of the previous years for guidance in areas of the budget preparation that is not covered in this circular.

1. The South African economy and inflation targets

The National Treasury forecasts real economic growth of 1.9 per cent in 2022, compared with 2.1 per cent projected in the 2022 Budget Review, in response to global and domestic shocks. Growth is projected to average 1.6 per cent from 2023 to 2025. Implementing structural reforms, especially in the energy sector, remains crucial to improve the economy's productive capacity and competitiveness.

The recovery in economic activity that began in 2021 was driven by a strong rebound in global economic activity, high commodity prices and easing COVID-19 restrictions. The scarring impact of the pandemic on employment and investment decisions will likely weigh on the recovery over the medium term. Investment remains well below pre-pandemic levels.

The economy grew by 1.4 per cent in the first half of 2022 compared with the first half of 2021. Real GDP grew more than expected in the first quarter of 2022, with output returning to pre-pandemic levels. However, a deteriorating global environment, flooding in KwaZulu-Natal and the Eastern Cape, industrial action in the electricity and mining sectors, and prolonged and intense power cuts resulted in a broad-based contraction across most sectors during the second quarter. The third quarter was marked by frequent and prolonged power cuts, which significantly disrupted economic activity.

The following macro-economic forecasts must be considered when preparing the 2023/24 MTREF municipal budgets.

Table 1: Macroeconomic performance and projections, 2021 - 2026

Fiscal year	2021/22	2022/23	2023/24	2024/25	2025/26
	Actual	Estimate	Forecast		
CPI Inflation	5.2%	6.8%	4.7%	4.6%	4.6%

Source: Medium Term Budget Policy Statement 2022.

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

It is noted that variations in regional specifics are possible, however, any variation of assumptions must be explicitly set out and well explained in the budget narratives, in the absence of which the Treasuries will refer the budget back to council for alignment to the macroeconomic performance projections.

2. Key focus areas for the 2023/24 budget process

2.1 Local government conditional grants allocations

Over the 2023 MTEF period, conditional grant allocations to municipalities will grow below inflation. This is due to a higher 2022/23 baseline (R3.8 billion) added to local government conditional grants in the 2022 Division of Revenue Amendment Act. Over the next three years, total local government resources, including the equitable share and indirect conditional grants increase at an annual average rate of 6 per cent.

The local government equitable share increases at an annual average rate of 7.8 per cent and municipal conditional grants increase by 3.6 per cent over the 2023 MTEF period. The local government equitable share formula has been updated to account for projected household growth, inflation and estimated increases in bulk water and electricity costs over the 2023 MTEF period.

The annual Division of Revenue Bill will be published in February 2023 after the Minister of Finance's budget speech. The Bill will specify grant allocations and municipalities must reconcile their budgets to the numbers published herein.

Municipalities are advised to use the indicative numbers presented in the 2022 Division of Revenue Act to compile their 2023/24 MTREF. In terms of the outer year allocations (2025/26 financial year), it is proposed that municipalities conservatively limit funding allocations to the indicative numbers as presented in the 2022 Division of Revenue Act for 2022/23. The DoRA is available at:

<http://www.treasury.gov.za/documents/national%20budget/2022/default.aspx>

2.2 Re-enforcing the 2023 Division of Revenue Bill, (DoRB) to facilitate improved intergovernmental relations

Towards enforcing a system of good intergovernmental relations as envisaged in the Chapter 3 of the Constitution and subsequent related legislation, the National Treasury would like to remind municipalities of Section 31 of DoRA that articulates the facilitation of personal liability for unnecessary litigation. Going forward, a municipality may therefore only institute litigation against any organ of state, state-owned enterprise, public-and/ or municipal entity after exhausting all dispute resolution mechanisms required and/ or available to the municipality in terms of existing intergovernmental relations processes, policy and/ or any related contract with the municipality, including in terms of the Municipal Finance Management Act, 2003, the Intergovernmental Relations Framework Act, 2005, and/ or the Electricity Regulation Act, 2006 (dispute processes administered by NERSA).

The 2023 DoRB will facilitate the personal liability of and refund of any expenditure related to such litigation to the national revenue fund (NRF) by any person responsible for the institution of litigation by a municipality without having exhausted all the available dispute resolution mechanisms. This will be done through the equitable share off-setting processes. Municipalities, parallel to instituting any litigation against any organ of state, must report such litigation to the Auditor-General, the National Treasury and to the relevant provincial treasury. The report must provide the details of all the dispute resolution processes that were attempted, supported by information explaining the failure of these attempts.

Division of Revenue Amendment Bill, 2022 (DoRAB)

Disaster response funding

Conversion of disaster response grants – To allow for adequate response to the April 2022 floods, funding was shifted between the disaster relief grants in August 2022. R145 million

was shifted from the Provincial Disaster Response Grant to the Municipal Disaster Response Grant and R120 million was shifted from the Municipal Emergency Housing Grant to the Provincial Emergency Housing Grant.

Additional funding for disaster response grants – In response to disasters that have occurred, most of the disaster funding for 2022/23 had been depleted by the time of the tabling of the DoRAB. To enable for response should a disaster(s) occur in the remaining months of the current financial year, R248 million is added to the Municipal Disaster Response Grant to enable immediate response by municipalities.

Additional funding for disaster reconstruction and rehabilitation¹ – For the reconstruction and rehabilitation of municipal infrastructure damaged by flash floods in the Western Cape (Overberg District Municipality, Cape Winelands District Municipality and Garden Route District Municipality) in December 2021 and the April 2022 floods in the Eastern Cape (Winnie Madikizela-Mandela Local Municipality) and KwaZulu-Natal (eThekweni Metropolitan Municipality, uMhlathuze Local Municipality, uThukela District Municipality, uMgungundlovu District Municipality and iLembe District Municipality), R3.3 billion is added to the Municipal Disaster Recovery Grant.

Purchasing of land for relocation of flood victims – R92 million is added to the Informal Settlements Upgrading Partnership Grant: Municipalities for eThekweni Metropolitan Municipality for the purchase of land identified for the relocation of displaced flood victims.

Changes to local government allocations

Roll-over of funds in the Integrated National Electrification Programme (municipal) Grant – R1 million is rolled over in the Integrated National Electrification Programme (municipal) Grant to fund 50 electrification connections in Swellendam in Dikgatlong Local Municipality.

Roll-over of funds in the indirect Regional Bulk Infrastructure Grant – R15 million is rolled over in the indirect Regional Bulk Infrastructure Grant to fund operational payments for the Vaal River pollution remediation project in Emfuleni Local Municipality.

Reprioritisation in the Neighbourhood Development Partnership Grant – R100 million of the Neighbourhood Development Partnership Grant is shifted from Schedule 5, Part B (direct) to Schedule 6, Part B (indirect) to fund project preparation, planning and implementation for municipalities that are having administrative and financial challenges that are affecting project implementation. These funds will be used for projects they were allocated for in the direct component. Affected municipalities are Mogale City Local Municipality, KwaDukuza Local Municipality and Emfuleni Local Municipality.

Changes to gazetted frameworks and allocations

Municipal Disaster Response Grant – The grant framework for the Municipal Disaster Response Grant is amended to allow for spending to respond to the disasters that occurred in December 2021 and April 2022.

Informal Settlements Upgrading Partnership Grant: Municipalities – The grant framework for the Informal Settlements Upgrading Partnership Grant is amended to ring-fence funds for

¹ There was an oversight in the allocations to Western Cape and KwaZulu-Natal, wherein the allocations or parts thereof allocated to the district municipalities in the DoRAB ought to have been allocated to the respective local municipalities in these districts. This is explained in detail in the section “Correction of errors in the Municipal Disaster Recovery Grant framework and allocations to municipalities” below.

the purchase of identified land for the relocation of flood victims who were previously residing in informal settlements that were washed away by April 2022 floods in eThekweni Metropolitan Municipality.

Municipal annexures – Changes to previously gazetted municipal allocations include a change of the name of a municipality. The name of Engcobo Local Municipality in the Eastern Cape is updated to Dr A.B. Xuma Local Municipality as per the Gazette published in terms of section 12 of the Local Government: Municipal Structures Act, on 30 May 2022.

Correction of errors in the Municipal Disaster Recovery Grant framework and allocations to municipalities

The National Disaster Management Centre (NDMC) has requested changes to the in-year allocations for the Municipal Disaster Recovery Grant in the DoRAB tabled in Parliament. Part of the funding allocated to uThukela and iLembe district municipalities in KwaZulu Natal (page 36 of the DoRAB), should have been allocated to Alfred Duma and KwaDukuza local municipalities, respectively. The allocations made to the Cape Winelands, Overberg, and Garden Route district municipalities in the Western Cape (page 39 of the DoRAB), should have been made to Breede Valley; Theewaterskloof and Swellendam; and Oudtshoorn and George local municipalities, respectively. These corrections also affect the ring-fencing in the grant framework (page 28 of the DoRAB).

Parliament has approved that the National Treasury correct the allocations and effect the required changes to the MDRG framework, as part of section 15(1) of the 2022 DoRA to ensure that MDRG allocations are correctly allocated to the municipalities assigned for the functions.

3. Pension fund defaults

There has been a growing trend where municipalities are deducting pension from the employees but are not paying it over to their pension fund. This in our view is inconsistent with the intent and spirit of the MFMA and constitute an act of financial misconduct in terms of section 171 of the MFMA read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings and potentially also a criminal offence in terms of section 173 of the MFMA read with other applicable legislation. Municipal Councils should refer these actions to the Disciplinary Boards for further investigation and should also consider laying criminal charges against the accounting officer and other responsible officials that has failed to perform the responsibility outlined in terms of section 65(2)(f) of the MFMA which states that “the accounting officer of a municipality must take all reasonable steps to ensure that the municipality complies with its tax, levy, duty, pension, medical aid, audit fees and other statutory commitments”. Municipal Councils should also consider further measures and actions in terms of the Pension Funds Administration Act, as may be applicable.

4. Municipal Standard Chart of Accounts (mSCOA)

4.1 Release of Version 6.7 of the Chart

On an annual basis, the mSCOA chart is reviewed to address implementation challenges and correct chart related errors. Towards this end, Version 6.7 is released with this circular.

Version 6.7 of the chart will be effective from 2023/24 and must be used to compile the 2023/24 MTREF and will be available from 20 December on the link below:

<http://mfma.treasury.gov.za/RegulationsandGazettes/MunicipalRegulationsOnAStandardChartOfAccountsFinal/Pages/default.aspx>

Kindly note that, in accordance with section 8(2)(j) of the Municipal Property Rates Act (MPRA) as amended in 2014, municipalities may apply for categories other than the categories in 8(2)(a) to (i). Towards this end the Minister of Cooperative Governance and Traditional Affairs approved the following categories:

- Sports Clubs and Fields for Bitou Municipality and
- Residential sectional title garages for Drakenstein Municipality.

These categories were only approved for use by municipalities indicated above. System vendors must therefore block the use of these categories for all other municipalities. The Project Summary Document (PSD) on the National Treasury webpage will be aligned to the chart changes in version 6.7 where applicable. The PSD is also available on the above link.

For the National Treasury to consider a new chart change in version 6.8 of the chart, the issue must be logged with all relevant background and details on the *m*SCOA FAQ portal by 31 August 2023. The *m*SCOA FAQ portal can be accessed by all registered GoMuni users on the following link. https://lq.treasury.gov.za/ibi_apps/signin

4.2 Amendments to the regulated A1 schedules

The following tables of the A1 Schedule that was regulated in terms of the Municipal Budget and Reporting Regulations (MBRR), have been aligned to the *m*SCOA and Generally Recognised Accounting Standards (GRAP):

- A4: Statement of Financial Performance; and
- A6: Statement of Financial Position

In addition, tables A8 and A10 have been linked to the *m*SCOA data strings and will be included in the 2023/24 budget reports available on the GoMuni portal from 01 July 2023.

The amended and protected version of the A1 schedule will be available from 20 December on the link below:

<http://mfma.treasury.gov.za/RegulationsandGazettes/MunicipalRegulationsOnAStandardChartOfAccountsFinal/Pages/default.aspx>

System vendors and municipalities that are managing their own in-house systems must programme the amended schedules on their financial systems. Input fields for supporting tables that are not part of the non-financial data string must be created to ensure that a complete A schedule is generated from the core municipal financial system.

The *m*SCOA Regulations require that municipalities budget, transact and report on legislated *m*SCOA segments and directly on the core financial system and submit the required data strings directly from this system to the GoMuni Upload portal. To ensure that the data strings submitted are credible, municipalities must:

- Lock the budget adopted by Council on the core municipal financial system before submitting the budget (ORGB) data string to the GoMuni Upload portal;
- Close the core financial system at month-end as required in terms of the MFMA before submitting the monthly data string to the GoMuni Upload portal; and
- Generate the regulated MBRR Schedules (A, B and C) directly from the core municipal financial system.

The preparation of budgets on excel spreadsheets that is captured in the system at a later stage and manual correction of data strings by municipal officials or system providers are not allowed in terms of the *m*SCOA Regulations. Where a municipality makes use of a stand-alone 3rd party sub-system or a system provider has entered into an agreement or consortium for the provision of certain functionality with a 3rd party sub-system provider, such a 3rd party sub-system should host the relevant part of the *m*SCOA chart to seamlessly integrate with the core financial system without manual intervention.

4.3 Credibility of *m*SCOA data strings

The credibility and accuracy of the data strings must be verified by municipalities before submission as the data strings submitted will be used as the single source for all analysis and publications in the 2023/24 municipal financial year.

Municipalities have been given access to the GoMuni portal in April 2022 and should use the reports on GoMuni to verify the credibility of their submissions. It should be emphasized that errors in the data can only be corrected in the next open period. e.g., errors in the tabled budget (TABB) data string can only be corrected in the adopted budget data string (ORGB). Municipalities are not allowed to open closed periods to make corrections.

Municipalities are reminded that incorrect or incomplete data string submissions is considered as non-submission.

The credibility of the *m*SCOA data strings remains a concern in the following areas:

The inclusion of opening balances in data strings

Municipalities and system vendors must ensure that opening balances are included in the budget and in-year data strings. The opening balances at year end (month 12 – M12) of the previous financial year must be rolled over to the first month (M01) and updated with pre-audited (PAUD) and audit (AUDA) adjustments in the current financial year in the *applicable open period*. In other words, if the audit is completed on 31 October, then the changes in the opening balances must be reflected in the in-year submission for November 2022 (M05 submission). If opening balances and changes thereto are not included in the budget and in-year data strings, the C schedules will not populate correctly. This means that the movement of the balance sheet items will not have a starting point and the Statement of Financial Position (balance sheet) will be incorrect.

Accounting for Water Inventory

As per the guidance in MFMA Budget Circular No.115 (dated 04 March 2022), municipalities must budget and account for bulk water purchases as **inventory** under current assets in the Statement of Financial Position as per GRAP 12 (paragraph. 07).

In terms of GRAP 12:

Inventories are assets:

- a. *In the form of materials or supplies to be consumed in the production process;*
- b. *In the form of materials or supplies to be consumed or distributed in the rendering of services; and*
- c. *Held for sale or distribution in the ordinary course of operations, or*
- d. *In the process of production for sale or distribution.*

Inventory acquired through non-exchange transactions should be recorded at its fair value as at the date it is acquired. The cost of inventory, except for non-purified water, will be determined or recognised in accordance with paragraph 25 and 26, which is the primary and secondary costs in getting the water either to the treatment works or to the users of the water.

It is important to note that water cannot be issued if it was not purchased or brought into the inventory through system input transactions. Therefore, the total input volume of water related to water purified and water from natural sources should include both primary and secondary cost components. The allocation of secondary cost to the input volume of water will necessitate the utilisation of the Costing Segment in the *m*SCOA. This is crucial in determining cost reflective tariffs for water.

The fair value of water from natural resources such as boreholes, springs and fountains may be determined by the primary and secondary cost components. Secondary costs include:

- Labour
- Extraction cost
- Distribution cost
- Chemicals/ Treatment
- Maintenance
- Infrastructure
- Depreciation charges

The municipality must account for water from natural resources as follows:

Debit: System Input Volume: Natural Resources

Credit: Gains and Losses: Water at fair value

Water inventory must be budgeted to be acquired and recorded in the Current Assets: Inventory: Water as indicated below. The movement accounts in the *m*SCOA structure makes provision for the different methods of acquiring and the consumption/ issuing of Water inventory.

Current assets:

- Inventory: Water Opening balance: Non-Funding Transactions
- Inventory: Water: System Input volume: Bulk Purchases: Water Treatment/Natural Resources
- Water Authorised Consumption:
 - a) Billed Unmetered Consumption
 - b) Un-Billed Authorised Consumption
 - c) Billed Metered Consumption
- Inventory: Water Losses (Apparent and Real Losses)

Water that is issued to Consumers must be issued from the inventory and expensed in the **Expenditure:** Inventory: Consumed -Water.

Water losses will reduce the Water inventory in current assets and the corresponding amounts should be captured in **Gains and Losses:** Inventory: Water: Fair value

It is important to note that the change in accounting for water through the inventory purchased process and the change of using a methodology to report the balance of water as at year-end may impact on the Annual Financial Statements (AFS). Municipalities must ensure that they update their accounting policy, document this process, and provide comparative figures when assessing and reporting their water balance to ensure that the GRAP guidelines of changes in reporting and materiality is applied correctly.

The Local Government Municipal Property Rates (MPRA) Amendment Act, 2014

Municipalities are reminded that section 8 of the MPRA on the determination of categories of rateable properties has been revised through the Local Government Municipal Property Rates Amendment Act, 2014 (“the Amendment Act”).

Municipalities were required to implement the new property categorisation framework by not later than 01 July 2021. The *m*SCOA chart Version 6.7 will only make provision for the new framework. The old framework has been retired and municipalities must prepare their 2023/24 MTREF Budgets accordingly.

Fixed Asset Register

Municipal financials systems must comply with the minimum business processes and system requirements on fixed asset registers as articulated for the asset management module in MFMA Circular No 80. The asset management module should be embedded in the core financial system or seamlessly integrate from a third-party sub-system to the core financial system. This will enable the regular and seamless updating of the fixed asset register. The register must contain the following information as a minimum requirement:

- Description of the asset
- Date of acquisition or brought into use
- Purchase cost
- Location of the asset
- Function responsible for the asset
- Current value
- Depreciation and method utilised
- Remaining life of the asset
- Maintenance information
- Insurance Coverage

Municipalities will be required to upload their updated fixed asset register in a PDF format on the GoMuni Upload portal as part of their 2023/24 MTREF tabled and adopted budget submission and thereafter on a quarterly basis as part of their in-year reporting.

Recording of Schedule 6B Grants in *m*SCOA

Grants allocated in terms of Schedule 6B of DoRA should be recorded in terms of *m*SCOA as an allocation-in-kind. This means that the municipality will only record the transaction once they received a completed asset.

Importantly, a Schedule 6B grant may not be transferred to the end-user of the asset to construct the asset as this is in contravention with the conditional grant framework. If a transferring officer of a Schedule 6B grant consider the municipality capable of constructing its own asset, the grant should be re-gazetted and reclassified as a Schedule 5B grant. The grant will then be transferred directly to the municipality to construct the asset and the receipt and expenditure of the grant must be in accordance with GRAP 17. An adjustments budget in terms of Section 28(2)(b) of the MFMA and Regulation 23(3) of the MBRR must be adopted to include the grant funding and project in the MTREF budget.

In the case where a municipality is constructing an asset for a national department but will not be the end-user of the asset being constructed, the accounting must be done in terms of GRAP 11. There will be VAT implications as the municipality will be a contractor and act as an agent. It is important to ensure that the contract between the municipality and the department outlines the responsibilities of all parties.

Municipalities must ensure that they are making provision for VAT in accordance with the VAT Act, 1991 (Act No. 89 of 1991) and the VAT 419 guide issued by SARS. The National Treasury issued *m*SCOA Circular No.12 (dated 01 October 2021) that provides guidance on the recording of VAT in the *m*SCOA.

Impact of Balance Sheet Budgeting and Movement Accounting on Cash Flow Tables

From the analysis of the *m*SCOA data strings it is evident that the cash flow tables (A7, B7 and C7) are still not populating correctly or completely. This can be contributed to the fact that a number of municipalities still do not use balance sheet budgeting and movement accounting. Guidance on the use of balance sheet budgeting and movement accounting to populate tables A7, B7 and C7 correctly was provided in MFMA Budget Circular No. 107 (dated 04 December 2020) and *m*SCOA Circular No. 11 (dated 04 December 2020).

4.4 Regulation of Minimum Business Processes and System Specifications

National Treasury will review and regulate minimum business processes and system specifications for *m*SCOA by the end of 2024/25. In preparation for the regulation of the minimum requirements, municipalities should ensure that they comply fully with the current minimum business processes and system specifications articulated in MFMA Circular No. 80 (dated 08 March 2016).

Where a municipality is not fully compliant with the *m*SCOA requirements, a *m*SCOA Road Map must be in place to drive and fast track the *m*SCOA implementation in the municipality. The *m*SCOA Steering Committee, chaired by the Accounting Officer or his/ her delegate, must use the *m*SCOA Road Map to track progress and take correction actions where required.

Road Maps must be reviewed and updated annually as part of the budget process is updated and submitted to Council for approval together with their 2023/24 MTREF budget. Municipalities will be required to upload their updated *m*SCOA Road Maps in a PDF format on the GoMuni Upload portal as part of their 2023/24 MTREF tabled and adopted budget submission and thereafter on a quarterly basis as part of their in-year reporting.

Municipalities should ensure that they budget sufficiently to become and remain *m*SCOA compliant.

Guidance on the content of the *m*SCOA Road Map was provided in MFMA Budget Circular No. 115 (dated 04 March 2022).

4.5 *m*SCOA Training Initiatives

Training to municipalities and municipal system vendors

The National Treasury, in conjunction with CIGFARO, will conduct monthly training sessions aimed at municipalities, municipal system vendors and other relevant role-players. The training will focus on technical aspects of budgeting, transacting and reporting in the *m*SCOA and is aimed at improving the quality of *m*SCOA data strings. The draft programme is attached as **Annexure A**.

*m*SCOA eLearning Course

The National School of Government is hosting the *m*SCOA eLearning Course that was developed by the National Treasury. The *m*SCOA eLearning Course provides government officials with the basic knowledge on the reform and how to record transactions using the *m*SCOA.

Government institutions can enrol their employees for this course by sending a request for training to the NSG at contactcentre@thensg.gov.za. If your institution has not attended any training with the NSG previously, then you will also be required to register on the NSG database. The *m*SCOA eLearning Course will be offered at no cost until 31 March 2023. Thereafter, delegates will have to pay to attend the course.

Any queries in this regard must be directed to the NSG at contactcentre@thensg.gov.za or tel number: 086 100 8326.

5. The revenue budget

Similar to the rest of government, municipalities face a difficult fiscal environment. The weak economic growth has put pressure on consumers' ability to pay for services, while transfers from national government are growing more slowly than in the past. Some municipalities have managed these challenges well, but others have fallen into financial distress and face liquidity problems. These include municipalities that are unable to meet their payment obligations to Eskom, Water Boards and other creditors. There is a need for municipalities to focus on collecting revenues owed to them and eliminate wasteful and non-core spending.

Municipalities must ensure that they render basic services, maintain their assets and clean environment. Furthermore, there must be continuous communication with the community and other stakeholders to improve the municipality's reputation. This will assist in attracting investment in the local economy which may result in reduced unemployment. Some municipalities are experiencing serious liquidity challenges. Therefore, the new leadership is advised to:

- Decisively address unfunded budgets by reducing non-priority spending and improving revenue management processes to enable collection; and
- Address service delivery failures by ensuring adequate maintenance, upgrading and renewal of existing assets to enable reliable service delivery.

5.1 Maximising the revenue generation of the municipal revenue base

Reference is made to MFMA Circulars No. 93, paragraph 3.1 and No. 98, paragraph 4.1. The emphasis is on municipalities to comply with Section 18 of the MFMA and ensure that they fund their MTREF budgets from realistically anticipated revenues to be collected. Municipalities are cautioned against assuming collection rates that are unrealistic and unattainable as this is a fundamental reason for municipalities not attaining their desired collection rates.

The purpose of the above mentioned MFMA Circulars is to ensure that the municipalities are using their entire revenue base as the basis for the revenue budget. It is essential that municipalities reconcile their most recent consolidated valuation roll data to that of the current billing system data to ensure that revenue anticipated from property rates is realistic. The municipalities should implement a data management strategy and develop internal capacity to perform these reconciliations and investigations to improve completeness of billing.

One of the aims of the reconciliation process is to identify exceptions, i.e. records on the roll and not on the billing system and records on the billing system and not on the roll. In addition, the reconciliation must identify duplicated records, missing data, and data errors. These exceptions should then be investigated, and remedial action strategies developed for data cleansing and other corrective actions. The Debtors Ageing data should also form part of the reconciliation process so that "debtors" can be tracked and assessed at a property record level and prioritised for verification of rates liability measured against a MPRA property and owner.

To facilitate reconciliation of the separate databases (Roll and Billing), a unique property identifier (common primary unique link code) must be created and populated for each rateable property on the roll system and on the rates billing system. This property identifier must be unique, without duplicates, and remain constant for the life of the property. The standards adopted by the South African Council for the Property Valuers Profession (SACPVP), namely South African Standard: Municipal Valuations for Property Rating, specifies that the Surveyor General Code SG 21-digit Code, derived, and created from the property description, be applied for all registered full title property defined in terms of part (a) of the definition of property.

For all other MPRA defined property, Part (a) Sectional Title, Part (b) Registered Rights, Part (c) Land Tenure Rights and Part (d) PSI, and apportioned multiple use property in terms of sections 8(2)(i) and 9(2), an added suffixed 5 digits to the SG 21-digit code must be assigned by the designated municipal valuer, thereby creating a unique 26-digit code. The municipality must ensure that the SG21 digit code and 26-digit coding system is applied in their valuation roll management system and billing system and engage with their designated municipal valuer and systems service providers to implement the unique property identifier.

Further it is important that municipalities who are performing a general valuation (GV) to implement a new valuation roll on 1 July 2023, must also as best practice compare the current consolidated roll to the new valuation roll. This can identify any anomalies and errors of category of property and market values for review and investigation and the option of lodging an objection by the municipality, where applicable. This process should also identify outliers and shifts in market values by category and area so that tariffs on the new roll can be modelled and determined in an equitable manner to avoid rates shocks.

Municipalities should undertake this exercise as a routine practice during the budget process so that supplementary adjustments to the valuation roll are kept up to date. In order to ensure that the most updated information is used for the reconciliations, municipalities are reminded to adhere and comply with s23(1)(2) of the MPRA and therefore use the Part A register as the basis for performing the reconciliations going forward.

Furthermore, municipalities are also advised and expected to comply with s8(1) of the MPRA in terms of the billing methodology that needs to be specified within their policies to ensure that the correct categories (based on the selection made by the municipality) are used in the reconciliation process.

The list of exceptions derived from this reconciliation will indicate where the municipality may be compromising its revenue generation in respect of property rates or whether the municipality is overstating its revenue budget.

A further test would be to reconcile this information with the Deeds Office registry. In accordance with the MFMA Circular No. 93, municipalities are once more requested to submit their reconciliation of the Valuation roll/Part A register to the billing system to the National Treasury on a quarterly basis by no later than the 10th working day. A detailed action plan must accompany the reconciliation where variances are noted.

The above information must be uploaded by the municipality's approved registered user(s) using the GoMuni Upload Portal at: https://lg.treasury.gov.za/ibi_apps/signin. If the municipality experience any challenge uploading the information, a request for an alternative arrangement may be emailed to linda.kruger@treasury.gov.za.

No operation can be sustainable if it does not collect its revenue. A municipality is no different. There is a misconception that a municipality may not interrupt or restrict the supply of water services of a defaulting consumer. The National Treasury confirms that neither the

Water Services Act, 1997 (Act No. 108 of 1997) or any other legislation prevents a municipality from cutting the supply of water to a defaulting consumer unless the consumer is an indigent in which case the water services to that household must be restricted to the national free basic water limit of 6 kilolitre water monthly (or 50 kilowatt hours in the case of free basic electricity monthly). This was confirmed by the Constitutional Court in the matter of Mazibuko and Others v City of Johannesburg and Others (CCT 39/09) [2009] ZACC 28; 2010 (3) BCLR 239 (CC); 2010 (4) SA 1 (CC) (8 October 2009).

Municipalities are urged to use the restriction/ interruption of supply of both water and electricity services as a collection tool. Effective from the tabling and adoption of the 2023/24 MTREF, municipalities' By-laws and policies must facilitate this and clearly stipulate the order in which any partial payment of the consolidated municipal bill (including property rates) will be applied as well as the process before the supply of water and electricity services will be cut. The National Treasury recommended that any partial payment firstly be applied to property rates, wastewater, waste management, water and lastly to electricity. When interrupting or restricting the supply of water it is important that such is undertaken together with the municipal engineer(s) to ensure a continued minimum supply of waste water.

5.2 Setting cost-reflective tariffs

Reference is made to MFMA Circular No. 98, paragraph 4.2. The setting of cost-reflective tariffs is a requirement of Section 74(2) of the Municipal Systems Act which is meant to ensure that municipalities set tariffs that enable them to recover the full cost of rendering the service. This forms the basis of compiling a credible budget. A credible budget is one that ensures the funding of all approved items and is anchored in sound, timely and reliable information on expenditure and service delivery (Financial and Fiscal Commission (FFC), 2011). Credible budgets are critical for local government to fulfil its mandate and ensure financial sustainability.

A credible expenditure budget reflects the costs necessary to provide a service efficiently and effectively, namely:

- A budget adequate to deliver a service of the necessary quality on a sustainable basis; and
- A budget that delivers services at the lowest possible cost.

The National Treasury issued a tariff setting tool and guide as part of MFMA Budget Circular No. 98 (refer item 4.2) on 6 December 2019 and since 2019, encouraged municipalities to utilise the tool. **With effect, the 2023/24 MTREF, all municipalities (except metropolitan cities and district municipalities that do not provide any services) as part of both the tabled and adopted MTREF submissions must submit the completed National Treasury tariff tool (in excel format)** illustrating that the revenue component of the budget is credible and funded and that the municipality's tariffs are cost reflective. If the municipality's initial calculation results in high increases to facilitate cost-reflectiveness, it is recommended that such are phased in over 3 to 5 years. The municipality's strategy in this regard should be included as part of the budget narratives.

This tool will assist in setting tariffs that are cost-reflective and enable a municipality to recover costs to fulfil its mandate. Going forward it is also imperative that every municipality fully embrace the Municipal Standard Chart of Accounts (mSCOA): costing component. Considering, mSCOA implementation is entering its sixth year of implementation, all municipalities must fully embrace and report also utilising the costing segment correctly. The National Treasury Municipal Costing Guide is available on the link below on the National Treasury website.

<http://mfma.treasury.gov.za/Guidelines/Documents/Forms/AllItems.aspx?RootFolder=%2fGuidelines%2fDocuments%2fMunicipal%20Costing%20Guide&FolderCTID=0x0120004720FD2D0551AE409361D6CB3E122A08>.

5.3 Tariffs – achieving a balance between cost-reflectiveness and affordability

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other consumers while ensuring the financial sustainability of the municipality.

When setting tariffs, it is therefore critical to understand the economic environment specific to the municipality and consideration should include at least –

- *The socio-economic profile undertaken for the municipality* available on the National Treasury GoMuni portal – municipalities are encouraged to annually update their own socio-economic profile using the template model available on GoMuni;
- *The most recent average monthly household income in the municipality* as per Statistics South Africa (Stats SA) available on [Statistics South Africa | Improving Lives Through Data Ecosystems \(statssa.gov.za\)](http://Statistics South Africa | Improving Lives Through Data Ecosystems (statssa.gov.za));
- *The average property value in the municipality* per its most recent approved general valuation roll and/ or supplementary general valuation roll;
- *The number of indigent households in the municipality*, including any variation in the number of indigent households included in the Equitable Share: free basic services component for the municipality vs the municipality's own indigency level discretion; and
- *The economic drivers and activities specific to the municipal area²; etc.*

The municipality's tariff-setting or other committee tasked with this role must understand and deliberately reflect on this context during the tariff-setting process. Considering the average monthly household income, the median affordable municipal bill would ideally not exceed proportionally the average monthly household income. This median affordable bill, in combination with the median average property value should inform the basis to determine any rebates to households with income below the median.

It is also important when setting particularly water and electricity tariffs that municipalities consider setting two-tier tariffs, that include a basic availability charge to recover the fixed (direct and indirect) cost associated with the service in conjunction with consumption-based tariff bands. For example, in a drought, such tariffs will facilitate the ability to pay for infrastructure and maintenance, treating chemicals and salaries, etc. while parallel facilitating water restriction based on inclining tariffs as consumption increase. Furthermore, it is important to link the municipality's water tariffs to dam levels, also approved as part of the budget process. For example, if the dam levels drop to 60 per cent the first tier of restriction tariffs should become applicable in terms of the municipality's approved tariff policy.

It is also noted that NERSA approves seasonal tariffs for Eskom but not necessarily for the municipality. It is important that the municipality clearly factor this in its tariff application to NERSA, illustrating the cashflow crunch if the municipality is not similarly allowed a seasonal tariff to recover the higher Eskom bulk cost during winter months.

Lastly, municipalities are cautioned against setting tariffs that include operating inefficiencies. This could lead to tariffs falling into the unaffordable range.

The Consumer Price Index (CPI) inflation is forecasted to be within the 3 to 6 per cent target band; therefore, municipalities are required to **justify all increases in excess of the projected inflation target for 2023/24** in their budget narratives and pay careful attention to

² The spatialised tax data is now available through National Treasury for all municipalities that provides an up to date information on economic activity within a municipal boundary.

tariff increases across all consumer groups. In addition, municipalities should include a detail of their revenue growth assumptions for the different service charges in the budget narrative.

5.4 Bulk Account Payments and Concessions

During 2018/19, intense work was undertaken to resolve systemic and structural issues pertaining to the electricity function in municipalities. Core to this work was addressing the escalating Eskom debt that threatened the sustainability of Eskom as well as that of municipalities.

During the process, Eskom agreed to provide relieve in certain areas. Municipalities are reminded of the following concessions that remain in place:

- The interest rate charged on overdue municipal bulk accounts were reduced from prime plus 5 per cent to prime plus 2.5 per cent;
- Payment terms were extended from 15 days to 30 days for municipal bulk accounts; and
- Eskom allocation of municipality payments to capital first and then to interest.

These concessions align to the MFMA and are meant to curb municipal growing debt levels by allowing a more conducive payment regime than what was previously employed. In addition, municipalities are urged to budget for and ring-fence their payment of bulk services. Bulk current account payments must be honoured religiously to avoid stringent application of the bulk suppliers' credit control policy.

Municipalities are also urged to enforce a culture of payment for services through their normal credit control processes. In this regard it should be noted that municipalities are only compensated for free basic services based on an indigent user component calculation through the equitable share. As such, a municipality's allocation of free basic services to all of the municipality's consumers is not funded in the equitable share. Every municipality, during the budget process, must consider the affordability to the municipality when allocating free basic services above the national norm and to consumers other than indigent consumers. **If a municipality has any arrears on any of its bulk supplier's accounts, it must limit its provision of free basic services to registered indigent consumers only.**

5.5 Critical Notice Affecting STS Meters

As highlighted in previous MFMA Circular No. 115 (dated 06 December 2022) municipalities are once again alerted that there is still a pending business risk to the prepayment metering industry that requires urgency of action. The token identifiers (TID) used to identify each credit token will run out of available numbers in November 2024, at which point all STS meters will stop accepting credit tokens.

The remedy is to visit each meter and enter a special set of key change tokens in order to reset the meter memory. Municipalities are advised that the National Treasury, through the Office of the Chief Procurement Officer (OCPO), will soon facilitate a transversal contract for the provision of auditing, re-calibration and re-configuration services for standard transfer specification compliant prepayment meters that align to minimum and critical technical specifications for local government. In this respect the development of the transversal contract for smart prepaid meters as per NRS 049 (per latest approved version) is at an advanced stage and should be issued shortly by National Treasury.

If your municipality or municipality entity is currently in the process of procuring for a solution or is planning to, you are cautioned:

- Against proceeding prior to the OCPO having issued and awarded the transversal contract for the provision of inter alia auditing, re-calibration and re-configuration services for standard transfer specification compliant prepayment meters Terms of Reference (ToR); and

- That, with immediate effect, you must obtain the National Treasury's input prior to proceeding with any current procurement or proposed procurement for this purpose or any related solution or similar. This is to prevent unnecessary and wasteful expenditure on such solutions. Any request for National Treasury's input on the current or planned procurement of any related solution or similar or component thereof, must be directed to the National Treasury for the attention of the Local Government Budget Analysis Unit (Mr. Sadesh Ramjathan) Sadesh.Ramjathan@treasury.gov.za.

In this regard, municipalities will have two options to choose from:

- Firstly, to pursue the route of auditing, re-calibrating and re-configuring services for standard transfer specification compliant prepayment meters; and/ or
- Secondly, to replace the old meter with a new smart prepaid meter.

For both options, the municipality will have to budget accordingly as no additional funding will be available through the national fiscus.

Your assistance in proactively ensuring that the municipality and/ or its entities are not adversely affected by these processes will be appreciated.

5.6 Completeness and credibility of revenue related information in the Budget

The MBRR regulates the minimum level of information required from municipalities when compiling, implementing, monitoring, and evaluating the municipality's financial management situation. Failure to include the minimum required information hampers the municipal council, the public and stakeholders' ability to make informed decisions and engage on the matter. It also limits research, studies, and benchmarking undertaken for local, provincial, and national purposes.

The National Treasury would like to take this opportunity to caution municipalities that the MBRR prescribe the minimum level of information municipalities must include as part of their legal reporting obligations.

Going forward the Treasuries will place increased attention and focus on the adequacy of municipalities' submissions. The National Treasury regards this non-compliance to include the minimum level of information as serious and if persistent will consider applying the available legal sanctions, including recourse in terms of section 216(2) of the Constitution. In this context, National Treasury will particularly focus on the completeness of asset management related information as well as the statistical information required in the A, B and C schedules during the 2023/24 MTREF.

5.7 Eskom Bulk Tariff increases

The National Energy Regulator of South Africa (NERSA) is responsible for the price determination of the bulk costs of electricity. In the municipal financial year 2022/23, bulk electricity costs increased moderately at 9.61 per cent, compared to 17.8 per cent in the 2021/22 municipal financial year. Due to Eskom's funding needs, they are seeking higher tariff increases and have applied to NERSA for a 32 per cent hike from 1 April 2023/24. NERSA will make a final decision on the tariff application by 24 December.

In addition, a High Court hearing is still pending on the Multi-Year Price Determination (MYPD 5) application. The urgent High Court review requires NERSA to urgently process the Eskom revenue application for at least one year, as required by law. The timeframes for the review allow for a decision to be made in time for implementation by 1 April 2023.

5.8 Updated Municipal Borrowing Policy Framework

Cabinet approved the Update to the Policy Framework for Municipal Borrowing and Financial Emergencies on the 17th of August, 2022. The purpose of the Update is to re-examine the original Policy Framework, along with the legislation (i.e. Municipal Finance Management Act – MFMA) that was adopted to implement it, considering the experience with municipal borrowing that has accumulated since 2000.

The following key reforms have been introduced through the Update to the Policy Framework for Municipal Borrowing:

- The Policy Framework for Municipal Borrowing has been updated to introduce the necessary reforms that will expand the scope of responsible municipal borrowing and create an environment that attracts more players (e.g. insurers, pension funds, institutional investors and fund managers, and international Development Finance Institutions) in the municipal debt market space. The original core principles underlying municipal borrowing are maintained (i.e. creditworthy municipalities should borrow prudently to finance capital investment, and that there will be no bail-outs by the provincial or national government);
- The updated policy framework clarifies the role of Development Finance Institutions (DFIs), as it was not clearly articulated in the original policy. DFIs are required to pursue clear and agreed developmental goals, as outlined in the policy. The objective of this approach is to ensure that a DFI lending does not crowd out the private sector. Public-sector lenders, both domestic and foreign, should be guided by a social and developmental investment approach in which demonstrable social outcomes are considered alongside potential financial returns;
- The updated policy framework permits and clarifies innovative infrastructure financing mechanisms (such as pooled financing mechanisms, project finance, tax increment financing, revenue bonds, and pledging of conditional grants) that municipalities can use to leverage municipal borrowing. Municipalities are encouraged to explore these alternatives, and innovative infrastructure financing mechanisms permitted subject to the requirements contained in the Municipal Finance Management Act (MFMA) and
- The participation of both private and public sector market participants in the development of a liquid secondary market for municipal debt securities is also encouraged. The policy proposes options that can be explored to support the development and growth of an efficient and liquid market for municipal debt obligations.

The Updated Municipal Borrowing Policy Framework can be accessed at the MFMA website at the following link <http://mfma.treasury.gov.za/Guidelines/Pages/default.aspx>.

5.9 Tariff Policies

Municipalities must comply with the provisions of Section 74 of the Municipal Systems Act (MSA) which requires that a municipal council must adopt and implement tariff policy on the levying of fees for municipal services provided by the municipality itself or by way of service delivery agreements, and which complies with the provisions of this Act and with any other applicable legislation. Municipalities should also ensure that the tariff policies adhere to all the principles outlined in section 74(2) of the MSA. A municipality's tariff policies must also take into consideration variable factors such as water shortages and electricity feedback excess into the municipal system from new generation capacity. Municipalities must adopt by-laws to give effect to the implementation and enforcement of their tariff policies.

5.10 Non-Revenue Electricity and Non-Revenue Water/ Revenue Losses:

Water Service Authority municipalities and electricity licensed municipalities are urged to align both their non-revenue water and non-revenue electricity indicators and their set targets in the 2023/24 SDBIPs with identifiable infrastructure or operational projects and/ or programmes. Municipalities should improve on the baseline information included in the SDBIPs by indicating the volume of water losses (i.e., kilolitres/ mega-litres) and the amount of electricity losses (KwH or MWs) for the previous year. This approach will help to determine the progress of municipalities in curbing losses, which impact on municipal revenues, in both non-revenue water and non-revenue electricity.

6. Burial of Councillors

Salaries, allowances and benefits for political office-bearers and members is managed through Determination of Upper Limits of Salaries, Allowances and Benefits of Different Members of Municipal Councils notice issued by the Minister of Cooperative Governance and Traditional Affairs.

Section 167 of the MFMA provides that a municipality may remunerate its Councillors within the framework of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998), setting the upper limits of the salaries, allowances and benefits for those political office-bearers and members. Any benefit which is not included in the above-mentioned notice will be deemed irregular expenditure and recovery thereof from the Councillor concerned is mandatory.

Municipalities may also refer to relevant Councillor Pension Scheme or personal funeral policies in existence for any funeral benefits relating to such Councillor

7. Funding choices and management issues

Municipalities are under pressure to generate revenue. The ability of customers to pay for services is declining and this means that less revenue will be collected. Therefore, municipalities must consider the following when compiling their 2023/24 MTREF budgets:

- Improving the effectiveness of revenue management processes and procedures;
- Cost containment measures to, amongst other things, control unnecessary spending on nice-to-have items and non-essential activities as highlighted in the Municipal Cost Containment Regulations read with MFMA Circular No. 82;
- Ensuring value for money through the procurement process;
- The affordability of providing free basic services to all households;
- Not taking on unfunded mandates;
- Strictly control the use of costly water tankers and fix the water infrastructure to enable the sustainable provision of water;
- Prioritise the filling of critical vacant posts, especially linked to the delivery of basic services; and
- Curbing the consumption of water and electricity by the indigents to ensure that they do not exceed their allocation.

Accounting officers are reminded of their responsibility in terms of section 62(1)(a) of the MFMA to use the resources of the municipality effectively, efficiently and economically. Failure to do this will result in the accounting officer committing an act of financial misconduct which will trigger the application of chapter 15 of the MFMA, read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings.

7.1 Employee related costs

The Salary and Wage Collective Agreement for the period 01 July 2021 to 30 June 2024 dated 15 September 2021 through the agreement that was approved by the Bargaining Committee of the Central Council in terms of Clause 17.3 of the Constitution should be used when budgeting for employee related costs for the 2023/24 MTREF. In terms of the agreement, all employees covered by this agreement shall receive with effect from 01 July 2023 and 01 July 2024 an increase based on the projected average CPI percentages for 2023 and 2024. The forecasts of the Reserve Bank, in terms of the January 2023 and January 2024, shall be used to determine the projected average CPI. Municipalities are encouraged to perform an annual head count and payroll verification process by undertaking a once-a-year manual salary disbursement, in order to root out ghost employees.

According to the 2021 State of Local Government Finance Report, there are about 165 municipalities that are in financial distress. These municipalities need to ensure that they seek an early exemption from this dispensation of this salary agreement. Municipalities should also avoid paying out leave in cash while having major financial challenges.

7.2 Remuneration of Councillors

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance. It is anticipated that this salary determination will also take into account the fiscal constraints. Municipalities should also consider guidance provided above on salary increases for municipal officials during this process. Any overpayment to councillors contrary to the upper limits as published by the Minister of Cooperative Governance and Traditional Affairs will be irregular expenditure in terms of Section 167 of the MFMA and must be recovered from the councilor(s) concerned.

8. Transfers to municipalities

8.1 Criteria for the release of the Equitable Share

Section 216(2) of the Constitution of South Africa requires that the National Treasury must enforce compliance with the measures established to ensure both transparency and expenditure control in each sphere of government and may stop the transfer of funds to an organ of state if that organ of state commits a serious or persistent material breach of those measures.

The criteria for the release of the Equitable Share Instalments for the 2023/24 municipal financial year are as follows:

- The 2023/24 adopted budget must be funded and adopted by Council as per the legal framework, as required in terms of section 18 of the MFMA and consistent with the Budget Council and Budget Forum resolutions;
 - a. The adopted budget must include budget allocations for bulk suppliers current account payments;
 - b. Should the adopted budget still be unfunded, then a credible funding plan will be required to show how the municipality intends moving progressively out of this position into a funded state, if this plan has been adopted in the past, then a progress report must be submitted on the framework previously shared to guide municipalities which is aligned to the rescue phase of the new approach to Municipal Financial Recovery Service (MFRS);

- c. Those municipalities that adopted an unfunded budget must work with their respective Provincial Treasuries to rectify this position in the lead up to the main adjustments budget process in February 2023; and
 - d. A council resolution showing commitment to address the unfunded position must be submitted by these municipalities to the National Treasury by 01 July 2023.
- Credible *m*SCOA data strings and source documents for the 2023/24 MTREF and 2022/23 audits must be generated directly from the core municipal financial system and successfully uploaded to the Local Government GoMuni Portal. Source documents must be submitted in PDF and no excel based spreadsheet/ templates will be accepted;
 - The report submitted by bulk suppliers in terms of section 41 of the MFMA must indicate that the current account has been paid timeously in terms of section 65(2)(e) of the MFMA. In addition, where the municipality has a repayment plan with Eskom and/ or the water boards, proof that the current accounts have been paid and a copy of the agreed upon payment plan (or evidence of negotiations underway with creditors) must be submitted to the National and provincial treasuries;
 - Municipalities must provide evidence that SARS, pension and other staff benefits deducted from municipal officials have been paid over the appropriate Funds and/ or institutions;
 - The information requested in MFMA Circulars No. 93, 98 and 107 on the reconciliation of the valuation roll have been submitted to the National Treasury as per the required timeframes;
 - The Competency Regulations reporting requirements have been complied with;
 - Provide a copy of the Unauthorised, Irregular, Fruitless and Wasteful (UIF&W) expenditure register, the latest copy of the Municipal Public Accounts Committee (MPAC) recommendations, Council Resolution on UIFW as well as a copy of the council approved UIFW Reduction Strategy/ Plan, proof of establishment of the Disciplinary Board (or evidence of progress towards their establishment) including evidentiary evidence demonstrating functionality of the Disciplinary Board and updated audit action plan (where the audit has been completed);
 - Those municipalities that received an adverse or disclaimed opinions for the 2020/21 financial year will not receive their funding allocation unless there is a council resolution committing to address these opinions with an implementable plan. The resolution must be signed by each member of the Council and submitted to National Treasury by 1 October 2023;
 - The Municipal Financial Recovery Service progress reporting framework for financial recovery plans must be complied with by municipalities under intervention in terms of S139 of the Constitution;
 - Additionally, those municipalities that have outstanding audits for both the 2020/21 and 2021/22 financial years as well as municipalities with outstanding 2021/22 audit opinions that also received an adverse or disclaimer opinion in 2020/21, will also not receive their allocation; and
 - Any other outstanding documents as per the legal framework have been submitted including the AFS submission (municipality only and consolidated AFS).

Failure to comply with the above criteria will result in National Treasury invoking section 38 of the MFMA which empowers National Treasury to withhold a municipality's equitable share if the municipality commits a serious or persistent breach of the measures established in terms of Section 216(2) of the Constitution which includes reporting obligations set out in the MFMA and National Treasury requests for information in terms of Section 74 of the MFMA.

9. The Municipal Budget and Reporting Regulations

9.1 Schedule A – version to be used for the 2023/24 MTREF

National Treasury has released Version 6.7 of the Schedule A1 (the Excel Formats) which is aligned to Version 6.7 of the *m*SCOA classification framework and must be used when compiling the 2023/24 MTREF budget.

All municipalities must prepare their 2023/24 MTREF budgets in their financial systems and produce the Schedule A1 directly from their financial system.

Municipalities must start early enough to capture their tabled budget (and later the adopted budget) in the budget module in the financial system and must ensure that they produce their Schedule A1 directly out of the budget module. **Manual capturing on the A1 schedule version 6.7 is not allowed** in terms of the *m*SCOA Regulations.

National Treasury has protected the A1 schedule version 6.7 in order to ensure that the Schedule A1 generated directly from the financial system and not populated manually.

The budget, adjustments budget and Section 71 monthly reporting Schedules that have been regulated in terms of the MBRR have also been aligned to the *m*SCOA chart version 6.7. The revised MBRR Schedules for the 2023/24 MTREF and its linkages to the financial and non-financial data string are available on the link below:

<http://mfma.treasury.gov.za/RegulationsandGazettes/Municipal%20Budget%20and%20Reporting%20Regulations/Pages/default.aspx>

9.2 Assistance with the compilation of budgets

If municipalities require advice with the compilation of their respective budgets, specifically the budget documents or Schedule A1, they should direct their enquiries to their respective provincial treasuries or to the following National Treasury officials:

Province	Responsible NT officials	Tel. No.	Email
Eastern Cape	Matjatji Mashoeshoe	012-315 5553	Matjatji.Mashoeshoe@treasury.gov.za
	Pitso Zwane	012-315 5171	Pitso.Zwane@Treasury.gov.za
	Oreal Tshidino		Ophulusa.Tshidino@Treasury.gov.za
Buffalo City	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
Free State	Sifiso Mabaso	012-315 5952	Sifiso.mabaso@treasury.gov.za
	Cethekile Moshane	012-315 5079	Cethekile.moshane@treasury.gov.za
Gauteng City of Tshwane and City of Johannesburg Ekurhuleni	Matjatji Mashoeshoe	012-315 5553	Matjatji.Mashoeshoe@treasury.gov.za
	Abigail Maila	012-395 6737	Abigail.Maila@Treasury.gov.za
	Willem Voigt	012-315 5830	WillemCordes.Voigt@treasury.gov.za
	Makgabo Mabotja	012-315 5156	Makgabo.Mabotja@treasury.gov.za
KwaZulu-Natal eThekweni	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za
	Kevin Bell	012-315 5725	Kevin.Bell@treasury.gov.za
	Sifiso Mabaso	012-315 5952	Sifiso.mabaso@treasury.gov.za
Limpopo	Sifiso Mabaso	012-315 5952	Sifiso.Mabaso@treasury.gov.za
Mpumalanga	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
	Lesego Leqasa		Lesego.Leqasa@treasury.gov.za

Northern Cape	Mandla Gilimani Sibusisiwe Mchani	012-315 5807 012-315 5539	Mandla.Gilimani@treasury.gov.za Sibusisiwe.Mchani@treasury.gov.za
North West	Willem Voigt Makgabo Mabotja	012-315 5830 012-315 5156	WillemCordes.Voigt@treasury.gov.za Makgabo.Mabotja@treasury.gov.za
Western Cape	Willem Voigt Enock Ndlovu	012-315 5830 012-315 5385	WillemCordes.Voigt@treasury.gov.za Enock.Ndlovu@treasury.gov.za
Cape Town	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za
George	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
Technical issues with Excel formats	Sephiri Tlhomeli	012-406 9064	lqdataqueries@treasury.gov.za

National and provincial treasuries will analyse the credibility of the data string submissions.

9.3 Assessing the 2023/24 MTREF budget

National and provincial treasuries will assess the 2023/24 MTREF budgets to determine if it is complete, funded and complies with the *m*SCOA requirements. The *m*SCOA data strings for the tabled (TABB) and adopted (ORGB) budgets will be used for this assessment.

Municipalities should note that the MFMA legislated timeframes for submission of the tabled and adopted budgets are outer timeframes. In this context, different to previous MTREF's, going forward, if the municipality's budget is unfunded, council in terms of MFMA section 74 is requested to table and/ or adopt a budget funding plan together with the budget at the same time.

The Treasuries' **assessment period** of municipal budgets will be from **01 April to 30 June 2023 for both the tabled and adopted budgets**. However, (in a context of some municipalities persisting with unfunded budgeting practices), **if the municipality tabled and/ or adopted an unfunded budget in the 2022/23 MTREF**, the municipality must adjust its schedule of key budget deadlines to facilitate an earlier Treasuries' assessment thereof between 1 April to 15 May 2023 for both tabled and adopted budgets. In this period the national and provincial treasuries will evaluate all municipal budgets for completeness and for being fully funded. Any adjustment that needs to be made must be done before the start of the municipal financial year on 30 June 2023.

Importantly, in order to generate an adopted budget (ORGB) data string, the budget must be locked immediately on the financial system at the start of the new municipal financial year on 1 July. Therefore, once the ORGB data string has been generated, errors in the ORGB can only be corrected via an adjustments budget in February of each year. In terms of the design principles of *m*SCOA, municipalities are not allowed to open the budget on the system for corrections after it has been locked. This means that the tabled budget data string (TABB) should in fact be verified and errors in the TABB should be corrected in the ORGB **before the adopted budget is locked on the financial system and the ORGB data string is generated**.

Amending an unfunded, incomplete and erroneous budget through an adjusted budget is also not encouraged as the National Treasury only considers an adjusted budget in the third and fourth quarter of the financial year for analysis and publication purposes. This will result in overspending and unauthorised expenditure not been monitored in the first six months of the financial year.

The National Treasury would like to emphasise that ***where municipalities have adopted an unfunded budget together with a funding plan that lacks credibility, they will be required to correct the funding plan and ensure that it is credible. The credible funding plan must be immediately adopted by the Municipal Council, and the changes to the***

budget must be effected in the mid-year adjustments budget to ensure compliance with Section 18 of the MFMA.

Municipalities with municipal entities are once again reminded to prepare consolidated budgets and in-year monitoring reports for both the parent municipality and its entity or entities. The following must be compiled:

- An annual budget, adjustments budget and monthly financial reports for the parent municipality in the relevant formats;
- An annual budget, adjustments budget and monthly financial reports for the entity in the relevant formats; and
- A consolidated annual budget, adjustments budget and monthly financial reports for the parent municipality and all its municipal entities in the relevant formats.

The budget and data strings that the municipality submits to National Treasury must be a consolidated budget for the municipality (including entities). The budget of each entity must be submitted on the D Schedule in pdf format.

In the past it was noted that municipalities have challenges to align the audited outcomes on the financial system to A1 Schedule. Municipalities must ensure that the audited figures and adjusted budget figures captured on the A1 Schedule aligns to the annual financial statements and Schedule B respectively.

10. Submitting budget documentation and A1 schedules for 2023/24 MTREF

To facilitate oversight of compliance with the Municipal Budget and Reporting Regulations, accounting officers are reminded that:

- Section 22(b)(i) of the MFMA requires that, ***immediately*** after an annual budget is tabled in a municipal council, it must be submitted to the National Treasury and the relevant provincial treasury in electronic formats. If the annual budget is tabled to council on **31 March 2023**, the final date of submission of the electronic budget documents and corresponding *m*SCOA data strings is **Monday, 03 April 2023**; and
- Section 24(3) of the MFMA, read together with regulation 20(1) of the MBRR, requires that the approved annual budget must be submitted to both National Treasury and the relevant provincial treasury within ten working days after the council has approved the annual budget. However, given that municipalities are generating the annual budgets directly from the financial system as required by the *m*SCOA Regulations and that the budgets must be verified before it is locked on the financial system and transacted against, municipalities must submit the approved budget to the National Treasury and the relevant provincial treasury in electronic formats ***immediately*** after approval by the municipal council. Therefore, if the annual budget is tabled to council on **31 May 2023**, the final date of submission of the electronic budget documents and corresponding *m*SCOA data strings is **Thursday, 01 June 2023**.

Since the 2020/21 MTREF, municipalities are no longer required to submit hard copies of all required documents including budget related, Annual Financial Statements and Annual Reports to National Treasury via post or courier services. Electronic copies must be submitted in PDF format to the GoMuni Upload portal.

10.1 Expected submissions for 2023/24 MTREF

The following information should be submitted for the 2023/24 MTREF:

- The budget documentation as set out in the MBRR. The budget document must include the main A1 Schedule Tables (A1 - A10);
- The non-financial supporting tables (A10, SA9, SA11, SA12, SA13, SA22, SA23, SA24 etc. and any other information not contained in the financial data string) in the A1 schedule must be submitted in the prescribed *mSCOA* data string in the format published with Version 6.7 of the A1 schedule;
- The draft and final service delivery and budget implementation plan (SDBIP) in electronic PDF format;
- The draft and final IDP;
- The council resolution for the tabled and adopted budgets;
- Signed Quality Certificate as prescribed in the MBRR for the tabled and adopted budgets;
- D Schedules specific for the entities;
- A budget locking certificate immediately at the start of the new municipal financial year on 1 July;
- The National or Provincial treasury input to the tabled budget must be included as an Annexure to the adopted budget together with the municipality's explanation of how such was addressed in the adopted budget. If not, the explanation should provide reasons; and
- The bulk water-and electricity invoices for the 3 months immediately preceding respectively the tabled and adopted budgets, must be included as an annexure to the tabled and adopted budgets as part of supporting the municipalities provision for and calculations of payments to bulk suppliers over the 2023/24 MTREF.

10.2 Portals for the submission of information

Municipalities must ensure that the documents are submitted to the correct portals/ mailboxes. These portals/ mailboxes are:

https://lg.treasury.gov.za/ibi_apps/signin (GoMuni Upload Portal) – All documents required in terms of legislation, including:

- *mSCOA* Data Strings by approved registered users;
- Budget-related and in-year documents and schedules (A, B and C) by approved registered users; and
- Reconciliation of the valuation roll to the financial system (as per MFMA Circular No. 93).

Budget related documents and schedules must be uploaded by approved registered users using the GoMuni Upload Portal at: https://lg.treasury.gov.za/ibi_apps/signin. The GoMuni Upload Portal does not have the same size restrictions encountered with lgdocuments@treasury.gov.za, but requires all documents to:

- Be in PDF format only; and
- Each PDF file must NOT contain multiple document e.g. council resolution and quality certificate within the budget document. Each document type must be identified clearly and uploaded separately.

Municipalities may **only** send electronic versions of the above documents to lgdocuments@treasury.gov.za when experiencing problems with the GoMuni Upload Portal.

lgdataqueries@treasury.gov.za – Database related and submission queries and the grant rollover templates.

lgdocuments@treasury.gov.za – Any additional information required by National Treasury that is not listed under the GoMuni Upload portal such as the documents meeting the criteria to release Equitable Share and the contact list information.

FMCMM and Audit Action plans – using the web-enabled systems and as articulated in MFMA Circulars No. 113 and 114.

Please do not submit the same document to ALL the platforms listed above as it means that our Database Team must register the same documents three times which slows down the process. **Any document/ queries that are submitted to the incorrect portal/ mailbox will be deleted and not processed.**

10.3 Publication of budgets on municipal websites

In terms of section 75 of the MFMA, all municipalities are required to publish their tabled budgets, adopted budgets, annual reports (containing audited annual financial statements) and other relevant information on the municipality's website. This will aid in promoting public accountability and good governance.

All relevant documents mentioned in this circular are available on the National Treasury website, <http://mfma.treasury.gov.za/Pages/Default.aspx>. Municipalities are encouraged to visit it regularly as documents are regularly added / updated on the website.

10.4 Communication by municipal entities to National Treasury

Municipal entities should not request meetings directly from National Treasury. National Treasury will only engage the entities through the parent municipalities. This includes all communications apart from the legislative reporting requirements.

Contact



national treasury

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Post Private Bag X115, Pretoria 0001

Phone 012 315 5009

Fax 012 395 6553

Website <http://www.treasury.gov.za/default.aspx>

JH Hattingh

Chief Director: Local Government Budget Analysis

09 December 2022

Virtual mSCOA Training Programme 2023

Month	TOPIC
Jan	Getting a green submission <ul style="list-style-type: none"> • Overview of mSCOA chart structure • Submission deadlines • Uploading to the GoMuni Upload portal • Correction of validation errors • Using GoMuni to verify receipt and credibility of submission
Feb	Preparing the Budget in mSCOA (1) <ul style="list-style-type: none"> • Preparing the project file (PROR) • Projects Typical Workstreams • Budgeting for disaster/special projects • Infrastructure Management and asset life cycle • The funding matrix <ul style="list-style-type: none"> ○ Allocation of correct funding sources and alignment to the correct segments ○ Funding capital expenditure
March	Preparing the Budget in mSCOA (2) <ul style="list-style-type: none"> • Opening balances & Balance sheet budgeting • Budgeting for cash flow • Budgeting for conditional grants
April	Common Errors in 2023/24 Tabled Budget Data Strings <i>(to be corrected in adopted budget (ORGB submission))</i> <ul style="list-style-type: none"> • Water Inventory
May	Common Budgeting Errors <ul style="list-style-type: none"> • Operating Expenditure – Depreciation • Bad debts written off • Impairment loss for consumer debtors • Travel and Subsistence
June	Last change to get the ORGB right <ul style="list-style-type: none"> • Functional allocation • Use of Regional segment • Alignment of A1 schedules
July	Common Transacting and Reporting Errors <ul style="list-style-type: none"> • Opening balances • Populating the cash flow • Reporting on conditional grants • Transacting without budget
Aug	Preparing the pre-audit AFS Data Strings (PAUD)
Sept	Common Transacting and Reporting Errors
Oct	Preparing the AFS Data Strings (AUDA)
Nov	Chart changes for version 6.8
Dec	Preparing for the Adjustment Budget



Municipal Budget Circular for the 2023/24 MTREF

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Introduction

This budget circular is a follow-up to MFMA Circular No. 122 that was issued on 09 December 2022. It aims to provide further guidance to municipalities with the preparation of their 2023/24 Medium Term Revenue and Expenditure Framework (MTREF) budgets and should be read together with the budget circulars that have been issued previously.

The grant allocations as per the 2023 Budget Review and the 2023 Division of Revenue Bill are also key focus areas in this circular. Municipalities are reminded to refer to the annual budget circulars of the previous years for guidance in areas of the budget preparation that is not covered in this circular.

1. The South African economy and inflation targets

GDP is expected to grow by 0.9 per cent in real terms in 2023, compared with an estimate of 1.4 per cent at the time of the medium-term budget policy statement (MTBPS), recovering slowly to 1.8 per cent in 2025.

The economic outlook faces a range of risks, including weaker-than-expected global growth, further disruptions to global supply chains and renewed inflationary pressures from the war in Ukraine, continued power cuts and a deterioration in port and rail infrastructure, widespread criminal activity, and any deterioration of the fiscal outlook.

Government is taking urgent measures to reduce load-shedding in the short term and transform the sector through market reforms to achieve long-term energy security. Several reforms are under way to improve the performance of the transport sector, specifically freight rail and to improve the capability of the state.

The following macro-economic forecasts must be considered when preparing the 2023/24 MTREF municipal budgets.

Table 1: Macroeconomic performance and projections, 2021 - 2026

Fiscal year	2021/22	2022/23	2023/24	2024/25	2025/26
	Actual	Estimate	Forecast		
CPI Inflation	4.9%	6.9%	5.3%	4.9%	4.7%

Source: Budget Review 2023.

Note: the fiscal year referred to is the national fiscal year (April to March) which is more closely aligned to the municipal fiscal year (July to June) than the calendar year inflation.

2. Key focus areas for the 2023/24 budget process

2.1 Local government conditional and unconditional grants allocations

Over the 2023 MTEF period, local government allocations will increase by a total of R14.3 billion, made up of R8.1 billion in the local government equitable share and R6.2 billion in direct conditional grants. This takes the total direct allocation to R521.7 billion over the same period. These allocations alleviate some of the financial pressures, particularly in basic services, where the costs of providing services are rising.

The *local government equitable share* and related allocations increases at an annual average rate of 7.8 per cent and municipal conditional grants increase by 3.5 per cent over the 2023 MTEF period.

The *local government equitable share* formula has been updated to account for projected household growth, inflation and estimated increases in bulk water and electricity costs over the 2023 MTEF period. It also includes allocations for the operational and maintenance costs associated with the provision of free basic services.

The 2023 Budget has ensured that sufficient provision has been made to ensure that all municipalities are fully subsidised to support indigent households. Following this, R1.35 billion has been left unallocated in the LGES formula for 2023/24 to serve as a precautionary measure should municipal electricity tariffs exceed the 20.7 per cent provided for in the formula (see section 5.7 on why this is above the 18.7 per cent approved by the Energy Regulator). If the actual increase in municipal bulk tariffs exceeds the provision made in the formula, it will be the first call on those unallocated funds. We will consider funding broader cost relief measures for municipalities if funds remain available after that.

The R6.2 billion in direct conditional grants is funded from the Budget Facility for Infrastructure (BFI) and is broken down as follows:

- **R2.2 billion** added to the Urban Settlements Development Grant to fund the implementation of projects in the eThekweni Metropolitan Municipality and the City of Johannesburg;
- **R461 million** added to the Public Transport Network Grant to align funding with the revised implementation plan and cash flow projections for the City of Cape Town's MyCiTi public transport network project; and
- **R3.4 billion** added to the Regional Bulk Infrastructure Grant to fund 3 water projects in Sol Plaatje Local Municipality, Drakenstein Local Municipality and Nelson Mandela Bay Metropolitan Municipality.

Notable changes to the conditional grants system

Housing emergency grants

Changes to conditional grants in the 2023 Budget include the discontinuation of the conditional emergency housing grants for provinces and municipalities. The baselines of these two grants are shifted to the Department of Human Settlements. This will allow the department to respond quickly in the event of an emergency housing need.

Changes to the INEP conditional grant frameworks

As part of government's efforts to accelerate access to electricity thereby addressing the energy crisis, Eskom and municipal INEP grants will begin funding alternative energy technologies such as rooftop solar and energy-saving devices. Due process must be followed to access funding for these new technologies. As a result, both Eskom and municipalities will need to conform to the set requirements by submitting business plans by 31 October 2023. These business plans, will need to be approved by the Department of Mineral Resources and Energy (DMRE) before they can be implemented. Priority should be given to new connections, i.e., non-grid technology should be targeted at households that do not have access to electricity.

The annual Division of Revenue Bill was published on 22 February 2023. The Bill specifies the grant allocations and municipalities must reconcile their budgets to the numbers published therein in compiling their 2023/24 MTREF.

The Division of Revenue Bill, 2023, which includes the annexures outlining allocations to each municipality is available at:

<http://www.treasury.gov.za/documents/national%20budget/2023/default.aspx>

2.2 Re-enforcing improved intergovernmental relations in the 2023 Division of Revenue Bill, (DoRB)

In order to strengthen the system of good intergovernmental relations as envisaged in the Chapter 3 of the Constitution and subsequent related legislation, municipalities are reminded of Section 31(3) of DoRA that provides for the facilitation of personal liability for unnecessary litigation. As required by subsection (1)(a) of this clause, read together with section 41(3) of the Constitution, a municipality may only institute litigation against any organ of state, state-owned enterprise, public- and/ or municipal entity after exhausting all dispute resolution mechanisms required and/ or available to the municipality in terms of existing intergovernmental relations processes, policy and/ or any related contract with the municipality, including in terms of the Municipal Finance Management Act, 2003, the Intergovernmental Relations Framework Act, 2005, and/ or the Electricity Regulation Act, 2006 (dispute processes administered by National Energy Regular of South Africa (NERSA)).

Section 31 is amended to include a clause that requires that where an organ of state decides to institute judicial proceedings against another organ of state, it must, within 10 working days of its decision, notify the National Treasury, the relevant provincial treasury, the Department of Cooperative Governance and the Auditor-General, of the details of compliance with Chapter 4 of the Intergovernmental Relations Framework Act, 2005, including an explanation of the failure to resolve the dispute.

2.3 Conditional grants usage

Conditional grant funds may only be used for the purposes, and subject to the conditions specified in the framework for each conditional grant. These conditions are binding in terms of sections 11 and 12 of the annual Division of Revenue Act. Any instruction by a municipal, provincial, or national official or politician that is inconsistent with the framework of a conditional grant is invalid. Municipalities are reminded that in terms of section 32 of DoRA, spending of a grant that is inconsistent with DoRA is considered irregular or unauthorised expenditure.

3. Pension and medical aid fund defaults

There has been a growing trend where municipalities are deducting pension and/ or medical aid contributions from officials but are not paying it over to their pension- and/ or medical aid fund. This is inconsistent with the intent and spirit of the MFMA and constitutes an act of financial misconduct in terms of section 171 of the MFMA read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014 and also a financial offence in terms of section 173 of the MFMA read together with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings. Municipal Councils should refer these actions to the Disciplinary Boards for further investigation and should also lay criminal charges against the accounting officer or any other responsible or delegated official who has failed to perform the responsibility outlined in terms of section 65(2)(f) of the MFMA which states that “the accounting officer of a municipality must take all reasonable steps to ensure that the municipality complies with its tax, levy, duty, pension, medical aid, audit fees and other statutory commitments”. Municipal Councils should also consider further measures and actions in terms of the Pension Funds Act, as may be applicable.

4. Municipal Standard Chart of Accounts (mSCOA)

4.1 Version 6.7 of the *m*SCOA Chart Go Live

Version 6.7 of the *m*SCOA chart will go live on 13 March 2023, whereafter tabled budget data strings can be uploaded on the GoMuni portal.

For new *m*SCOA chart changes to be considered for version 6.8 of the chart, a Frequently Asked Questions (FAQ) must be logged by 31 August 2023 on the *m*SCOA FAQ database on GoMuni. FAQ queries can be logged at:

https://lg.treasury.gov.za/ibi_apps/portal/mSCOA_FAQ

It is important that the issue logged is described clearly and that sufficient supporting evidence is provided to ensure that all aspects of the issue are considered. After investigating the query logged, the following actions will be taken:

- If the query does not require a chart change, the FAQ will be closed, and feedback will be provided to the logger.
- If the query warrants a chart change, it will be submitted for consideration and approval by the relevant committees within the National Treasury.

Chart changes are communicated in October of each year to allow sufficient time for municipalities and vendors to effect such changes. Chart changes are officially published in the MFMA Budget Circular in December of each year.

4.2 Additional requirements to change municipal financial systems

The cost and risk associated with procuring and implementing a new Enterprise Resource Planning (ERP) financial system necessitate careful consideration and extensive planning to ensure a smooth operational transition. Such a transition takes at least 18 months to conclude and does not come without challenges and disruptions in operations.

The National Treasury will regulate the minimum business processes and system specifications for *m*SCOA by the end of 2024/25. A new transversal tender for the provision of ERP financial systems that complies with these regulations will be put in place once the regulations have been issued. Municipalities should therefore exercise extreme caution when changing their financial systems at this stage to eliminate fruitless and wasteful expenditure by procuring financial systems that might not comply with the said regulations.

Municipalities are reminded to follow the due diligence processes set out in MFMA Budget Circulars No. 93, 98 and *m*SCOA Circulars No 5 and 6 prior to procuring new financial systems to protect them from making incorrect decisions in this regard.

In addition, and **with immediate effect**, municipalities must inform the National and relevant Provincial Treasury of any intention to replace the financial system currently operating at the municipality prior to inviting proposals from system providers. This is a requirement in terms of section 74 of the MFMA. The submission should include:

- A comprehensive motivation with specific reasons for why it is deemed necessary to replace the existing financial system;
- A copy of the service level agreement with minutes of the meetings between the municipality and the current service provider (financial system vendor) during the previous twelve months;
- An assessment to determine which modules of the existing financial system are being utilised by the municipality. Reasons must be provided for modules not in operation. Details and reasons must be provided on the use of third-party systems to provide functionality required in terms of MFMA Circular No. 80;

- An assessment to detail the proficiency of municipal users to utilise the current financial system properly. Reasons must be provided if users are not proficient in the use of the system and the details must be provided on how the system is being operated and transactions are being captured on the system in such cases;
- The date on which the existing financial system was implemented, the procurement and implementation costs and the current operational costs thereof must be disclosed;
- The organisational structure, specifically for the IT department/ function, clearly indicating management capacity and responsibility for operating the financial system;
- A technical assessment should be submitted indicating how the existing ICT infrastructure, server and network comply with the requirements of the current financial system; and
- Copies of all IT strategies, policies and procedural documents including the IT disaster recovery plan must be made available.

The above submissions and all enquiries must be forwarded to lgdocuments@treasury.gov.za. A working committee comprising representatives from the National and Provincial Treasuries, the Office of the Auditor-General and other relevant stakeholders will assess the submissions and respond with its findings. These findings must be tabled in Council and a council resolution must be submitted to lgdocuments@treasury.gov.za within 14 working days after the Council meeting has taken place.

It must be emphasized that the combination of both credible data inputs and an effective financial system is fundamental to ensure the quality and timeliness of financial reporting. If the data input into the financial system is incorrect then any management information generated by the system will lack credibility and reliability for decision making. Furthermore, a municipality with poorly designed business processes will not resolve the problem by implementing a new financial system. Processes must firstly be redesigned with the necessary data validation rules if the municipality is to improve its data integrity. This foundation is integral to ensuring that software applications generate credible information and can be used effectively by municipalities.

5. The revenue budget

Similar to the rest of government, municipalities face a difficult fiscal environment. The weak economic growth has put pressure on consumers' ability to pay for services, while transfers from national government are growing more slowly than in the past. Some municipalities have managed these challenges well, but others have fallen into financial distress and face liquidity problems. These include municipalities that are unable to meet their payment obligations to Eskom, Water Boards and other creditors. There is a need for municipalities to focus on collecting revenues owed to them and eliminate wasteful and non-core spending. It is important to note that the municipal equitable share as a policy instrument is meant to subsidise services to the poorest of the poor and not to pay municipal creditors. This bad practice by municipalities will have to be addressed as a matter of urgency. Municipal creditors should be advised that municipalities cannot use funds allocated for basic service provision to pay creditors.

Municipalities must ensure that they render basic services, maintain their assets and a clean environment. Furthermore, there must be continuous communication with the community and other stakeholders to strengthen awareness and participation and to improve the municipality's reputation. This will assist in attracting investment in the local economy which may result in increased employment.

Some municipalities are experiencing serious liquidity challenges. Therefore, the new leadership is advised to:

- Decisively address unfunded budgets by reducing non-priority spending and improving revenue management processes to enable collection; and
- Address service delivery failures by ensuring adequate maintenance, upgrading and renewal of existing assets to enable reliable service delivery.

5.1 Maximising the revenue generation of the municipal revenue base

Reference is made to MFMA Circulars No. 93, paragraph 3.1 and No. 98, paragraph 4.1. The emphasis is on municipalities to comply with Section 18 of the MFMA and ensure that they fund their MTREF budgets from realistically anticipated revenues to be collected. Municipalities are cautioned against assuming collection rates that are unrealistic and unattainable as this is a fundamental reason for municipalities not attaining their desired collection rates.

The purpose of the above mentioned MFMA Circulars is to ensure that the municipalities are using their entire revenue base as the basis for the revenue budget. It is essential that municipalities reconcile their most recent consolidated valuation roll data to that of the current billing system data to ensure that revenue anticipated from property rates is realistic. The municipalities should implement a data management strategy and develop internal capacity to perform these reconciliations and investigations to improve completeness of billing.

One of the aims of the reconciliation process is to identify exceptions, i.e. records on the general valuation roll that are not on the billing system and records on the billing system and vice versa. In addition, the reconciliation must identify duplicated records, missing data, and data errors. These exceptions should then be investigated, and remedial action strategies developed for data cleansing and other corrective actions. The Debtors Ageing data should also form part of the reconciliation process so that “debtors” can be tracked and assessed at a property record level and prioritised for verification of rates liability measured against a MPRA property and owner.

To facilitate reconciliation of the separate databases (General Valuation Roll and Billing), a unique property identifier (common primary unique link code) must be created and populated for each rateable property on the general valuation roll system and on the rates billing system. This property identifier must be unique, without duplicates, and must remain constant for the life of the property. The standards adopted by the South African Council for the Property Valuers Profession (SACPVP), namely South African Standard: Municipal Valuations for Property Rating, specifies that the Surveyor General Code SG 21-digit Code, derived, and created from the property description, be applied for all registered full title properties defined in terms of part (a) of the definition of property.

For all other MPRA defined property, Part (a) Sectional Title, Part (b) Registered Rights, Part (c) Land Tenure Rights and Part (d) PSI and, apportioned multiple use property in terms of sections 8(2)(i) and 9(2), an added suffixed 5 digits to the SG 21-digit code must be assigned by the designated municipal valuer, thereby creating a unique 26-digit code. The municipality must ensure that the SG21 digit code and 26-digit coding system is applied in their valuation roll management system and billing system and engage with their designated municipal valuer and systems service providers to implement the unique property identifier.

Further it is important that municipalities who are performing a general valuation (GV) to implement a new valuation roll on 1 July 2023, must also as best practice compare the current consolidated roll to the new valuation roll. This will identify any anomalies and errors of category of property and market values for review and investigation and the option of lodging an objection by the municipality, where applicable. This process should also identify outliers and shifts in market values by category and area so that tariffs on the new roll can be modelled and determined in an equitable manner to avoid rates shocks.

Municipalities should undertake this exercise as a routine practice during the budget process so that supplementary adjustments to the valuation roll are kept up to date. In order to ensure that the most updated information is used for the reconciliations, municipalities are reminded to adhere and comply with Section 23(1)(2) of the MPRA and therefore use the Part A register as the basis for performing the reconciliations going forward.

Furthermore, municipalities are also advised and expected to comply with Section 8(1) of the MPRA in terms of the billing methodology that should to be specified within their policies to ensure that the correct categories (based on the selection made by the municipality) are used in the reconciliation process.

The list of exceptions derived from this reconciliation will indicate where the municipality may be compromising its revenue generation in respect of property rates or whether the municipality is overstating its revenue budget.

A further test would be to reconcile this information with the Deeds Office registry. In accordance with the MFMA Circular No. 93, municipalities are once more requested to submit their reconciliation of the Valuation roll/ Part A register to the billing system to the National Treasury on a quarterly basis by no later than the 10th working day after the end of the quarter. A detailed action plan must accompany the reconciliation where variances are noted.

The above information must be uploaded by the municipality's approved registered user(s) using the GoMuni Upload Portal at: https://lq.treasury.gov.za/ibi_apps/signin. If the municipality experience any challenge uploading the information, a request for an alternative arrangement may be emailed to linda.kruger@treasury.gov.za.

Municipalities are reminded of the need to clearly communicate the GV appeals and objection process to residents to ensure that any disputes are timeously resolved.

Revenue Collection – No operation can be sustainable if it does not collect its revenue. A municipality is no different. There is a misconception that a municipality may not interrupt or restrict the supply of water services of a defaulting consumer. The National Treasury confirms that neither the Water Services Act, 1997 (Act No. 108 of 1997) or any other legislation prevents a municipality from cutting the supply of water to a defaulting consumer unless the consumer is an indigent in which case the water services to that household must be restricted to the national free basic water limit of 6 kilolitre water monthly (or 50 kilowatt hours in the case of free basic electricity monthly). This was confirmed by the Constitutional Court in the matter of Mazibuko and Others v City of Johannesburg and Others (CCT 39/09) [2009] ZACC 28; 2010 (3) BCLR 239 (CC); 2010 (4) SA 1 (CC) (8 October 2009).

Municipalities are urged to use the restriction/ interruption of supply of both water and electricity services as a collection tool. Effective from the tabling and adoption of the 2023/24 MTREF, municipalities' By-laws and policies must facilitate this and clearly stipulate the order in which any partial payment of the consolidated municipal bill (including property rates) will be applied as well as the process before the supply of water and electricity services will be cut. The National Treasury recommended that any partial payment firstly be applied to property rates, wastewater, waste management, water and lastly to electricity. When interrupting or restricting the supply of water it is important that such is undertaken together with the municipal engineer(s) to ensure a continued minimum supply of waste-water.

Municipalities should develop a Wheeling Framework to allow for the transmission of energy across their networks. These wheeling frameworks provide an opportunity for municipalities to generate revenue from their distribution networks. Provincial Treasuries or National Treasury can be approached for support to develop these frameworks.

5.2 Funding Depreciation

The information shared in Circular 115 regarding the funding of the depreciation refers. It is important to note that depreciation represents the cost of using assets in service delivery and forms part of the total cost of providing the municipal service. Accordingly, it should be included in the setting of cost reflective tariffs to recover the full cost of rendering the service, failing which the depreciation will not be cash backed on Table A7 and will remain a journal entry with no value as mentioned in MFMA Circular No. 115.

5.3 Tariff-setting – the impact of loadshedding

Loadshedding not only affects the electricity service but also some municipalities' ability to pump water, thereby negatively impacting the stability of water supplies and the related functioning of the wastewater reticulation network. The loadshedding crisis has been declared a state of disaster and will require tough budgeting choices for municipalities to make sure that basic municipal services are sustained. The regulations published in the Government Gazette No. 48152 on 27 February 2023 in terms of the Disaster Management Act, 2002 (Act 57 of 2002) require municipalities to "ensure continuous operation of water infrastructure and other specified essential infrastructure, including by installing alternative energy sources or other measures to provide an uninterrupted power supply." Municipalities are also required to "mobilise available resources" and "provide funds for this purpose, subject to affordability." As an immediate interim solution back-up electricity to pump water should be prioritised while being mindful of its affordability within the municipality's available funding sources and other critical priorities. The municipality need to adequately plan and prioritise funding in its 2023/24 MTREF for this purpose, including:

- When planning to pump water/ maintain the wastewater service by way of any alternative solution(s), it is important that the municipality properly plan and budget for the associated capital and operational costs to operate and maintain the solution(s) over the 2023/24 MTREF and longer-term;
- Any additional cost the municipality already incurred in this regard during the period of elevated loadshedding since December 2022 should be projected to continue in 2023/24 i.e. diesel to operate a generator;
- Although a state of emergency has been declared to deal with the continual loadshedding challenges in the country, it is likely that loadshedding will continue during the 2023/24 municipal financial year. It is proposed that municipalities factor in the impact of loadshedding on their electricity revenue projections, taking into account current experience in terms of loadshedding practices by Eskom;
- The additional costs of prolonged loadshedding should be considered;
- Municipalities are always asked to try to balance full cost recovery on services with affordability for their residents. In practice, this means that where the full increase in the cost of a service is not passed on to consumers, municipalities must offset the increased costs through savings identified elsewhere in their operations. Therefore, **reducing/ limiting overall expenditure** is a key part of budgeting for the response to loadshedding. The municipality should stick to its core mandate and functions and carefully review overall expenditure to manage the net effect. Measures should include aggressively cutting costs, frills, and vanity projects, dealing with bloated administrations and structures possibly duplicated across Municipal Manager and Mayoral offices, and applying for exemptions from the annual salary increases if these are not affordable;
- While municipalities are urged to maximise efficiency in their operations, tariff setting efforts should consider the need to make additional provision for repairs and maintenance associated with infrastructure breakdowns during loadshedding;
- **Reducing/ limiting overall expenditure** – the municipality should stick to its core mandate and functions – it is necessary to carefully look at the overall expenditure side to manage the net effect, including aggressively cutting costs, fancy, frills, vanity

- projects, deal with bloated admin- and structures possibly duplicated across Municipal Manager and Mayoral offices, and apply for exemptions from the annual salary increases; and
- The cost should be considered and included when setting the tariffs of the service(s) to which it relates.

Municipalities should also budget for reduced bulk purchases and sales to municipal customers based on the same loadshedding assumptions cited above.

Municipalities should carefully monitor their Eskom accounts for any penalties that result from increased demand immediately after a period of loadshedding is ended. Eskom has indicated that they will reverse any penalties for exceeding notified maximum demand that results from the implementation of loadshedding. This should be factored into the tariff calculation to ensure that consumers are not overcharged.

Lastly, it is important to note that a municipality may only introduce a load-shedding levy or surcharge with the approval of the Minister of Finance and in terms of the legislated processes set-out in the MFMA and Municipal Fiscal Powers and Functions Act, 2007.

5.4 Setting cost-reflective tariffs

Reference is made to MFMA Circular No. 98, paragraph 4.2. The setting of cost-reflective tariffs is a requirement of Section 74(2) of the Municipal Systems Act which is meant to ensure that municipalities set tariffs that enable them to recover the full cost of rendering the service. This forms the basis of compiling a credible budget. A credible budget is one that ensures the funding of all approved items and is anchored in sound, timely and reliable information on expenditure and service delivery (Financial and Fiscal Commission (FFC), 2011). Credible budgets are critical for local government to fulfil its mandate and ensure financial sustainability.

A credible expenditure budget reflects the costs necessary to provide a service efficiently and effectively, namely:

- A budget adequate to deliver a service of the necessary quality on a sustainable basis; and
- A budget that delivers services at the lowest possible cost.

The National Treasury issued a tariff setting tool and guide as part of MFMA Budget Circular No. 98 (refer item 4.2) on 6 December 2019 and since 2019, has encouraged municipalities to utilise the tool. **With effect, from the 2023/24 MTREF, all municipalities (except metropolitan cities and district municipalities that do not provide any services) as part of both the tabled and adopted MTREF submissions must submit the completed National Treasury tariff tool (in excel format)** illustrating that the revenue component of the budget is credible and funded and that the municipality's tariffs are cost reflective. If the municipality's initial calculation results in high increases to facilitate cost-reflectiveness, it is recommended that such are phased in over 3 to 5 years. The municipality's strategy in this regard should be included as part of the budget narratives.

This tool will assist in setting tariffs that are cost-reflective and enable a municipality to recover costs to fulfil its mandate. Going forward it is also imperative that every municipality fully embrace the Municipal Standard Chart of Accounts (*mSCOA*): costing component. Considering, *mSCOA* implementation is entering its sixth year of implementation, all municipalities must fully embrace and report also utilising the costing segment correctly. The National Treasury Municipal Costing Guide is available on the link below on the National Treasury website.

<http://mfma.treasury.gov.za/Guidelines/Documents/Forms/AllItems.aspx?RootFolder=%2fGuidelines%2fDocuments%2fMunicipal%20Costing%20Guide&FolderCTID=0x0120004720FD2D0551AE409361D6CB3E122A08>.

5.5 Tariffs – achieving a balance between cost-reflectiveness and affordability

National Treasury encourages municipalities to maintain tariff increases at levels that reflect an appropriate balance between the affordability to poorer households and other consumers while ensuring the financial sustainability of the municipality.

When setting tariffs, it is therefore critical to understand the economic environment specific to the municipality and consideration should include at least –

- *The socio-economic profile undertaken for the municipality* available on the National Treasury GoMuni portal – municipalities are encouraged to annually update their own socio-economic profile using the template model available on GoMuni;
- *The most recent average monthly household income in the municipality* as per Statistics South Africa (Stats SA) available on [Statistics South Africa | Improving Lives Through Data Ecosystems \(statssa.gov.za\)](https://www.statssa.gov.za);
- *The average property value in the municipality* per its most recent approved general valuation roll and/ or supplementary general valuation roll;
- *The number of indigent households in the municipality*, including any variation in the number of indigent households included in the Equitable Share: free basic services component for the municipality vs the municipality's own indigency level discretion; and
- *The economic drivers and activities specific to the municipal area¹; etc.*

The municipality's tariff-setting or other committee tasked with this role must understand and deliberately reflect on this context during the tariff-setting process. Considering the average monthly household income, the median affordable municipal bill would ideally not exceed proportionally approximately 10 to 15 per cent the average monthly household income. This median affordable bill, in combination with the median average property value should inform the basis to determine any rebates to households with income below the median. Furthermore, municipalities contemplating to increase free basic electricity allocations as an indigent relief measure, should do so only after careful consideration of the long-term financial impact that such a decision might have.

It is also important when setting particularly water and electricity tariffs that municipalities are encouraged to set two-tier tariffs, that include a basic availability charge to recover the fixed (direct and indirect) cost associated with the service in conjunction with consumption-based tariff bands. For example, in a drought, such tariffs will facilitate the ability to pay for infrastructure and maintenance, treating chemicals and salaries, etc. while parallel facilitating water restriction based on inclining tariffs as consumption increase. Furthermore, it is important to link the municipality's water tariffs to dam levels, also approved as part of the budget process. For example, if the dam levels drop to 60 per cent the first tier of restriction tariffs should become applicable in terms of the municipality's approved tariff policy.

It is also noted that NERSA approves seasonal tariffs for Eskom but not necessarily for the municipality. It is important that the municipality clearly factors this in its tariff application to NERSA, illustrating the cash flow crunch if the municipality is not similarly allowed a seasonal tariff to recover the higher Eskom bulk cost during winter months.

Lastly, municipalities are cautioned against setting tariffs that include operating inefficiencies. This could lead to tariffs falling into the unaffordable range.

¹ The spatialised tax data is now available through National Treasury for all municipalities that provides an up to date information on economic activity within a municipal boundary.

The Consumer Price Index (CPI) inflation is forecasted to be within the 3 to 6 per cent target band; therefore, municipalities are required to **justify all increases in excess of the projected inflation target for 2023/24** in their budget narratives and pay careful attention to tariff increases across all consumer groups. In addition, municipalities should include a detailed account of their revenue growth assumptions for the different service charges in the budget narrative.

Additional loadshedding considerations when calculating anticipated revenue collection rates include:

- Consumption patterns amongst pre-paid users who work more sparingly with electricity units. This can have a lagging effect on revenue estimations i.e. although units are paid for up front, it is not necessarily used in high-demand periods; and
- A decline in average consumption patterns for post-paid customers.

As part of its debtor management strategy municipalities should clearly communicate the impact of loadshedding on municipal tariff setting, including through education campaigns. Consumers will expect a decrease in their electricity bills as consumption drops due to loadshedding. Not understanding the impact of tariff structures (fixed and demand-driven components) can create distrust and reduce willingness to pay municipal accounts.

5.6 Municipal Debt Relief

An optimally designed debt solution for Eskom can leverage the structural reform of the electricity sector that is needed both on the Eskom side and the municipal side, however, the municipal debt owed to Eskom pose a material risk to any Eskom debt relief package. In parallel the challenge of defaulting municipalities cannot be separated from a consumer culture to not pay for services.

Municipal Debt Relief that is **conditional and application based**, has therefore been sanctioned. The relief is aimed to correct the underlying behaviour and operational practices in defaulting municipalities and Eskom while in parallel, progressively introducing a smart metering solution to change consumer behaviour by instilling a culture of payment for services consumed. The proposal consists of 4 elements:

- i. **Eskom will write-off all debt municipalities owe** as on 31 March 2023 (excluding the March 2023 current account). This will be done over three national financial years and require as a critical qualification that municipalities monthly honour their current (monthly consumption) Eskom and water accounts going forward and maintain a minimum average quarterly collection, etc;
- ii. Secondly, **new mechanisms are explored to resolve non-payment** – this to include a dispute ombud mechanism and re-assigning the license of persistent defaulters;
- iii. Thirdly, Eskom will continue to **implement a regime of installation of pre-paid meters** in Eskom supplied areas to improve Eskom collection. Municipalities are additionally encouraged to adopt a similar operating regime; and
- iv. Lastly, the National Treasury will continue to implement municipal revenue enhancement initiatives, including a transversal tender for a smart pre-paid meter solution to change to a forward looking culture of payment of the consolidated municipal bill.

More details on the application process and related conditions for municipalities will soon be outlined and published through a separate MFMA Circular.

5.7 Bulk Account Payments and Concessions

Since 2018/19, intense work was undertaken to resolve systemic and structural issues pertaining to the electricity function in municipalities. Core to this work was addressing the

escalating Eskom debt that threatened the sustainability of Eskom as well as that of municipalities.

During the process, Eskom agreed to provide relieve in certain areas. Municipalities are reminded of the following concessions that remain in place:

- The interest rate charged on overdue municipal bulk accounts were reduced from prime plus 5 per cent to prime plus 2.5 per cent;
- Payment terms were extended from 15 days to 30 days for municipal bulk accounts; and
- Eskom allocation of municipality payments to capital first and then to interest.

These concessions align to the MFMA and are meant to curb municipal growing debt levels by allowing a more conducive payment regime than what was previously employed. In addition, municipalities are urged to budget for and ring-fence their payment of bulk services. Bulk current account payments must be honoured religiously to avoid stringent application of the bulk suppliers' credit control policy.

Municipalities are also urged to enforce a culture of payment for services through their normal credit control processes. In this regard it should be noted that municipalities are only compensated for free basic services based on an indigent user component calculation through the equitable share. As such, a municipality's allocation of free basic services to all of the municipality's consumers is not funded in the equitable share. Every municipality, during the budget process, must consider the affordability to the municipality when allocating free basic services above the national norm and to consumers other than indigent consumers. **If a municipality has any arrears on any of its bulk supplier's accounts, it must limit its provision of free basic services to registered indigent consumers only.**

5.8 Critical Notice Affecting STS Meters

As highlighted in previous MFMA Circular No. 115 (dated 04 March 2022) municipalities are once again alerted that there is still a pending business risk to the prepayment metering industry that requires urgency of action. The token identifiers (TID) used to identify each credit token will run out of available numbers in November 2024, at which point all STS meters will stop accepting credit tokens.

The remedy is to visit each meter and enter a special set of key change tokens in order to reset the meter memory. Municipalities are advised that the National Treasury, through the Office of the Chief Procurement Officer (OCPO), will soon facilitate a transversal contract for the provision of auditing, re-calibration and re-configuration services for standard transfer specification compliant prepayment meters that align to minimum and critical technical specifications for local government. In this respect the development of the transversal contract for smart prepaid meters as per NRS 049 (per latest approved version) is at an advanced stage and should be issued shortly by National Treasury.

If your municipality or municipality entity is currently in the process of procuring for a solution or is planning to, you are cautioned:

- Against proceeding prior to the OCPO having issued and awarded the transversal contract for the provision of inter alia auditing, re-calibration and re-configuration services for standard transfer specification compliant prepayment meters Terms of Reference (ToR); and
- That, with immediate effect, you must inform and obtain the National Treasury's input prior to proceeding with any current procurement or proposed procurement for this purpose or any related solution or similar. This is to prevent unnecessary and wasteful expenditure on such solutions. Any request for National Treasury's input on the current or planned procurement of any related solution or similar or component thereof, must be

directed to the National Treasury for the attention of the Local Government Budget Analysis Unit (Mr. Sadesh Ramjathan) at Sadesh.Ramjathan@treasury.gov.za.

In this regard, municipalities will have two options to choose from:

- Firstly, to pursue the route of auditing, re-calibrating and re-configuring services for standard transfer specification compliant prepayment meters; and/ or
- Secondly, to replace the old meter with a new smart prepaid meter.

For both options, the municipality will have to budget accordingly as no additional funding will be available through the national fiscus.

Your assistance in proactively ensuring that the municipality and/ or its entities are not adversely affected by these processes will be appreciated.

5.9 Completeness and credibility of revenue related information in the Budget

The MBRR regulates the minimum level of information required from municipalities when compiling, implementing, monitoring, and evaluating the municipality's financial management situation. Failure to include the minimum required information hampers the municipal council, the public and stakeholders' ability to make informed decisions and engage on the matter. It also limits research, studies, and benchmarking undertaken for local, provincial, and national purposes.

The National Treasury would like to take this opportunity to caution municipalities that the MBRR prescribe the minimum level of information municipalities must include as part of their legal reporting obligations.

Going forward the Treasuries will place increased attention and focus on the adequacy of municipalities' submissions. The National Treasury regards this non-compliance to include the minimum level of information as serious and if persistent will consider applying the available legal sanctions, including recourse in terms of section 216(2) of the Constitution. In this context, National Treasury will particularly focus on the completeness of asset management related information as well as the statistical information required in the A, B and C schedules during the 2023/24 MTREF.

5.10 Eskom Bulk Tariff increases

The National Energy Regulator of South Africa (NERSA) is responsible for the price determination of the bulk costs of electricity. In January 2023, NERSA approved tariff increases of 18.7 per cent in 2023/24 and 12.7 per cent increase in 2024/25. For purposes of calculating the free basic energy subsidy in the local government equitable share formula, the National Treasury has added 2 per cent to these increases. This is in anticipation of higher increases than those published in January, for municipalities, due to the difference in the financial years of Eskom customers and municipalities meaning that Eskom only has nine months to collect the allowable revenue from municipalities. R1.1 billion is added to the free basic energy subcomponent of the free basic services component of the local government equitable share formula to fund these higher tariff increases. To this end, the free basic electricity subsidy in the local government equitable share is calculated based on a 20.7 per cent tariff increase in 2023/24 and a 14.7 per cent increase in 2024/25. In the absence of an approved tariff increase in the outer year of the MTEF period, the formula assumes an increase of 17.7 per cent in 2025/26. This is the average of the estimated increases for the first two years of the MTEF period.

5.11 Updated Municipal Borrowing Policy Framework

Cabinet approved the Update to the Policy Framework for Municipal Borrowing and Financial Emergencies on the 17th of August, 2022. The purpose of the update was to re-examine the original Policy Framework, along with the legislation (i.e. Municipal Finance Management Act – MFMA) that was adopted to implement it, considering the experience with municipal borrowing that has accumulated since 2000.

The following key reforms have been introduced through the Update to the Policy Framework for Municipal Borrowing:

- The Policy Framework for Municipal Borrowing has been updated to introduce the necessary reforms that will expand the scope of responsible municipal borrowing and create an environment that attracts more players (e.g. insurers, pension funds, institutional investors and fund managers, and international Development Finance Institutions) in the municipal debt market space. The original core principles underlying municipal borrowing are maintained (i.e. creditworthy municipalities should borrow prudently to finance capital investment, and that there will be no bail-outs by the provincial or national government);
- The updated policy framework clarifies the role of Development Finance Institutions (DFIs), as it was not clearly articulated in the original policy. DFIs are required to pursue clear and agreed developmental goals, as outlined in the policy. The objective of this approach is to ensure that a DFI lending does not crowd out the private sector. Public-sector lenders, both domestic and foreign, should be guided by a social and developmental investment approach in which demonstrable social outcomes are considered alongside potential financial returns;
- The updated policy framework permits and clarifies innovative infrastructure financing mechanisms (such as pooled financing mechanisms, project finance, tax increment financing, revenue bonds, and pledging of conditional grants) that municipalities can use to leverage municipal borrowing. Municipalities are encouraged to explore these alternatives, and innovative infrastructure financing mechanisms permitted subject to the requirements contained in the Municipal Finance Management Act (MFMA); and
- The participation of both private and public sector market participants in the development of a liquid secondary market for municipal debt securities is also encouraged. The policy proposes options that can be explored to support the development and growth of an efficient and liquid market for municipal debt obligations.

The Updated Municipal Borrowing Policy Framework can be accessed at the MFMA website at the following link <http://mfma.treasury.gov.za/Guidelines/Pages/default.aspx>.

5.12 Tariff Policies

Municipalities must comply with the provisions of Section 74 of the Municipal Systems Act (MSA) which requires that a municipal council must adopt and implement a tariff policy on the levying of fees for municipal services provided by the municipality itself or by way of service delivery agreements, and which complies with the provisions of this Act and with any other applicable legislation. Municipalities should also ensure that the tariff policies adhere to all the principles outlined in section 74(2) of the MSA. A municipality's tariff policies must also take into consideration variable factors such as water shortages and electricity feedback excess into the municipal system from new generation capacity. Municipalities are urged to develop wheeling and Small-Scale Embedded Generation (SSEG) frameworks to guide the

development of associated tariffs. Municipalities must adopt by-laws to give effect to the implementation and enforcement of their tariff policies.

5.13 Non-Revenue Electricity and Non-Revenue Water/ Revenue Losses

Water Service Authority municipalities and electricity licensed municipalities are urged to align both their non-revenue water and non-revenue electricity indicators and their set targets in the 2023/24 SDBIPs with identifiable infrastructure or operational projects and/ or programmes. Municipalities should track improvements on the baseline information included in the SDBIPs by indicating the volume of water losses (i.e., kilolitres/ mega-litres) and the amount of electricity losses (KwH or MWs) for the previous year. This approach will help to determine the progress of municipalities in curbing losses, which impact on municipal revenues, in both non-revenue water and non-revenue electricity.

6. Burial of Councillors

Salaries, allowances and benefits for political office-bearers and members is managed through Determination of Upper Limits of Salaries, Allowances and Benefits of Different Members of Municipal Councils notice issued by the Minister of Cooperative Governance and Traditional Affairs.

Section 167 of the MFMA provides that a municipality may remunerate its Councillors within the framework of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998), setting the upper limits of the salaries, allowances and benefits for those political office-bearers and members. Any benefit which is not included in the above-mentioned notice constitutes irregular expenditure and recovery thereof from the Councillor concerned is mandatory.

Municipalities may also refer to relevant Councillor Pension Scheme or personal funeral policies in existence for any funeral benefits relating to such Councillor.

7. Funding choices and management issues

Municipalities are under pressure to generate and collect revenue for service delivered. The ability of customers to pay for services is declining and this means that less revenue will be collected. Therefore, municipalities must consider the following when compiling their 2023/24 MTREF budgets:

- Improving the effectiveness of revenue management processes and procedures;
- Cost containment measures to, amongst other things, control unnecessary spending on nice-to-have items and non-essential activities as highlighted in the Municipal Cost Containment Regulations read with MFMA Circular No. 82;
- Ensuring value for money through the procurement process;
- The affordability of providing free basic services to all households;
- Not taking on unfunded mandates;
- Strictly control the use of costly water tankers and fix the water infrastructure to enable the sustainable provision of water;
- Automate business services where possible to increase efficiencies and lower customer costs;
- Prioritise the filling of critical vacant posts, especially linked to the delivery of basic services; and
- Curbing the consumption of water and electricity by the indigents to ensure that they do not exceed their allocation.

Accounting officers are reminded of their responsibility in terms of section 62(1)(a) of the MFMA to use the resources of the municipality effectively, efficiently and economically. Failure to do this will result in the accounting officer committing an act of financial misconduct which will trigger the application of chapter 15 of the MFMA, read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014.

7.1 Employee related costs

The Salary and Wage Collective Agreement for the period 01 July 2021 to 30 June 2024 dated 15 September 2021 through the agreement that was approved by the Bargaining Committee of the Central Council in terms of Clause 17.3 of the Constitution should be used when budgeting for employee related costs for the 2023/24 MTREF. In terms of the agreement, all employees covered by this agreement shall receive with effect from 01 July 2023 and 01 July 2024 an increase based on the projected average CPI percentages for 2023 (5.4 per cent according to the Reserve Bank's Monetary Committee Statement for January 2023) and 2024 (4.8 per cent according to the Reserve Bank's Monetary Committee Statement for January 2023). The forecasts of the Reserve Bank, in terms of the January 2023 and January 2024, shall be used to determine the projected average CPI. Municipalities are encouraged to perform an annual head count and payroll verification process by undertaking a once-a-year manual salary disbursement, to root out ghost employees.

According to the 2021 State of Local Government Finance Report, there are about 165 municipalities that are in financial distress. These municipalities need to ensure that they seek an early exemption from this dispensation of this salary agreement. Municipalities should also avoid paying out leave in cash while having major financial challenges.

7.2 Remuneration of Councillors

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance. It is anticipated that this salary determination will also take into account the fiscal constraints. Municipalities should also consider guidance provided above on salary increases for municipal officials during this process. Any overpayment to councillors contrary to the upper limits as published by the Minister of Cooperative Governance and Traditional Affairs will be irregular expenditure in terms of Section 167 of the MFMA and must be recovered from councillor(s) concerned.

8. Conditional Grant Transfers to Municipalities

8.1 Criteria for the release of the Equitable Share

The equitable share release criteria for 2023/24 were set out in MFMA Circular No. 122. To assist with managing this process, a guiding checklist has been developed (attached hereto as Annexure A) which municipalities can follow throughout the course of the year to ensure that the required documents are timeously uploaded to the GoMuni platform in line with the prescribed deadlines.

Going forward, municipalities will be required to submit the completed checklist as part of the quarterly performance reporting process for quarter 1 of the municipal financial year. According to section 52(d) of the MFMA, the mayor of a municipality must within 30 days of the end of each quarter, submit a report to council on the implementation of the budget and the financial state of affairs of the municipality. The report must then be submitted to National

and Provincial Treasury within 5 days of being tabled in council as per section 32 of the MBRR. The report for quarter 1 of 2023/24 must therefore be submitted to council by the end of October 2023 and submitted to National and Provincial Treasury by no later than 5 November 2023. By including the completed checklist in this report, municipalities confirm their adherence to the equitable share release criteria, including that all supplementary information (as defined in the checklist) was successfully uploaded to the GoMuni platform.

Please note that most of the information required for the release of the equitable share, is already uploaded/ submitted by municipalities as part of existing reporting requirements throughout the year. There are however a few items (clearly marked in the checklist) that does not have a dedicated storage location (for example, payments of employee benefits) on GoMuni. A dedicated Equitable Share Verification Folder will be created on GoMuni for this purpose.

8.2 Criteria for the rollover of conditional grant funds

In terms of Section 21 of the Division of Revenue Act, 2022 (Act No.5 of 2022) (DoRA) in conjunction with the Division of Revenue Amendment Act, 2022 (Act No. 15 of 2022) (DoRAA), the Act requires that any conditional allocation or a portion thereof that is not spent at the end of the 2022/23 financial year reverts to the National Revenue Fund (NRF), unless the rollover of the allocation is approved in terms of subsection (2). Furthermore, the receiving officer, provincial treasury and national transferring officer is required to prove to National Treasury that the unspent allocation is committed to identifiable projects, in which case the funds may be rolled over.

When requesting a rollover in terms of section 21(2) of the 2022 DoRA, municipalities must include the following information with their submission to National Treasury:

1. A formal letter, signed by the accounting officer addressed to the National Treasury requesting the rollover of unspent conditional grants in terms of section 21(2) of the 2022 DoRA;
2. A list of all the projects that are linked to the unspent conditional grants and a breakdown of how much was allocated, spent and the balance per project;
3. The following evidence indicating that work on each of the projects has commenced, as applicable to the specific rollover(s):
 - a) Proof that a contractor or service provider was appointed for delivery of the project before 31 March; or
 - b) Proof of project tender and tender submissions published and closed before 31 March or with the appointment of contractor or service provider for delivery of service before 30 June in cases where additional funding was allocated during the course of the financial year of the project;
 - c) Incorporation of the Appropriation Statement;
 - d) Evidence that all projects linked to an allocation will be fully utilised by 30 June 2024 (attach cash flow projection for the applicable grant).
4. A progress report (also in percentages) on the status of each project's implementation that includes an attached **legible implementation plan**);
5. The value of the committed project funding and the conditional allocation from the funding source;
6. Reasons why the grants were not fully spent during the year on the original allocation per the DoRA;
7. Rollover of rollovers will not be considered. Municipalities must therefore not include previous year's unspent conditional grants as rollover request;
8. An indication of the time period within which the funds are to be spent if the rollover is approved; and

9. Proof that the Municipal Manager and Chief Financial Officer are permanently appointed.

No rollover requests will be considered for municipalities with vacant or acting Chief Financial Officers and Municipal Managers for a period exceeding 6 months from the date of vacancy; this also includes acting appointments because of suspensions of either MM or CFO that are more than 12 months.

If any of the above information is not provided or the application is received by National Treasury (Intergovernmental Relations Division) after 31 August 2023, the application will be declined.

In addition, National Treasury will also consider the following information when assessing rollover applications; and reserves the right to decline an application should there be non-performance by the municipality in any of these areas:

1. Compliance with the in-year reporting requirements in terms of sections 71 and 72 of the MFMA and section 12 of the 2022 DoRA, **including the Municipal Manager and Chief Financial Officer signing-off on the information** sent to National Treasury;
2. Submission of the pre-audited Annual Financial Statements to National Treasury by 31 August 2023;
3. Accurate disclosure of grant performance in the 2022/23 pre-audited Annual Financial Statements, (i.e. correct disclosure of grant receipts and spending in the notes to the AFS);
4. Despite the fact that local government is required to comply with to different norms and standards prescribed by different legislations, municipalities are expected to fully comply with the provisions of DoRA that relate to rollover processes and disclose conditional grant performance in the 2022/23 pre-audited Annual Financial Statements (i.e Cash coverage and unspent conditional grants in the Statement of Financial Position) in order to verify grant expenditure; and
5. Cash available reflected in the Statement of Financial Position and Cash Flow Statements and the bank (net position including short term investments) as at 30 June 2023 is equivalent to the unspent amount at the end of the financial year. If the amount that is requested for rollover **is not entirely cash-backed**, such a rollover will not be approved. National Treasury will also not approve portions of rollover requests.

It should be noted that under no circumstances will the National Treasury consider requests to rollover:

1. The entire 2022/23 allocation to the municipality, in cases whereby the rollover request is more than 50 per cent of the total allocation, National Treasury will approve the rollover amount up to 50 per cent of the 2022/23 allocation;
2. Rollover request of the same grant for the third consecutive time. In a case where a municipality is applying for rollover as a result of additional funding, the application will be given a careful consideration;
3. Funding for projects procured through Regulation 32 of the Municipal Supply Chain Management Regulations (Gazette No.27636) – Projects linked to additional funding and disasters are exempted; and
4. A portion of an allocation where the proof of commitment for the rollover application is linked to invoices that were issued before or on 31 May 2023.

8.3 Unspent conditional grant funds for 2022/23

The process to ensure the return of unspent conditional grants for the 2022/23 financial year will be managed in accordance with section 22 of the DoRA. In addition to the previous MFMA Circulars, the following practical arrangements will apply:

- Step 1: Municipalities must submit their June 2023 conditional grant expenditure reports according to section 71 of the MFMA reflecting all accrued expenditure on conditional grants and further ensure that expenditure reported to both National Treasury and national transferring officers reconciles;
- Step 2: When preparing the Annual Financial Statements, a municipality must determine the portion of each national conditional grant allocation that remained unspent as at 30 June 2023. The unspent grant values must be determined based on the guidance that was provided in *mSCOA* Circular No. 13 in as far as VAT, retention and interest is concerned; and
- Step 3: If the receiving officer wants to motivate in terms of section 22(2) of the 2020 DoRA that the unspent funds are committed to identifiable projects, the rollover application pack must be submitted to National Treasury by no later than 31 August 2023.

National Treasury will not consider any rollover requests that are incomplete or received after this deadline.

- Step 4: National Treasury will confirm in writing whether or not the municipality may retain any of the unspent funds as a rollover based on criteria outlined above by 20 October 2023;
- Step 5: National Treasury will communicate the unspent conditional grants amount by 08 November 2023. A municipality must return the remaining unspent conditional grant funds that are not subject to a specific repayment arrangement to the National Revenue Fund by 17 November 2023; and
- Step 6: Any unspent conditional grant funds that should have but has not been repaid to the National Revenue Fund by 17 November 2023, and for which a municipality has not requested a repayment arrangement, will be offset against the municipality's 06 December 2023 equitable share allocation.

All other issues pertaining to Appropriation Statement and reporting on approved rollovers are addressed in the Annexure to MFMA Circular No. 86.

9. The Municipal Budget and Reporting Regulations

9.1 Alignment of Municipal Budget and Reporting Regulations (MBRR) Schedules

The revised Regulated MBRR Schedules (A1, B, C, D, E and F), as aligned to the *mSCOA* chart and GRAP are published on the National Treasury web page and can be accessed using the following link.

<http://mfma.treasury.gov.za/RegulationsandGazettes/Municipal%20Budget%20and%20Reporting%20Regulations/Documents/Forms/AllItems.aspx?RootFolder=%2fRegulationsandGazettes%2fMunicipal%20Budget%20and%20Reporting%20Regulations%2fDocuments%2f2023%2d24&FolderCTID=0x0120001860D4A2BD7AD042BF8427FC3BB59F67>

The alignment of the A1 Schedules required substantial changes to the reporting formats used for budgeting and reporting purposes which required the creation of new A1 Schedule codes to ensure that the data strings populate the new reporting formats. The relevant changes were also made in the reporting formats relating to versions 6.1 to 6.7 of the *mSCOA* chart to ensure that the historical data are populating when reports are drawn from GoMuni.

To ensure that ERP systems generate the A1 Schedule aligned to version 6.7 of the *mSCOA* chart, municipalities and system vendors should refer to the linkages provided on GoMuni. The following reports on GoMuni should be used for this purpose:

- List *m*SCOA account linkages to A1 Schedule based on 6.7 under menu option *m*SCOA Reporting; and
- List *m*SCOA A1 schedule codes WIP (i.e. new A1 Schedule codes) under menu option *m*SCOA Administration.

Both reports can be located under:

https://lg.treasury.gov.za/ibi_apps/portal/Local_Government_Database

The new format for the non-financial data strings A1D and A1F is available on the link below:

<http://mfma.treasury.gov.za/RegulationsandGazettes/Municipal%20Budget%20and%20Reporting%20Regulations/Documents/Forms/AllItems.aspx?RootFolder=%2fRegulationsandGazettes%2fMunicipal%20Budget%20and%20Reporting%20Regulations%2fDocuments%2f2023%2d24&FolderCTID=0x0120001860D4A2BD7AD042BF8427FC3BB59F67>

The A1D is the data string which populates information which we do not extract from the TABB while the A1F populates the budget information which we do not extract from the ORGB. Municipalities should ensure that they use the new format when submitting the non-financial data strings.

10. Submitting budget documentation and A1 schedules for 2023/24 MTREF

The MFMA and its Regulations require the submission of *m*SCOA data strings for budgets, in-year reporting, and annual financial statements in a specific format and by a required timeframe. The credibility and accuracy of the *m*SCOA data strings must be verified by municipalities prior to submission to the GoMuni Upload portal. Since the financial system must be locked at the end of the month in order to generate a *m*SCOA data string, municipalities may not open closed periods to correct errors. Errors must be corrected in the next open period. Providers of municipal financial systems must ensure that the necessary internal controls are built into the system to prevent the opening of closed periods on the financial system and the bypassing of such controls. This also applies to the correction of information in closed periods for 3rd party systems that should be integrating with the main financial system in terms of the requirements of the *m*SCOA Regulations.

From 1 July 2023, Municipal Managers and Chief Financial Officers will be required to sign off on the financial and non-financial data strings submitted to the GoMuni Upload portal when they submit their data strings. The schedules prescribed in terms of the Municipal Budget and Reporting Regulations (MBRR) populated from the *m*SCOA data strings on National Treasury's Local Government and Reporting System (LGDRS) must also be signed off monthly. These sign-offs are for audit purposes and serves as a confirmation by the municipality that the data strings submitted are accurate. Details on the submission of the signed-off figures will be communicated in due course.

In terms of Section 171 of the MFMA, financial misconduct by municipal officials includes the provision of incorrect or misleading information in any document which must be submitted to the National Treasury.

From 1 July 2023, the GoMuni Upload portal for the monthly in-year data strings will be closed at 16h00 on the 10th working day of each month. All publications by the National and Provincial Treasuries are now solely sourced from the *m*SCOA data strings submitted by

municipalities and several stakeholders including Statistics South Africa (STATSSA), Auditor General South Africa (AGSA), the Reserve Bank, and NERSA are in the process of streamlining some of their reporting to the information contained on the National Treasury Local Government Database and Reporting System (LGDRS). The resubmission of data strings after the legislated timeframes is not only illegal but also causing challenges in data sets used by various stakeholders for analysis and reporting purposes. **No data string submissions will therefore be accepted by the National Treasury after the 10th working day of the respective month.**

Contact



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JH Hattingh

Chief Director: Local Government Budget Analysis

03 March 2023

ANNEXURE A: Equitable Share Verification Checklist:

General Requirements

Criteria	Verification Requirement	Yes/No
2023/24 Adopted Budget	Council resolution, adopted mSCOA budget data strings (ORGB), PDF version of adopted MTREF budget uploaded to GoMuni Upload portal immediately after approval.	
<ul style="list-style-type: none"> Is the municipality's completed tariff tool (National Treasury format) included as part of its budget submission (MFMA Budget Circular No. 98 (refer item 4.2). 	The completed National Treasury EXCEL tariff tool uploaded to GoMuni with the adopted budget by start of budget year i.e. 1 July 2023 .	
<ul style="list-style-type: none"> Are allocations made for bulk suppliers current account payments? 	Allocations reflected in mSCOA budget data strings (ORGB) and budget schedules/ document.	
<i>If unfunded budget position–</i>	-	
<ul style="list-style-type: none"> Is a Budget Funding Plan (BFP) adopted with the budget? 	Copy of the adopted Budget Funding Plan uploaded to GoMuni with the adopted budget by start of budget year i.e. 1 July 2023 . PDF version of BFP/progress report uploaded to GoMuni Upload portal by start of budget year i.e. 1 July 2023 . Is the BFP credible and show how the municipality intends moving progressively out of this position into a funded state? In the case of the latest progress report being submitted, is it aligned to the rescue phase of the new approach to Municipal Financial Recovery Service (MFRS)?	
<ul style="list-style-type: none"> Council resolution reflecting commitment to address unfunded position. 	PDF copy of resolution uploaded to GoMuni Upload portal by start of budget year i.e. 1 July 2023 .	
mSCOA		
<ul style="list-style-type: none"> Submission of Data Strings 	Successful submission of all financial and non-financial mSCOA data strings to the GoMuni Upload portal Timeous submission of all financial and non-financial mSCOA data strings to the GoMuni Upload portal Data strings submitted are credible as per the analysis done by NT/PTs Data strings are generated directly from the main municipal financial system The regulated MBRR Schedules are generated directly from the core municipal financial system Successful submission of all financial and non-financial mSCOA data strings to the GoMuni Upload portal	
<ul style="list-style-type: none"> Submission of documents 	Municipal documents required in terms of legislation and MFMA Circulars have been submitted timeously and in the required format to the GoMuni Upload portal.	
<ul style="list-style-type: none"> Financial System Changes 	Municipality has followed the processes in Circulars No. 93, 98, 123 and mSCOA Circulars No 5 and 6 to change their financial system.	
UIF & W		
<ul style="list-style-type: none"> UIF&W Register MPAC recommendation on UIF&W Council Resolution on UIF&W UIF&W Reduction Strategy 	Documents need to be uploaded to NTs eMonitoring Webpage	
Disciplinary Board		
<ul style="list-style-type: none"> Does the municipality have a functional disciplinary board? 	Proof of establishment (or efforts to establish DC Board) uploaded to NTs eMonitoring Webpage NTs eMonitoring Website.	
Competency Regulations		
<ul style="list-style-type: none"> Has the minimum municipal competency regulations reporting requirements been adhered to? 	In line with the Competency Regulations, consolidated reporting information must be uploaded to GoMuni by 30 January 2023 and 30 July 2023 .	
Audit Process		
<ul style="list-style-type: none"> Opinion Received 	Did the municipality receive an adverse or disclaimed audit opinion or had outstanding audits for two consecutive financial years?	
<ul style="list-style-type: none"> Adverse or disclaimed audit opinion 	Council resolution signed by each member of the Council was uploaded to NT's eMonitoring Webpage within 1 month after conclusion of the audit process reflecting council's commitment to address the opinion.	
<ul style="list-style-type: none"> Is a council approved audit action plan in place? 	Audit action plan, together with council resolution, to be uploaded to NT's eMonitoring Webpage within 60 days from audit report issuance.	
Interventions (where applicable)		
<ul style="list-style-type: none"> In the event of a discretionary or mandatory intervention in terms of section 139 of the Constitution, is a Financial Recovery Plan (FRP) in place? 	The FRP and monthly progress reports submitted in terms of sections 145 and 146 of the MFMA must be uploaded to GoMuni Upload portal for each month since the inception of the FRP.	

Quarterly Requirements

Criteria	Verification Requirement	Quarter 3 (Jan – March)	Quarter 4 (April – June)	Quarter 1 (July – Sept)	Quarter 2 (Oct – Dec)
Bulk Supplier Payments					
<ul style="list-style-type: none"> Were current account payments to bulk suppliers (Eskom and Water Boards) timeously made? 	PT/NT to verify status according to MFMA S41 Report. No action required from municipality if account in good standing.	-	-	-	-
<ul style="list-style-type: none"> <u>If current account in arrears, are payment agreements in place?</u> 	Copy of payment agreement or evidence of discussions are uploaded to on GoMuni Upload portal.				
Staff benefit Deductions					
<ul style="list-style-type: none"> Were a) SARS, b) pension and c) other staff benefits timeously paid over to the relevant funds/institutions? 	Proof of payment for each category, for each month of the quarter uploaded to on GoMuni Upload portal.				
Reconciliation of Valuation Roll					
<ul style="list-style-type: none"> Has the valuation role been reconciled to the financial system? 	In line with MFMA Circulars No. 93, 98 and 107, proof of the verification for each quarter should be uploaded on GoMuni Upload portal.				

ANNEXURE E:

Budget Related Policies



ASSET MANAGEMENT POLICY

2023/2024

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1. OBJECTIVE

- 1.1. To ensure the effective and efficient control of the municipality's assets through:
 - 1.1.1 proper recording of assets from authorisation to acquisition and to subsequent disposal;
 - 1.1.2 providing for safeguarding procedures, and
 - 1.1.3 setting proper guidelines as to authorised utilisation and prescribing for proper maintenance.
- 1.2. To assist officials in understanding their legal and managerial responsibilities with regard to assets.

2. BACKGROUND

- 2.1. The proper utilisation and management of its assets is one of the prime mechanisms by which a municipality can fulfill the constitutional objects for:
 - Delivery of sustainable services;
 - Promotion of social and economic development;
 - Promoting a safe and healthy environment and,
 - Providing for the basic needs to the community.
- 2.2. The municipality has a legal and moral obligation to ensure it implements policies to provide for the effective and efficient usage of its assets over the useful life thereof.
- 2.3. The asset management policy deals with the municipal rules required to ensure the enforcement of appropriate stewardship of assets.
- 2.4. Stewardship has three components being the:
 - 2.4.1. Management, utilisation and control by municipal officials;
 - 2.4.2. Financial administration by the Chief Financial Officer, and
 - 2.4.3. Physical administration by the Manager: Assets Management.
- 2.5. Statutory provisions exist to protect public property against arbitrary and inappropriate management or disposal by a municipality.
- 2.6. Accounting standards are set to ensure the appropriate financial treatment for assets. The requirements of these accounting standards include:
 - 2.6.1. The compilation of asset registers recording all assets controlled by the municipality;

- 2.6.2. Accounting treatment for the acquisition, disposal, recording, impairment, valuation and depreciation of assets, and
- 2.6.3. The standards to which these financial records must be maintained

3. DEFINITIONS

“Accounting Standards Board”	was established by the Public Finance Management Act to set standards of Generally Recognized Accounting Practice (GRAP) as required by the Constitution of the Republic of South Africa.
“Assets”	are resources controlled by the municipality as the result of past events and from which future economic benefits or future service potential are expected to flow to the municipality
“Living resources”	Living resources are those resources that undergo biological transformation.
Non-living resources	are those resources, other than living resources, that occur naturally and have not been extracted.
“Asset categories”	are the asset categories as per the Polokwane Asset Register.
“Amortisation”	is the systematic allocation of the depreciable amount of an intangible asset over its useful life.
“Basic Municipal Services”	means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment.
“Biological Assets”	Living assets such as plants and animals
“Capitalisation”	is the recognition of expenditure as an Asset in the Financial Asset Register.
“Carrying amount”	is the amount at which an asset is included in the Statement of Financial Position after deducting any accumulated depreciation and accumulated impairment thereon.
“Control items”	are items of assets that are not significant enough for financial recognition but are valuable enough to warrant special safe-guarding.
“Cost”	is the amount of cash or cash equivalents paid or the fair value of the other consideration given or received to acquire an asset at the time of its acquisition or construction.
“Cost of acquisition”	is all the costs incurred in bringing an asset item to the required

	condition and location for its intended use.
Current replacement cost	The amount that the municipality would incur to replace an asset at the current time
“Depreciation”	” is the systematic allocation of the depreciable amount of an asset over its useful life.
“Depreciable amount”	is the cost of an asset, or other amount substituted for cost in the financial statements, less its residual value.
“Director”	is the “head of each Directorate” that has the functional accountability for and control of the physical management of a particular set of assets in order to achieve the municipality’s strategic objectives relevant to that directorate. The execution of this responsibility will require the relevant asset manager to control the acquisition, utilisation, management and disposal of this set of assets to optimise the achievement of these objectives.
“Fair value”	is the amount for which an asset could be exchanged between knowledgeable willing parties in an arm’s length transaction.
“Financial asset register”	is the control register recording the financial and other key details for all municipal assets recognized in accordance with this policy.
Finance lease	Rental agreement that transfers substantially all the risks and rewards incidental to ownership of an asset. Legal ownership may or may not eventually be transferred.
“Heritage Assets”	are assets defined as culturally significant resources. Examples are works of art, historical buildings and statues.
“Impairment loss” of a cash-generating asset	is the amount by which the carrying amount of an asset exceeds its recoverable amount.
“Impairment loss” of a non cash-generating asset	is the amount by which the carrying amount of an asset exceeds its recoverable service amount.
“Infrastructure assets”	are defined as any assets that are part of a network of similar assets. Examples are roads, water reticulation schemes, sewerage

	purification and trunk mains.
“Investment properties”	are defined as properties that are held for rental and/or capital gains.
“Other assets”	are defined as assets utilized in normal operations. Examples are plant and equipment, motor vehicles and furniture.
“Prescribe”	means as prescribed by the Minister of Finance by regulation.
“Property, plant or equipment” (PPE)	Means tangible assets that: (a) are held by a municipality for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and are expected to have a useful life extending for more than (b) one financial year.
“Recoverable amount”	is the amount that the municipality expects to recover from the future use of an asset, including its residual value on disposal.
“Remaining useful life”	The future economic benefits or service potential that remains after the municipality has consumed some of the total economic benefits or service potential of the asset
“Residual value”	is the net amount that the municipality expects to obtain for an asset at the end of its useful life after deducting the expected costs of disposal.
“Useful life”	is either: (a) the estimated period of time over which the future economic benefits or future service potential embodied in an asset are expected to be consumed by the municipality, or (b) the estimated total service potential expressed in terms of production or similar units that is expected to be obtained from the asset by the municipality.

4. STATUTORY AND REGULATORY FRAMEWORK

4.1. This policy must comply with all relevant legislative requirements including:

- The Constitution of the Republic of South Africa, 1996
- Municipal Structures Act, 1998
- Municipal Systems Act, 2000
- Division of Revenue Act (enacted annually)
- Municipal Finance Management Act No 56 of 2003
- Local Government: Municipal Asset Transfer Regulations, 2008

4.2. This policy must also comply with the standards specified by the Accounting Standards Board.

The relevant currently recognized accounting standards include:

- GRAP 12 Inventory
- GRAP 13 Leases
- GRAP 16 Investment property
- GRAP 17 Property, plant and equipment
- GRAP 21 Impairment of non - cash generating assets
- GRAP 26 Impairment of cash generating assets
- GRAP 31 Intangible assets
- GRAP 100 Discontinued operations
- GRAP 103 Heritage assets
- GRAP 110 Living and non - living resources

4.3. This policy does not overrule the requirement to comply with other policies such as Supply Chain Management or Budget policies.

5. RESPONSIBILITIES AND ACCOUNTABILITIES

5.1. The Municipal Manager is responsible for the management of the assets of the municipality, including the safeguarding and the maintenance of those assets.

5.2. The Municipal Manager must take all reasonable steps to ensure that:

- the municipality has and maintains a management, accounting and information system that accounts for the assets of the municipality;
- the municipality complies with standards of GRAP;
- the municipality has and maintains a system of internal control of assets, including an asset register, and
- the CFO and Directors comply with this policy.

5.3. The Chief Financial Officer is responsible to ensure that the assets are properly recorded and safeguarded.

5.3.1. The Chief Financial Officer must take all reasonable steps to ensure that:

- appropriate systems of financial management and internal controls are established and carried out diligently;
- the financial and other resources of the municipality are utilized effectively, efficiently, economically and transparently;
- any unauthorized, irregular or fruitless or wasteful expenditure, and losses resulting from criminal or negligent conduct, are prevented;
- the systems, processes and registers required to substantiate the financial values of the municipality's assets are maintained to standards sufficient to satisfy the requirements of all statutes;
- financial processes are established and maintained to ensure the municipality's financial resources are optimally utilized through appropriate asset plans, budgeting, purchasing, maintenance and disposal decisions;
- the Municipal Manager is appropriately advised on the exercise of powers and duties pertaining to the financial administration of assets, and
- the Directors are appropriately advised on the exercise of their powers and duties pertaining to the financial administration of assets.

5.3.2. The Chief Financial Officer may delegate or otherwise assign responsibility for performing these functions but will remain accountable for ensuring these activities are performed.

5.4. The Directors must take all reasonable steps to ensure that:

- appropriate systems of physical management and controls are established and carried out for assets in their areas of responsibility;
- the municipal resources assigned to them are utilized effectively, efficiently, economically and transparently;

- the assets under their control are appropriately safeguarded and maintained to the extent necessary and that risk management systems are in place and applied;
- any unauthorized, irregular or fruitless or wasteful expenditure, and losses resulting from criminal or negligent conduct, are prevented;
- they are able to justify that their asset plans, budgets, purchasing, maintenance and disposal decisions optimally achieve the municipality's strategic objectives;
- the purchase of assets complies with all municipal policies and procedures;
- all movable and immovable assets are duly processed and identified when it is received into his/her stewardship;
- all movable and immovable assets received into his/her stewardship are appropriately safeguarded for inappropriate use or loss. This will include control over the physical access to these assets and regular asset counts to ensure any losses have not occurred. Any known losses should be immediately reported to the Chief Financial Officer, and
- assets are appropriately utilized for the purpose for which the municipality acquired them for.

The Director may delegate or otherwise assign responsibility for performing these functions but will remain accountable for ensuring these activities are performed

5.5 Safe-guarding of assets.

Directors shall be directly responsible for the physical safeguarding of any asset controlled or used by the directorate in question.

In exercising this responsibility, Directors shall adhere to the stipulations of this policy as well as any other written directives issued by the Municipal Manager to the directorate in question, or generally to all directorates, with regards to the control of or safeguarding of the municipality's assets.

6. FINANCIAL MANAGEMENT

6.1 Approval to acquire assets

Funds can only be spent on a capital project if:

- the funds has been appropriated in the capital budget, and the future annual operations and maintenance needs have been calculated and have been budgeted for in the operations budget;
- the project, including the total cost and funding sources, has been approved by Council;
- the Chief Financial Officer confirms that funding is available for that specific project, and
- the Supply Chain Management prescripts/procedures have been adhered to.

6.2 Funding period of capital projects

The acquisition of assets will not be funded over a period longer than its useful life.

6.3 Disposal of assets

- The municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of an asset needed to provide the minimum level of basic municipal services, unless such asset is obsolete or surplus to requirements or beyond a state of good repair or being replaced and provided that the delivery of the minimum level of basic municipal services must not be compromised as a result of the disposal of the asset.
- The decision that a specific asset is not needed to provide the minimum level of basic municipal services, may not be reversed by the municipality after that asset had been sold, transferred or otherwise disposed of.
- The disposal of an asset must be fair, equitable, transparent, competitive and cost effective and comply with municipal supply chain management regulation and policy.
- The transfer of assets to another municipality, municipal entity, national directorate or provincial directorate is excluded from these provisions, provided such transfer is being done in accordance with a prescribed regulatory framework.
- Directors shall report in writing to the Chief Financial Officer on all assets controlled or used by the directorate concerned, which such Director wishes to alienate by public auction or public tender. The Chief Financial Officer shall thereafter consolidate the requests received from the various directorates, and shall promptly report such consolidated information to the Council or the Municipal Manager of the municipality, as the case may be, recommending the process of alienation to be adopted.
- Once the assets are alienated, the Chief Financial Officer shall de-recognise the asset from the asset register.
- All gains and losses realized on the alienation of assets shall be accounted for according to GRAP requirement.

6.4 Loss, Theft, or destruction assets

Directors shall ensure that any incident of loss, theft, or destruction, of any asset controlled or used by the directorate in question is promptly reported in writing to the Chief Financial Officer and community safety in cases of suspected theft or malicious damage also to the South African Police Service.

Municipality reserve the right to recover carrying value of assets in case of proven negligent from the liable official.

7. INTERNAL CONTROLS

7.1 Financial asset registers

7.1.1 The Chief Financial Officer will establish and maintain the asset register containing key information on each item of asset that satisfies the recognition criteria.

7.1.2 Contents of the financial asset register:

- The asset register shall be maintained in the format determined by the Chief Financial Officer, which shall comply with the requirements of GRAP.

7.1.3 Internal Controls over the financial asset registers:

- Controls around the asset registers should be sufficient to provide Directors with complete accurate and valid information.
- These controls will include the physical management and recording of all acquisitions, transfers, losses and disposals of assets.

7.2 General management of assets

7.2.1 The Chief Financial Officer will undertake risk based annual asset verification .

7.2.2 Director must advise the Chief Financial Officer, in writing, of capital work-in progress (WIP) at the end of the financial year.

7.2.3 A Director must advise the Chief Financial Officer, promptly in writing whenever capital work-in-progress is completed, for inclusion in the asset register

7.2.4 A Director must notify the Chief Financial Officer about any new acquisition of asset in writing for inclusion in the asset register

7.2.5 Every Directorate must keep a maintenance record for any repairs and maintenance done.

7.3 Transfers of assets

- Asset transfers must be done in writing

7.4 Verification of assets

- The Municipality shall perform risk based asset verification at the end of each financial year.

7.5 Insurance of assets

- The Municipality shall ensure that insurable assets are comprehensively insured.

8. CLASSIFICATION & COMPONENTS

8.1 Classification of assets

- Any asset recognized as an asset under this policy will be classified according to categories as per the Polokwane Asset Register
- All fixed assets should be classified under the following headings in the Asset Register:
 - Property, plant and equipment (PPE) (which is broken down into groups of assets of a similar nature or function in the municipality's operations, that is shown as a single class for the purposes of disclosure in the financial statements);
 - Intangible Assets;
 - Heritage Assets;
 - Investment Properties
 - Finance Leased Assets;
 - Biological Assets
 - Living and non living resources

8.2 Class of assets

- PPE asset hierarchy

An asset hierarchy is adopted for PPE which enables separate accounting of parts (or components) of the asset that are considered significant to the municipality from a financial point of view, and for other reasons determined by the municipality, including risk management (in other words, taking into account the criticality of components) and alignment with the strategy adopted by the municipality in asset renewal (for example the extent of replacement or rehabilitation at the end of life). In addition, the municipality may aggregate relatively insignificant items to be considered as one asset. The structure of the hierarchy recognises the functional relationship of assets and components.

- Servitudes

Where municipalities establish servitudes as part of the registration of a township, the associated rights are granted in statute and are specifically excluded from the standard on intangible assets. Such servitudes cannot be sold, transferred, rented or exchanged freely and are not separable from the municipality. Consequently, such servitudes are not recognised in the asset register.

However, servitudes that are created through acquisition (including by way of expropriation or agreement) are recognised as an intangible asset at cost. The municipality may include the cost of the servitude in the cost of the PPE if it is essential to the construction or operation of the asset.

- Non-current assets held for sale

A non-current asset (or disposal group) is considered to be “held for sale” if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. An immovable asset classified as a “non-current asset held for sale” shall be reclassified as a current asset, and will therefore be taken off the Asset Register. This provision does not apply to immovable assets that are abandoned.

To be classified as “held for sale”, the asset must be available for immediate sale (i.e. to be completed within a year) in its present condition, and it must be highly probable that the sale will take place (management must be committed to a plan to sell the asset and an active programme to locate a buyer must have been initiated). Sale transactions include exchanges of immovable assets for other non-current assets when the exchange has commercial substance. If the municipality acquires an immovable asset exclusively for the purpose of selling it, it shall be classified as a

“non-current asset held for sale” at its acquisition date only if all the above requirements are met.

An extension of the period required to complete the sale does not preclude an asset from being classified as held for sale if the delay is caused by events or circumstances beyond the municipality’s control and there is sufficient evidence that the municipality remains committed to its plan to sell the asset. However, if the municipality has classified an asset as held for sale, but the criteria are no longer met, the municipality shall cease to classify the asset as held for sale.

If the criteria are only met after the reporting date, the municipality shall not classify the immovable asset as held for sale in those financial statements when issued. However, when those criteria are met after the reporting date but before the authorisation date for the financial statements to be issued, the municipality shall disclose a description of the immovable asset; a description of the facts and circumstances of the sale, or leading to the expected disposal, and the expected manner and timing of disposal; and if applicable, the segment in which the asset (or disposal group) is presented.

- Land
- Buildings (not held as investment assets)
- Biological Assets

- Community assets (resources contributing to the general well-being of the community)
- Infrastructure assets (assets which are part of a network of similar assets)
- Intangible assets
- Heritage assets (culturally significant resources)
- Other assets (ordinary operational resources, consisting of Furniture, Equipment and Vehicles)
- Finance lease assets
- Library books
- Investment property
 - investment assets (resources held for capital or operational gain or rental); or
 - Land held with undetermined use

Chief Financial Officer may agree to subdivide these classifications further as the classification complies with GRAP Standard.

9. UNBUNDLING OF ASSETS

- Assets will be componentized or unbundled in line with the requirement of GRAP standard

10.ACCOUNTING FOR ASSETS

10.1 Recognition of assets

- An item will be recognized as an asset when:
 - *it is probable that future economic benefits or potential service delivery associated with the asset will flow to the municipality,*
 - *the cost of the asset to the municipality can be measured reliably,*
 - *the municipality has control over the asset,*
 - *the costs are above the recognition threshold, and*
 - *the asset is expected to be used for more than one financial year.*

10.2 Initial measurement

The municipality shall measure the assets in accordance with the requirements of GRAP standards for that class of assets. The relevant GRAP standards include the following

- GRAP 12 - Inventory
- GRAP 13 - Leases
- GRAP 16 - Investment property
- GRAP 17 - Property, plant and equipment
- GRAP 21 - Impairment of non-cash generating assets
- GRAP 26 - Impairment of cash generating assets
- GRAP 31 - Intangible assets
- GRAP 100 -Discontinued operations
- GRAP 103 -Heritage assets
- GRAP 105 -Transfer of functions between entities under common control
- GRAP 106 -Transfer of functions between entities not under common control
- GRAP 110 - Living and non-living resources

10.3 Subsequent Measurement

10.3.1 Definitions and rules

Options

Accounting standards allow measurement after recognition of assets as follows:

- Immovable PPE, heritage assets, Living and non-living resources and intangible assets: on either a cost or revaluation model; and
- Investment Property: either cost model or the fair value model.

Different models can be applied, providing the treatment is consistent per asset class.

Cost model

When the cost model is adopted, the asset is carried after recognition at its cost less any accumulated depreciation and any accumulated impairment losses.

Revaluation model

When the revaluation model is adopted an immovable asset is carried after recognition at a re-valued amount, being its fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. When revaluations are conducted, the entire class of assets should be re-valued. The appraisal of the fair value of assets is normally undertaken by a member of the valuation profession, who holds a recognised and relevant professional qualifications and/or appropriate knowledge and experience in valuation of the respective assets.

Any change to an asset's carrying amount as a result of revaluation, is credited (or deducted from any surplus from previous revaluations if the re-valued amount decreased from the previous re-valued amount) in the Revaluation Reserve.

When an immovable asset is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- Restated proportionately with the change in the gross carrying amount of the asset after revaluation equals its revalued amount. This method is often used when an asset is revalued by means of applying an index to its depreciated replacement cost.
- Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

The revaluation surplus is transferred to the Accumulated Surpluses/ (Deficits) Account on de-recognition of an asset. An amount equal to the difference between the new (enhanced) depreciation expense and the depreciation expenses determined in respect of such immovable asset before the revaluation in question may be transferred from

the revaluation reserve to the municipality's accumulated surplus/deficit account. An adjustment of the aggregate transfer is made at the end of each financial year.

If the carrying amount based on the revaluation is less than the carrying value of the immovable asset recorded in the fixed asset register, the carrying value of such asset is adjusted by reducing the carrying amount to the value based on the revaluation. Such reduction forms a charge, in the first instance, against the balance in any revaluation reserve previously created for such asset, and to the extent that such balance is insufficient to bear the charge concerned, an immediate additional charge against the department or vote controlling or using the asset in question.

Investment property

When the fair value model is adopted, all investment property should be measured at its fair value except when the fair value cannot be determined reliably on a continuing basis. The gain or loss from the change in fair value of investment property shall be included in the surplus or deficit for the period in which it arises. The fair value of the investment property shall reflect market conditions at the reporting date. Investment property shall be valued on an annual basis. All fair value adjustments shall be included in the surplus or deficit for the financial year.

Statutory inspections

The cost of a statutory inspection that is required for the municipality to continue to operate immovable PPE is recognised at the time the cost is incurred, and any previous statutory inspection cost is de-recognised.

Expenses to be capitalised

Expenses incurred in the enhancement of PPE (in the form of improved or increased services or benefits flowing from the use of such asset), or in the material extension of the useful operating life of immovable assets are capitalised. Such expenses are recognised once the municipality has beneficial use of the asset (be it new, upgraded, and/or renewed) – prior to this, the expenses are recorded as work-in-progress. Expenses incurred in the maintenance or repair (reinstatement) of PPE that ensures that the useful operating life of the asset is attained, are considered as operating expenses and are not capitalised, irrespective of the quantum of the expenses concerned.

Spares

The location of capital spares shall be amended once they are placed in service, and reclassified to the applicable PPE asset sub-category.

10.3.2 Adopted accounting models

Measurement after recognition shall be on the following basis:-

- Immoveable PPE: revaluation model.
- Heritage assets: cost model.
- Investment property: fair value model.
- Intangible assets: cost model.
- Movable Assets: Cost Model
- Biological assets: Fair value model
- Living and non-living resources: Revaluation model

10.3.3 Frequency of Revaluation

Where the valuation model is adopted, an official revaluation will be every three(3) financial years. This is closely aligned with the timeframe associated with the frequency at which Municipal Valuation Roll which is currently determined, through legislation, which is four (4) financial years.

During the financial years between valuation periods, annual assessments of the relevance of asset values will be performed, and where necessitated, valuation adjustments will be made to ensure compliance with the principles of the valuation model.

10.4 Donations or exchanges

Where an asset is acquired at no cost, or for a nominal cost, it will be initially measured at its fair value as at the date of acquisition and included in the asset register.

10.5 Depreciation

- All PPE, except land and heritage assets, shall be depreciated.
- The depreciable amount of an item of property, plant or equipment should be allocated on a systematic basis over its useful life.
- The depreciation method used should reflect the pattern in which economic benefits or potential service provisions are consumed by the municipality.
- The depreciation charge for each period will be recognized as an expense against the budget of the relevant Director unless it is included in the carrying amount of another asset.
- The depreciation method used shall reflect the pattern in which the assets future economic benefits or service potential are expected to be consumed by the municipality.
- A variety of depreciation methods can be used to allocate the depreciable amount of an asset on a systematic basis over its useful life. These methods include the straight-line method, the diminishing balance method and the units of production method. Straight-line depreciation results in a constant charge over the useful life if the asset's residual value does not change. The diminishing balance method

results in a decreasing charge over the useful life. The units of production method results in a charge based on the expected use or output. The municipality selects the method that most closely reflects the expected pattern of consumption of the future economic benefits or service potential embodied in the asset. That method is applied consistently from period to period unless there is a change in the expected pattern of consumption of those future economic benefits or service potential.

- The depreciation method adopted by the municipality will be the straight-line method.
- Depreciation shall be calculated from the day the fixed asset is available for use (GRAP 17).
- The Chief Financial Officer, shall ensure that reasonable budgetary provision is made annually for the depreciation of all applicable fixed assets controlled or used by the directorate in question or expected to be so controlled or used during the ensuing financial year.
- The procedures to be followed in accounting and budgeting for the amortisation of intangible assets shall be identical to those applying to the depreciation of other fixed assets.

10.6 Initial determination of useful life

- Directors need to determine the useful life of a particular item or class of asset through the development of a strategic asset management plan. The determination of useful life should be developed as part of any pre-acquisition planning that would consider, inter alia, the following factors:
 - The program that will optimise the expected long-term costs of owning that asset,
 - Economic obsolescence because it is too expensive to maintain,
 - Functional obsolescence because it no longer meets the municipality's needs,
 - Technological obsolescence,
 - Social obsolescence due to changing demographics, and
 - Legal obsolescence due to statutory constraints.
- The useful lives adopted by the Municipality, which serves as a guide to the minimum useful lives of an asset at initial recognition, is included in the Asset Hierarchy, attached as Annexure A to this policy.

10.7 Review of useful life

- Only the Chief Financial Officer may amend the useful operating life assigned to any fixed asset, and when any material amendment occurs, the Chief Financial Officer shall inform the council of the municipality of such amendment.
- The Chief Financial Officer shall amend the useful operating life assigned to any fixed asset if it becomes known that such asset has been materially impaired or improperly maintained to such an extent that its useful operating life will not be attained, or any other event has occurred which materially affects the pattern in which the asset's economic benefits or service potential will be consumed.
- The useful life of an item of property, plant or equipment should be reviewed when there are indicators of change in expected pattern of consumption and if these revised expectations are significantly different from previous estimates, then the depreciation charge for the current and future periods should be adjusted in accordance with requirements of GRAP and the additional depreciation expenses shall be debited to the directorate or vote controlling or using the fixed asset in question.

10.8 Review of depreciation method

- The depreciation method applicable to property, plant or equipment should be reviewed annually, and if there has been a significant change in the expected pattern of economic benefits or potential service delivery from those assets, the method should be changed to reflect the changed pattern.
- When such a change in depreciation method is necessary the change should be accounted for as a change in accounting estimate and the depreciation charge for the current and future periods should be adjusted.

10.9 Subsequent expenditure on property plant or equipment

- Subsequent expenditure relating to an item of property, plant or equipment that meets the definition of an asset should be added to the carrying amount of the asset when such expenditure will increase the useful life of the asset or increase the efficiency of the asset or reduce the cost of operating the asset, resulting in financial or service delivery benefits.
- All other expenditure should be recognized as an expense in the period in which it occurred.
- Before allowing the capitalization of subsequent expenditure, the Chief Financial Officer must be satisfied that this expenditure will significantly:
 - increase the life of that asset beyond that stated in the asset register, or
 - increase the quality of service provided by that asset beyond the existing level of service, or
 - increase the quantity of services that asset can provide, or
 - reduce the future assessed costs of maintaining that asset.
- Expenditure that is proposed to be capitalized must also conform to recognition criteria for assets and should also be appropriately included in the approved capital budget.

10.10 Impairment of assets

The accounting treatment relating to impairment losses is outlined as follows in GRAP 21 & 26:

- The carrying amount (Book value) of an asset should be reviewed when there are indicators of impairment in order to assess whether or not the recoverable amount has declined below the carrying amount.

- Recoverable amount is the amount that the municipality expects to recover from the future use of an asset, including its residual value on disposal. When the recoverable amount is lower than the carrying amount, the carrying amount should be reduced to the recoverable amount. The amount of the reduction should be recognised as an expense immediately.

- The recoverable amount of individual assets, or groups of identical assets, is determined separately and the carrying amount reduced to recoverable amount on an individual asset, or group of identical assets, basis. However, there may be circumstances when it may not be possible to assess the recoverable amount of an asset on this basis, for example when all of the plant and equipment in a sewerage purification work is used for the same purpose. In such circumstances, the carrying amount of each of the related assets is reduced in proportion to the overall decline in recoverable amount of the smallest grouping of assets for which it is possible to make an assessment of recoverable amount.

- The following may be indicators that an item of PPE has become impaired:
 - The asset has been damaged.

 - The asset has become technologically obsolete.
 - The asset remains idle for a considerable period either prior to it being put into use or during its useful life.
 - Land is purchased at market value and is to be utilized for subsidized housing developments, where the subsidy is less than the purchase price.
 -
 - Net Selling price of the land which is the amount obtainable from the sale of the market in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.

 - Value in use of the land which is the present value of the estimated future net cash inflows expected from the continuing use of the asset and from its disposal at the end of its useful life.

The following steps will have to be performed regularly during the year to account for impairment losses:

- Directorates will identify and inform Budget & Treasury Office Directorate - Asset Control of assets that are:
 - Are in a state of damage at year end.
 - Are technologically obsolete at year end. This can be facilitated if Directorates require Finance Directorate - Asset Control, to supply them with a Fixed Asset Register print-out pertaining to major assets showing the remaining useful lives of assets. The Directorates can then assess and indicate cases where

the assessed remaining useful life is shorter than the remaining useful life on the printout.

- Have remained idle for a considerable period either prior to them being put into use at year end or during their useful life.
 - Are subject to impairment losses because the subsidies to be received in exchange for assets are less than the carrying amounts. An example of this is land that is purchased at market value and is utilized for subsidized housing developments
- The impairment loss needs to be accounted for by identifying the relevant funding source.
 - The carrying amount of an asset should be reviewed when there are indicators of impairment to assess whether or not the recoverable amount has declined below the carrying amount.
 - When such a decline has occurred, the carrying amount should be reduced to the recoverable amount.
 - The amount of the reduction should be recognized as an Impairment expense immediately, unless it reverses a previous revaluation in which case it should be charged to the Revaluation Reserve.
 - For assets providing economic benefits, the recoverable amount is the net present value of future ownership.
 - For assets providing future service delivery, the recoverable amount is the remaining proportional to its useful life, service capacity or quality of service that is not intended to be restored by normal maintenance programs.

Subsequent increase in recoverable amount

- A subsequent increase in the recoverable amount of an asset, previously written down due to a decline in the carrying amount, should be written back when the circumstances and events that led to the write-down or write-off cease to exist and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future.
- The amount written back should be reduced by the amount that would have been recognized as depreciation had the write-down or write-off not occurred.

10.11 Accounting treatment on Disposal

- An asset should be eliminated from the Statement of Financial Position, on disposal or when the asset is permanently withdrawn from use and no future economic benefits or potential service delivery is expected from its disposal.
- Gains or losses arising from the retirement or disposal of an asset should be determined as the difference between the actual or estimated net disposal proceeds and the carrying amount of the asset, and should be recognized as revenue or expense in the Statement of Financial Performance.
- All gains realised on the alienation of fixed assets shall be appropriated annually to the municipality's Capital Replacement Reserve (except in the cases outlined below), and all losses on the alienation of fixed assets shall remain as expenses

on the Statement of Financial Performance of the directorate or vote concerned. If, however, both gains and losses arise in any one financial year in respect of the alienation of the fixed assets of any directorate or vote, only the net gain (if any) on the alienation of such fixed assets shall be appropriated.

10.12 Reinstatement, maintenance and other expenses

- Only expenses incurred in the enhancement of a fixed asset (in the form of improved or increased services or benefits flowing from the use of such asset) or in the material extension of the useful operating life of a fixed asset shall be capitalised.
- Expenses incurred in the maintenance or reinstatement of a fixed asset shall be considered as operating expenses incurred in ensuring that the useful operating life of the asset concerned is attained, and shall not be capitalised, irrespective of the quantum of the expenses concerned.
- Expenses which are reasonably ancillary to the bringing into operation of a fixed asset may be capitalised as part of such fixed asset. Such expenses may include but need not be limited to ,transportation costs, installation cost etc.
- The following matrix will assist in distinguishing capital expenditure from maintenance expenditure: -

Capital Expenditure	Maintenance
<ul style="list-style-type: none"> • Acquiring a new asset • Replacing an existing asset 	<ul style="list-style-type: none"> • Restoring an asset so that it can continue to be used for its intended purpose and designed capacity
<ul style="list-style-type: none"> • Enhancing an existing asset so that its use/capacity is expanded • Further developing an existing asset so that its original useful life is extended 	<ul style="list-style-type: none"> • Maintaining an asset so that it can be used for the period for which it was initially intended.

10.13 Assets held under leases

Finance leases are leases, which in effect transfer all risks and rewards associated with the ownership of an asset from the lessor to the lessee. Assets held under finance leases are capitalized by the municipality and reflected as such in the FAR. It will be capitalized at its leased value in accordance with requirements of GRAP 13. The asset is then depreciated over its expected useful life.

Operating leases are those leases which are not finance leases. Operating lease rentals are expensed as they become due. Assets held under operating leases are not accounted for in the asset registers of the municipality.

10.14 Investment property

Investment assets shall be accounted for in terms of GRAP 16 and shall not be classified as property, plant and equipment for purposes of preparing the municipality's statement of position.

Investment assets shall comprise land or buildings (or parts of buildings) or both held by the municipality, as owner or as lessee under a finance lease, to earn rental revenues or for capital appreciation or both.

Investment assets shall be recorded in the fixed assets register in the same manner as other fixed assets, but a separate section of the fixed assets register shall be maintained for this purpose.

The municipality has adopted the fair value model in respect of Investment Properties

Fair value

Investment assets shall not be depreciated, but shall be annually valued on balance sheet date to determine their fair (market) value. Investment assets shall be recorded in the Statement of Financial Performance at such fair value.

Adjustments to the previous year's recorded fair value shall be accounted for as either gains (revenues) or losses (expenses) in the accounting records of the directorate or service controlling the assets concerned.

If the council of the municipality resolves to construct or develop a property for future use as an investment property, such property shall in every respect be accounted for as a fixed asset until it is ready for its intended use ;where-after it shall be re-classified as an investment asset.

10.15 Fixed assets treated as inventory

Any land or buildings owned or acquired by the municipality with the intention of selling such property in the ordinary course of business, or any land or buildings owned or acquired by the municipality with the intention of developing such property for the purpose of selling it in the ordinary course of business, shall be accounted for as inventory, and not included in either property, plant and equipment or investment property in the municipality's statement of position.

Such inventories shall, however, be recorded in the fixed assets register in the same manner as other fixed assets, as capital spares, but a separate section of the fixed assets register shall be maintained for this purpose.

10.16 Recognition of heritage assets in the fixed asset register

If no original costs or fair values are available in the case of one or more or all heritage assets, the Chief Financial Officer may, if it is believed that the determination of a fair value for the assets in question will be a laborious or expensive undertaking, record such asset or assets in the fixed asset register without an indication of the costs or fair value concerned.

For Statement of Financial Performance purposes, the existence of such heritage assets shall be disclosed by means of an appropriate note.

10.17 Other write-offs of fixed assets

The only reasons for writing off fixed assets, other than the alienation of such fixed assets, shall be the loss, theft, and destruction or material impairment of the fixed asset in question.

In every instance where a not fully depreciated fixed asset is written off, the Chief Financial Officer shall immediately debit to such directorate or vote, as additional depreciation expenses, the full carrying value of the asset concerned.

10.18 General maintenance of fixed assets

Every Director shall be directly responsible for ensuring that all assets are properly maintained and in a manner which will ensure that such assets attain their useful operating lives.

11.FINANCIAL DISCLOSURE

Assets must be disclosed per class in accordance with Generally Recognized Accounting Practice.

12.DATE OF IMPLEMENTATION

This policy shall be implemented on 1st July 2023 and shall be reviewed on an annual basis to ensure that is in line with the municipality's strategic objectives and with legislation.



BILLING POLICY

2023/2024

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1. DEFINITIONS

“**Accounting Officer**” means the municipal manager appointed in terms of Section 60 of the Municipal Finance Management Act.

“**Actual Consumption**” means the measured consumption from a metered service consumed by a customer.

“**Applicable Charges**” means the rate, charges, tariffs or levies determined by council.

“**Annually**” means once every financial year.

“**Arrears**” means those property rates (rates) and service charges that have not been paid by the due date.

“**Authorized Representative**” means a person or delegated person legally appointed by the Municipality to act or to fulfill a duty on its behalf.

“**Availability Charges**” means a fixed monthly or annual charge levied against the account holder which is based on the cost for providing a municipal service to the premises of the account holder.

“**Basic Municipal Services**” shall mean a municipal service necessary to ensure an acceptable and reasonable quality of life, which service – if not provided – would endanger public health or safety or the environment.

“**Billing**” refers to the process of charging for rates and taxes and issuing of accounts.

“**Billing Date**” means the date upon which the monthly statement is generated and debited to the customer's account.

“**By-law**” shall mean legislation passed by the council of the Municipality, and which shall be binding on the Municipality and on the persons and institutions to which it applies.

"Chief Financial Officer" means the person appointed as the Chief Financial Officer or the person appointed to act in the position of Chief Financial Officer of the Municipality.

"Consolidated Account" means an account which is a consolidation of any separate accounts of a person who is liable for payment to the Municipality.

"Council" means the Council of the Polokwane Municipality

"Councilor" shall mean a member of the Council of Polokwane Municipality.

"Connection" means the point at which a customer gains access to municipal services.

"Customer" means the occupier of any premises to which the Municipality has agreed to supply or is supplying municipal services to, or if no occupier can be identified or located, then the owner of the premises.

"Consumer"

"Due Date" in relation to rates and taxes -

(a) rates due in respect of any immovable property, means: -

- (i) the date for payment indicated on the account,
- (ii) in the case where rates and services are levied on a monthly basis, the due date shall always be the 25th of each month.

(iii)

"Electricity Charges" means service charges in respect of the provision of electricity.

"Financial Year" shall mean the period starting from 1 July in any year and ending on 30 June of the following year.

"Indigent Customer" means the approved indigent household in term of council's indigent policy

“Illegal Connection” means a connection to any system through which a municipal service is provided and that is not authorized or approved by the municipality.

“Interest” means a charge levied with the same legal priority as service fees and calculated at a rate determined by council from time to time.

“Municipal Tariff” shall mean a tariff for services which the Municipality may set for the provision of a service to the local community and may include a surcharge on such service.

“Service Delivery Agreement” means an agreement between the Municipality and an institution or persons mentioned in section 76(b) of the Local Government: Municipal Systems Act 32 of 2000.

“Tampering and bypassing” means unauthorized reconnection of a supply that has been disconnected for non-payment or interference with the supply mains or bypassing of the metering equipment to obtain unmetered service.

2. ABBREVIATIONS

AO Accounting Officer

CFO Chief Financial Officer

MFMA Municipal Finance Management Act 56 of 2003 (as amended)

MPRA Municipal Property Rates Act 6 of 2004 (as amended)

MSA Municipal Systems Act 32 of 2000 (as amended)

NCA National Credit Act 34 of 2005 (as amended)

VAT Value Added Tax Act 89 of 1991 (as amended)

IBT Inclining Block Tariff

3. PREAMBLE

Whereas section 152 (1) (b) of the Constitution of the Republic of South Africa Act 108 of 1996 (*the Constitution*) provides that one of the objects of local government is to ensure that the provision of services to communities occurs in a sustainable manner;

And whereas section 4 (1) (c) of the Local Government: Municipal Systems Act 32 of 2000, as amended (*the Systems Act*) provides that the Council of a Municipality has the right to finance the affairs of the Municipality by charging fees for services, imposing surcharges on fees, rates on property and, to the extent authorized by national legislation, other taxes, levies and duties;

And whereas section 5 (1) (g), read with subsection (2) (b) of the Systems Act provides that members of the local community have the right to have access to municipal services which the municipality provides, provided that, where applicable and subject to the policy for indigent customers, pay promptly for services charges levied, surcharges on fees, other taxes, levies and duties imposed by the municipality;

And whereas Chapter 9, sections 95, 96, 97, 98, 99 and 100, of the Systems Act provides for Customer Care Management, and the responsibility for Debt Collection of the Municipality, contents of the policy, by-laws that give effect to the policy, Supervisory authority and Implementing authority, respectively.

Now therefore the Municipal Council of Polokwane Municipality adopts the following policy regarding Billing of Services to Customers.

4. OBJECTIVE OF THE POLICY

Section 95 of the Local Government: Municipal Systems Act, 32 of 2000 (hereinafter referred to as the MSA) requires the Municipality to:

- 4.1 establish a sound customer management system;
- 4.2 establish mechanisms for users of services and ratepayers to give feedback to the municipality regarding the quality of services;

- 4.3 take reasonable steps to ensure that users of services are informed of the costs of service provision, the reason for the payment of service fees, and the manner in which monies are utilized;
- 4.4 take reasonable steps to ensure the accurate measurement of consumption of services;
- 4.5 ensure the receipt by persons liable for payments of regular and accurate accounts that indicate the basis for calculating the amounts due;
- 4.6 provide accessible mechanisms for those persons to query or verify accounts and metered consumption, and appeal procedures which allow for prompt redress for inaccurate accounts;
- 4.7 provide accessible mechanisms for dealing with complaints, prompt replies and corrective action;
- 4.8 provide mechanisms to monitor response times to such complaints;
- 4.9 Provide accessible pay points and other mechanisms for settling accounts or for making pre-payments for services.

5. UNDERLYING PRINCIPLES OF THIS POLICY

The principles of Billing in the Municipality are: -

- 5.1 The administrative integrity of the Municipality must be maintained at all times.
- 5.2 This policy must be approved by Council.
- 5.3 The policy must be made accessible.
- 5.4 A person liable for property rates and consumption levies must furnish the municipality with an address where correspondence can be directed to and remains his / her

responsibility to enquire with the municipality if the account is not rendered

- 5.5 Customers must receive regular and accurate accounts that indicate the basis for calculating the amounts due. The customer is entitled to have the details of the account explained upon request.
- 5.6 Customers must pay their accounts regularly on or before the due date.
- 5.7 Customers are entitled to reasonable access to pay points and to a variety of reliable payment methods.
- 5.8 Customers are entitled to an efficient, effective, and reasonable response to queries dispute and appeals, and should not suffer any disadvantage during the processing of a reasonable appeal.
- 5.9 All tariffs to calculate Property Rates, Electricity and Water consumption, Sewer and Refuse collection charges are determined annually, approved by Council, and contained in the Tariff booklet produced by the Municipality.

6. LEGISLATIVE FRAMEWORK

The legal framework central to Billing and the functioning of municipalities is contained in various pieces of legislation, some of which is briefly outlined in the section to follow.

6.1 Constitution of the Republic of South Africa, 1996 (Act 108 of 1996)

The Constitution of the Republic of South Africa, 1996, (Act 108 of 1996), is the supreme law of the Republic, any law or conduct inconsistent with it is invalid, and the obligations imposed by it must be fulfilled. The right to sufficient water and appropriate assistance where one is unable to support them, and their dependents is enshrined in the Constitution. In this instance the state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realization of these rights.

The objectives of local government are set out in Section 152 of the Constitution and include:

- 6.1.1 providing a democratic and accountable government for local communities.
- 6.1.2 provision of services to communities in a sustainable manner.
- 6.1.3 promoting social and economic development.
- 6.1.4 promoting a safe and healthy environment; and
- 6.1.5 encouraging the involvement of communities and community organizations in the matters of local government.

Furthermore, a municipality must achieve these objectives within its financial and administrative capacity. It is therefore within the powers and functions of a municipality to impose rates on property and surcharges on fees for services provided by or on behalf of a municipality as it aims to achieve its objective of providing services to communities in a sustainable manner.

6.2 Electricity Regulation Act, 2006 (4 of 2006)

The Electricity Regulation Act, 2006 (4 of 2006) prohibits a municipality (licensee) from reducing or terminating the supply of electricity unless.

- 6.2.1 the customer is insolvent,
- 6.2.2 the customer has failed to honor, or rejects to enter into, an agreement for the supply of electricity; or
- 6.2.3 the customer has contravened the payment conditions of that licensee.

As such, the municipality must ensure that it enters into service agreements with its customers for the supply of services, including electricity, and that these agreements clearly spell out the service and payment terms and conditions which the customer will be subject to.

6.3 Water Services Act, 1997 (Act 108 of 1997)

The main objective of this Act is to provide for the right of access to “basic water supply” and “basic sanitation” necessary to ensure sufficient water and an environment not harmful to

health or well-being. The responsibility lies on the municipality as a water services authority to take reasonable measures to realize these rights.

Basic water supply refers to the prescribed minimum standard of water supply services necessary to support life and personal hygiene. A municipality cannot deny any person access to basic water services due to non-payment, where that person proves, to the satisfaction of the municipality, that they are unable to afford to pay for basic services. The implication for municipalities is that they cannot disconnect or discontinue services beyond the basic water supply as defined but may limit/restrict the flow of water to a property. Limit to trickle flow up to 200 liters per day. (6kl per month).

6.4 Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003)

The Municipal Finance Management Act (Act 56 of 2000) places responsibility on the Municipal Manager as the Accounting Officer to ensure that a municipality has and implements a Credit Control and Debt Collection Policy. As an Accounting Officer, the Municipal Manager is also responsible for the management of the revenue of the municipality and is under obligation to take all reasonable steps to ensure that the municipality has effective revenue collection systems consistent with Section 95 of the Municipal Systems Act and the municipality's Credit Control and Debt Collection Policy. Further that the municipality charges interest on arrears, except where the council has granted exemptions in accordance with its budget-related policies.

6.5 Local Government: Municipal Structures Amendment Act, (Act 117 of 1998 as amended)

The Municipal Structures Act 117 of 1998 sets out the powers and function of municipalities where District Municipalities were tasked with the supply of potable water, bulk electricity, sewerage and waste disposal. With the **Municipal Structures Amendment Act, 2000 (Act 33 of 2000)**, these functions are now performed by both the District and Local Municipalities based on the locality of the municipality.

6.6 Local Government: Municipal Property Rates Act, (Act 6 of 2004) as amended

The Act aims to regulate the powers of municipalities to impose rates on property. As required by the Act, the council of a municipality must adopt a rates policy and pass bylaws to enable the municipality to levy rates on all rate-able properties in its area as required.

The owner of a property is liable for the payment of a rate levied by a municipality on the property, subject to the municipality's Credit Control and Debt Collection Policy. The municipality may recover any unpaid rates on the property from the tenant, occupier or agent of the owner after serving them with a written notice. This is irrespective of any contractual obligation that might exist with the owner and is limited to the rent or money due and payable.

6.7 Municipal By-laws

Section 160(4) of the Constitution provides that no bylaw may be passed by a Municipal Council unless all the members of the Council have been given reasonable notice; and the proposed bylaw has been published for public comment.

Only once the by law has been published in the official gazette of the relevant province can it be enforceable.

Where there no changes to the bylaws, there is no need for it to be published in the official gazette of the relevant province.

Further, Section 90 of the Municipal Systems Act requires municipalities to adopt credit control and debt collection bylaws in order to give effect to the policy and to give the municipality legislative powers to enforce the policy. These bylaws may differentiate between categories of ratepayers, user of service, debtors, taxes, services, service standards and other matters, the differentiation must not amount to unfair discrimination.

6.8 Local Government: Municipal Systems Act (Act 32 of 2000)

The Act requires a municipality to collect all money due and payable to it, and in so doing a municipality must adopt, maintain, and implement a credit control and debt collection policy. A municipality is empowered by the Act to levy and recover fees, charges, or tariffs in respect of any function or service of the municipality; and to recover collection charges and interest on any outstanding amount subject to the provisions of the National Credit Act. The Act further outlines the contents required of a municipal credit control and debt collection policy.

7. SUPERVISORY AUTHORITY

7.1 As provided by section 99 of the Systems Act, the Executive Mayor of the municipality is responsible for overseeing and monitoring:

7.1.1 The implementation and enforcement of this policy; and

7.1.2 The performance of the Municipal Manager in implementing this

7.2 The Executive Mayor shall at least once a year cause an evaluation or review of this policy and the by-law to be performed, in order to improve the efficiency of the municipality's Billing processes and procedures, as well as the implementation of this policy.

8. IMPLEMENTING AUTHORITY

8.1 As contemplated in Section 100 of the Systems Act, the Municipal Manager: -

8.1.1 Implements and enforces the Billing policy.

8.1.2 Must establish effective administration mechanisms, processes and procedures to bill amounts that are due and payable to the Municipality.

8.1.3 Establish effective communication between the Municipality and account holders with the aim of keeping account holders abreast of all decisions by Council that may affect account holders.

8.1.4 Establish customer service centers, located in such communities as determined by the Municipal Manager.

9. APPLICATION FOR THE PROVISION OF MUNICIPAL SERVICES

- 9.1 A customer who requires the provision of municipal services must apply for the service from the Municipality. The application must be made on the prescribed form.
- 9.2 The application for the provision of municipal services must be made by the registered owner of immovable property. An applicant can apply for the connection of services (water and electricity) without approved building plans. Except for:
- 9.2.1 Individuals and Businesses with lease agreements to lease properties from the Municipality;
- 9.2.2 Government Departments.
- 9.2.3 Body Corporates who take the responsibility for the payment of basic water, basic sewer and refuse removal services on behalf of the individual sectional title owners; and
- 9.2.4 Approved Indigent Customers for the purposes of registering and allocating the applicable subsidy to qualified indigent customers who will be allowed to open an account in the name of the lessee of the property.
- 9.3 In case of existing arrangements where tenants have existing accounts, and the tenant is guilty of non-payment, the owner will be liable for the outstanding debt, except where the property concerned is owned by the Municipality.
- 9.4 In terms of section 102(3) of the Municipal Systems Act the Municipality must provide an owner of a property in its jurisdiction with copies of accounts sent to the occupier of the property for municipal services supplied to such a property if the owner requests such accounts in writing from the Municipality.
- 9.5 An agent may with a proxy open an account in the name of the owner.

- 9.6 Once you become the owner of the property or recipient of municipal services you are bind by the following: -
- 9.6.1 will be liable for collection costs including administration fees, interest, disconnection and reconnection costs, and any other legal costs occasioned by his or her failure to settle accounts by the due date on the attorney and client scale;
- 9.6.2 that accounts will become due and payable by the due date notwithstanding the fact that the owner did not receive the account;
- 9.6.3 That the onus will be on the owner to ensure that he or she is in possession of an account before the due date; and
- 9.7 On receipt of the application for provision of municipal services, the Municipality will obtain the reading of metered services linked to the property to be taken on the working day after the application.
- 9.8 The first account for services charges will be rendered after the first meter reading cycle to be billed following the date of signing the service agreement.
- 9.9 In case of new buildings being erected and a connection is made for the first time to the main service lines the metering and levying of services actually consumed or received will take place as follow: -
- 9.9.1 All basic services will be billed to the registered owner on the billing date.

10. ACCOUNTS AND BILLING

- 10.1 Accounts will be rendered using either one of the following channels;
- 10.1.1 By means of an email or website if so requested by the customer; or
- 10.1.2 By means of Multimedia system (MMS) if the account holder is registered for such a service

11. PROPERTY RATES

11.1 Property Rates shall be billed monthly,

11.2 Property rates which are billed and recovered annually shall be billed in the July account of each year.

12. ELECTRICITY

12.1 Service charges in respect of electricity shall be determined in accordance with metered consumption.

12.2 Monthly accounts shall be rendered for electricity consumption and the customer shall effect payment thereof by the due date.

13. WATER CHARGES

13.1 The provisions of this policy, in respect of the supply of water to a customer, shall constitute the payment conditions of the Municipality as water services authority and water services provider, contemplated in sections 4 and 21 of the Water Services Act 108 of 1997.

13.2 Service charges in respect of water shall be determined in accordance with metered consumption.

13.3 Monthly accounts shall be rendered for water consumption and the customer shall affect payment thereof by the due date.

14. REFUSE AND SEWER CHARGES

14.1 Monthly accounts shall be rendered for Refuse and Sewer charges

15. SUNDRY CUSTOMER ACCOUNTS

- 15.1 Sundry customer accounts may be rendered by the Municipality from time to time.
- 15.2 Any sundry customer account may be included in the monthly consolidated account produced by the Municipality in terms of section 102 of the Municipal Systems Act, 32 of 2000,

16. FINAL ACCOUNTS

- 16.1 Upon receipt of a customer's application for the termination of municipal services, the Municipality shall: -
 - 16.1.1 Take final readings in respect of metered municipal services.
 - 16.1.2 Prepare and render a final account.
 - 16.1.3 Appropriate the customer deposit towards the reduction or settlement of any outstanding amount owed by the customer; and
 - 16.1.4 Return the customer deposit to the customer in the event that all amounts owing to the municipality have been settled in full.
 - 16.1.5 The water and / or electricity services will be disconnected with a final reading taken until such time the new owner signs a new services agreement.

17. METERING OF MUNICIPAL SERVICES

- 17.1 The Municipality may introduce various types of metering equipment and options, and may encourage customers to convert to a system which is preferred by the Council when Council considers this to be beneficial to its functioning and operations.
- 17.2 Electricity and water consumption are measured with conventional and prepayment meters.

- 17.3 Where a customer has successfully applied for indigent status the conventional meter for electricity will be changed to a prepayment electricity meter at the cost of the Council.
- 17.4 The following applies to the reading of conventional meters: -
- 17.4.1 Conventional electricity and water meters are read at in cycles of approximately 30 days. The period must not be less than 28 days and not longer than 32 days.
- 17.4.2 If for any reason the conventional electricity and water meters cannot be read, the Municipality will render an account based on fix estimations, as approved by a resolution taken in Council. CR/42/10/20. The interim amount can also be based on the average daily consumption. Periods of /estimations cannot be more than 180 days.
- 17.4.3 The amount based on interim consumption will be adjusted in a subsequent account/based on the actual consumption.
- 17.4.4 The customer is responsible to ensure unhindered access to metering equipment for the purposes of obtaining the meter readings for billing purposes.
- 17.4.5 Customers can, for reasons of non-accessibility to their properties by meter readers, provide the Municipality with monthly meter readings for billing purposes. Customers can phone in or email the above information to billing personnel with their readings and a photo will be compulsory with the meter number and the reading clearly visible.
- 17.4.6 If any calculation, reading or metering error is discovered, or an actual meter reading is obtained in cases where the Municipality did not have access to the meter, in respect of any account rendered to a customer: -

18.5.7.1 The error shall be corrected or the adjustment made in the subsequent account;

18.5.7.2 Any such correction / adjustment in favour of Council must apply in respect of an account from a date no more than 3 years for municipal services from the date on which the error on the account was discovered or the adjustment were done. All interims levied during this period will be reversed.

18.5.7.3 any such correction / adjustment in favour of the customer must apply in respect of an account from a date no more than 3 years for municipal services from the date on which the error on the account was discovered or the adjustment were done.

18.5.7.4 Subsection 18.5.7.2 and 18.5.7.3 is in line with the Electricity and Water and Sanitation By-Laws.

18.5.7.5 The correction shall be based on the tariffs applicable during the period in which the error occurred.

17.4.7 Any water leakage within the property of the customer (consumer's side of the meter) will be the responsibility of the owner and the owner will be liable for the payment of the water that has leaked. Refer to section 40 of the Water and Sanitation By-Law.

17.5 The following applies to prepayment metering: -

17.5.1 Prepayment electricity and water is purchased at prepayment vending points for consumption after the date of purchase.

17.5.2 Amounts tendered for the purchase of prepayment electricity and water will not be refunded, except where the admin fee is paid for uploading and clearing of the voucher by the Municipal Official.

17.5.3 On request of the customer, copies of the previous prepayment meter vouchers will be provided.

17.5.4 Credits remaining in the prepayment meter will not be refunded when the premises

are vacated by a customer.

17.5.5 The Municipality shall not be liable for the reinstatement of credit in a prepayment meter due to tampering with, or the incorrect use or abuse, of prepayment meters.

17.5.6 The Municipality will apply all the debt collection functions available on the prepayment system to collect all arrear debt on the account of the customer.

18. PAYMENT OF ACCOUNTS

18.1 The municipality reserves the right to allocate a portion of the prepayment amount towards any other arrears/consumption that remains owing to the municipality.

18.2 Account balances which remain unpaid after 30 days from the due date shall attract interest on arrears irrespective of the reason for non-payment.

18.3 All accounts are payable by the due date regardless of the fact that the customer may not have received the account; the onus being on the customer to obtain a copy or the balance on the account before the due date.

18.4 Payments received in respect of rates and service charges will be allocated by the Polokwane Municipality entirely within its discretion, on the account of the customer.

19. INTEREST ON ARREAR DEBT

19.1 Interest charges will be raised on all amounts that remain unpaid for longer than 30 days from the due date.

19.2 The interest rate is determined by the Municipality and is reviewed annually with the review of budget. Interest shall accrue for each completed month in respect of any amounts unpaid after 30 days of the due date. A part of a month shall be deemed to be a completed month.

20. DISPUTES AND APPEALS

- 20.1 A customer may lodge a dispute with the Municipality within 30 days of receiving the account.
- 20.2 A customer who is not satisfied with the outcome of the dispute may lodge an appeal in terms of section 62 of the Municipal Systems act.

21. POWER OF ENTRY AND INSPECTION

- 21.1 For any purpose related to the implementation or enforcement of this policy, and at all reasonable times, or in an emergency, a duly authorized representative of the Municipality may enter premises, request information and carry out such inspection or examination, as he or she may deem necessary: -
 - 21.1.1 Regarding the installation or repair of any meter or service connection or reticulation; or
 - 21.1.2 To limit, discontinue, disconnect, or reconnect the provision of any service.
- 21.2 If the Municipality considers it necessary that work be performed to enable the afore stated authorized representative to perform a function referred to in subsection (1) properly and effectively, then it may: -
 - 21.2.1 By written notice require the owner or occupier of the premises, at his or her own expense, to do specific work within a specified period; or
 - 21.2.2 If, in its reasonable opinion, the situation is a matter of urgency, then the Municipality may do such work, or cause it to be done, at the expense of the owner or occupier, and without written notice.
- 21.3 If the work referred to in subsection (2)(b) above is carried out for the sole purpose of establishing whether a contravention of this policy has been committed, and no such contravention has taken place, then the Municipality shall bear the expense connected therewith, together with the expense of restoring the premises to its former condition.

22. IMPLEMENTATION AND REVIEW OF THIS POLICY

This policy shall be implemented on 1st July 2023 and shall be reviewed on an annual basis to ensure that is in line with the municipality's strategic objectives and with legislation.



BORROWING POLICY

2023/2024

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PURPOSE

To establish a borrowing framework policy for the Municipality and set out the objectives, policies, statutory requirements and guidelines for the borrowing of funds.

OBJECTIVES OF POLICY

The objectives of this Policy are to: -

- manage interest rate and credit risk exposure;
- maintain debt within specified limits and ensure adequate provision for the repayment of debt;
- to ensure compliance with all Legislation and Council policy governing borrowing of funds.

SCOPE OF THE POLICY

The primary goal in the borrowing of funds is to ensure that the funds are obtained at the lowest possible interest rates at minimum risk, within the parameters of authorized borrowings.

3.1 Risk Management

The need to manage interest rate risk, credit risk exposure and to maintain debt within specified limits is the foremost objective of the borrowing policy. To attain this objective, diversification is required to ensure that the Chief Financial Officer prudently manages interest rate and credit risk exposure.

3.2 Cost of Borrowings

The borrowings should be structured to obtain the lowest possible interest rate, on the most advantageous terms and conditions, taking cognisance of borrowing risk constraints, infrastructure needs and the borrowing limits determined by Legislation.

3.3 Prudence

Borrowings shall be made with care, skill, prudence and diligence.

LEGISLATIVE FRAMEWORK AND DELEGATION OF AUTHORITY

The relevant Legislation in terms of which borrowing decisions are governed is the Local Government Municipal Finance Management Act, No. 56 of 2003.

TYPES OF LOANS AND FINANCING

4.1 Annuity loans

Annuity loans are straight forward and uncomplicated. The loan amount, interest rate and repayment period offered by the Financial Institution are fixed. The calculation of the instalment payable on an annuity/fixed redemption basis is simple and straight forward. Normally with an annuity loan, the instalment of the loan will be repaid in equal six monthly instalments over the term of the loan. The capital portion of the instalment will increase over the duration of the loan, and conversely, the interest charged will decrease over the loan period. Where the interest rate offered by the Financial Institution is on a variable basis, an interest rate swap (IRS) should be taken out. An IRS agreement will need to be signed with the party agreeing to accept the variable rate and in turn, offer the fixed rate to the Municipality. An Interest Rate Swap Agreement must comply with the terms set out by the International Swap Dealers Association (ISDA). The fixing of debt repayments is an important consideration in meeting the financial requirements of the Municipality, that of annually producing a balanced budget. There are from time to time various options offered by Financial Institutions which need to be treated on their merits and which could invariably result in slightly lower interest rates being offered.

4.2 Bullet payment redemption

In this instance, the total capital is usually repaid at the end of the term and interest on the total amount borrowed is paid annually or semi-annually. The interest rate can be fixed and the interest payable is known for the duration of the loan. Cash has to be set aside to repay the capital at the end of the term.

The lender could require security in the form of an investment (sinking fund).

4.3 Bonds

A Bond is an instrument used by Government and Parastatals such as Telkom, Eskom, Transnet, Corporates and Municipalities to raise loan capital on the open market. Bond holders have the right to interest, usually paid on a semi-annual basis, and the repayment of the capital amount reflected on the stock certificate held on maturity date. The coupon, maturity, principal value and market value are intrinsic features of a Bond. The most critical variable factor in determining Bond rates is the expected long term trend in inflation, in order to provide a return that equals inflation plus a risk premium. The higher the risk attached to a borrower, the higher will be the risk premium investors will demand. During its tenure the Bond will trade on the Bond market at prevailing

interest levels. The price of a Bond trading at any given time on the market is a function of prevailing interest rates. Bond prices move inversely to movements in interest rates.

4.4 Use of Internal Funds

The Municipality from time to time, will use certain of its surplus funds to fund its Capital programme. The utilisation of surplus funds enables the Municipality to reduce its reliance on external debt financing, thereby allowing it to borrow only funds from external sources when favourable market conditions prevail. The use of internal funds impacts negatively on surplus cash for return of interest and should be within limits to reduce the impact on fixed cost coverage, currently at a ratio of 1,2 : 1.

5. OTHER CONSIDERATIONS

The Municipality has by the judicious use of surplus funds and external long term debt implemented its Integrated Development Plan which has facilitated the much needed service delivery program.

5.1 Factors to be considered when borrowing:

- the type and extent of benefits to be obtained from the borrowing;
- the length of time the benefits will be received;
- the beneficiaries of the acquisition or development;
- the impact of interest and redemption payments on both current and forecasted property tax and services revenue;
- the current and future capacity of the property tax base and rendering of services to pay for borrowings and the rate of growth of the property tax base and services;
- likely movements in interest rates for variable rate borrowings;
- other current and projected sources of funds;
- competing demands for funds;
- timing of money market interest rate movements and the long term rates on the interest rate curve.

The Municipality will, in general, seek to minimise its dependence on borrowings in order to minimise future revenue committed to debt servicing and redemption charges. The Municipality

may only borrow funds, in terms of the Municipal Finance Management Act, for the purpose of acquiring assets, improving facilities or infrastructure to provide service delivery.

Polokwane Municipality may incur long term debt only for the purpose of Capital expenditure on infrastructure, property, plant or equipment to be used for the purpose of achieving the objects of Local Government as set out in section 152 of the Constitution.

The use of external loans should be limited to financing infrastructure where a return can be realised from tariffs to service the debt, or major infrastructure exceeding R10 million for a single project, with long term benefits to the community as a whole, where indirect revenue streams are evident.

The current gearing for external loans (total outstanding debt to operating revenue, including recurrent grants) should not exceed 60% at 30 June 2013. To reduce the reliance on external long term borrowing, this percentage must reduce by 1% each year till a level of 50% or less is attained by 30 June 2023.

5.2 REFINANCING DEBT

Section 46 of the Municipal Finance Management Act provides that the Polokwane Municipality may refinance existing long term debt, if such refinancing is in accordance with the prescribed framework. The Municipality may borrow money for the purpose of refinancing existing long term debt, provided the existing long term debt was lawfully incurred and the refinancing will not extend the term of the debt beyond the useful life of the infrastructure, property, plant or equipment for which the money was originally borrowed. Cognisance must be taken of any early repayment penalty clauses in the initial loan agreement, as part of the financial feasibility assessment. No loans will be prematurely redeemed unless there is a financial benefit to the Municipality.

5.3 DEBT REPAYMENT PERIOD

Whilst the period for which loan debt may be received will vary from time to time according to the needs of the various Lenders, presently the typical debt repayment period for loans is fifteen years, though not closely matching the underlying asset lives serviced by the loans. Cognisance is taken of the useful lives of the underlying assets to be financed by the debt, and, moreover, careful consideration is taken of the interest rates on the interest yield curve. Should it be established that it is cost effective to borrow the funds on a shorter duration (as opposed to the life of the asset) as indicated by the interest yield curve, the loan will be negotiated to optimise the most favourable and cost effective benefit to the Municipality.

5.4 SECURITY

The Municipal Finance Management Act provides that the Municipality may provide security for any of its debt obligations, including the giving of a lien, pledging, mortgaging or ceding an asset, or giving any other form of collateral. It may cede as security any category of revenue or rights of future revenue. Some Lenders may require the Municipality to agree to restrictions on debt that the Municipality may incur in future until the secured debt is settled.

5.5 OVERDRAFT

Polokwane Municipality has a Bank overdraft facility.

5.6 SHORT TERM DEBT

The Municipal Finance Management Act provides that the Municipality may incur short term debt only when necessary to bridge shortfalls within a financial year during which the debt is incurred, in expectation of specific and realistic anticipated income to be received within that financial year; or capital needs within a financial year, to be repaid from specific funds to be received from enforceable allocations or long term debt commitments. The municipal council may approve an individual transaction or a credit facility for a line of credit or overdraft facility.

The Municipality must pay off short term debt within the same financial year and may not renew or refinance its short term debt if it will have the effect of extending the short term debt into a new financial year.

5.7 DISCLOSURE

The Municipality must, when interacting with a prospective Lender or when preparing documentation for consideration by a prospective Investor, disclose all relevant information that may be requested or that may be material to the decision of the prospective Lender or Investor. Reasonable care must be taken to ensure the accuracy of any information disclosed. Whilst this is a standard and acceptable business practice, it is also in compliance with section 49 of the Municipal Finance Management Act.

5.8 GUARANTEES

The Municipal Finance Management Act provides that the Municipality may not guarantee any debt of any entity unless the entity is a Municipal entity under its sole ownership control. The debt must be reflected in the approved business plan of the entity. The guarantee must be authorised by the Municipality. This must be done in the same manner and subject to the same conditions applicable to any other borrowings. Neither the National nor Provincial Government may guarantee the debt of any Municipality.

5.9 APPROVAL OF LOANS BY THE MUNICIPALITY

Section 46 of the Municipal Finance Management Act stipulates that the Municipality may incur long-term debt only if a resolution of the Council, signed by the mayor, has approved the debt agreement and the Accounting Officer has signed the agreement or other document which acknowledges the debt. At least 21 days prior to the meeting of the Council at which approval for the debt is to be considered, the Municipality must make public an information statement setting out particulars of the proposed debt, including the amount of the proposed debt, the purposes for which the debt is to be incurred and particulars of any security to be provided. The Public, the National Treasury and Provincial Treasury must be invited to submit written comments or representations to the council in respect of the proposed debt.

A copy of the information statement submitted to Council at least 21 days prior to the meeting to approve the loan agreement must contain particulars of –

- the essential repayment terms, including the anticipated debt repayment schedule; and
- the anticipated total cost in connection with such debt over the repayment period.

5.10 PROVISION FOR REDEMPTION OF LOANS

Polokwane Municipality may borrow from Institutions and set up sinking funds to facilitate loan repayments, especially when the repayment is to be met by a bullet payment on the maturity date of the loan. These sinking funds may also be invested directly with the Lender's Bank. The maturity date and accumulated value of such investment must coincide with the maturity date and amount of the intended loan that is to be repaid.

5.11 NON-REPAYMENT OR NON-SERVICING OF LOAN

Polokwane Municipality must honour all its loan obligations timeously. Failure to effect prompt payment will adversely affect the raising of future loans at favourable costs of borrowing.

Failure to pay any loan instalment, even by one day, and even if only through administrative oversight, will have severe repercussions, and may jeopardise the Municipality's credit rating.

In addition to the timeous payment of the loans, the Municipality must adhere to the covenants stipulated in the loan agreements.

6. PROHIBITED BORROWING PRACTICES

Polokwane Municipality shall not borrow for investment purposes, with the sole purpose of investing to earn a return. The cost of debt is almost always more expensive than the return that the Municipality can derive by investing in permitted investments.

Foreign Borrowing is permitted in terms of section 47 of the Municipal Finance Management Act, whereby the debt must be denominated in Rand and is not indexed to, or affected by, fluctuations in the value of the Rand against any foreign currency.

7. NATIONAL TREASURY AND OTHER REPORTING AND MONITORING REQUIREMENTS

The Municipality submits returns to National Treasury quarterly and annually, as well as submissions to Council. It is mainly coordinated by the Financial Services Department.

8. MUNICIPAL REGULATIONS ON DEBT DISCLOSURE

The Municipal Regulations on Debt Disclosure has been promulgated (Government Gazette no. 29966, 15 June 2007) and has been effective from 01 July 2007 for a municipality or municipal entity. *Refer to Annexure A2, Municipal Finance Management Act : Municipal Regulations on Debt Disclosure.*

The implementation of the regulations will help to strengthen the level of confidence in municipal fiscal affairs and enable the capital markets to effectively participate by providing access to a range of competitive funding instruments for the provision of municipal infrastructure and other capital development in accordance with section 46 of the Municipal Finance Management Act.

9. DATE OF IMPLEMENTATION

This policy takes effect from 1 July 2023 and will be reviewed annually during the budgetary process of the Municipality.



**BUDGET
AND
VIREMENT
POLICY**

2023/2024

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1. DEFINITIONS

1.1 "Accounting Officer"- means a person appointed in terms of section 82(l) (a) or (b) of the Municipal Structures Act; Municipal Manager;

1.2 "Allocation", means-

- (a) a municipality's share of the local government's equitable share referred to in section 214(l) (a) of the Constitution;
- (b) an allocation of money to a municipality in terms of section 214(1) (c) of the Constitution;
- (c) an allocation of money to a municipality in terms of a provincial budget; or
- (d) any other allocation of money to a municipality by an organ of state, including by another municipality, otherwise than in compliance with a commercial or other business transaction;

1.3 "Annual Division of Revenue Act" means the Act of Parliament, which must be enacted annually in terms of section 214 (1) of the Constitution;

1.4 "Approved budget," means an annual budget-

- (a) approved by a municipal council, or

(b) includes such an annual budget as revised by an adjustments budget in terms of section 28 of the MFMA;

1.5 "Basic Municipal Service" means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment;

1.6 "Budget-related Policy" means a policy of a municipality affecting or affected by the annual budget of the municipality, including-

(a) the tariffs policy, which the municipality must adopt in terms of section 74 of the Municipal Systems Act;

(b) the rates policy which the municipality must adopt in terms of legislation regulating municipal property rates; or

(c) the credit control and debt collection policy, which the municipality must adopt in terms of section 96 of the Municipal Systems Act;

1.7 "Budget transfer" means transfer of funding within a function / vote.

1.8 "Budget Year" means the financial year of the municipality for which an annual budget is to be approved in terms of section 16(1) of the MFMA;

1.9 "Chief Financial Officer" means a person designated in terms of section 80(2) (a) of the MFMA;

1.10 "Councillor" means a member of a municipal council;

1.11 "creditor", means a person to whom money is owed by the municipality;

1.12 "current year" means the financial year, which has already commenced, but not yet ended;

1.13 "delegation", in relation to a duty, includes an instruction or request to perform or to assist in performing the duty;

1.14 "financial recovery plan" means a plan prepared in terms of section 141 of the MFMA

1.15 "financial statements", means statements consisting of at least-

- (a) a statement of financial position;
- (b) a statement of financial performance;
- (c) a cash-flow statement;
- (d) any other statements that may be prescribed; and
- (e) any notes to these statements;

1.16 "financial year" means a twelve months' period commencing on 1 July and ending on 30 June each year

1.17 "financing agreement" includes any loan agreement, lease, and instalment purchase contract or hire purchase arrangement under which a municipality undertakes to repay a long-term debt over a period of time;

1.18 "investment", in relation to funds of a municipality, means-

- (a) the placing on deposit of funds of a municipality with a financial institution; or
- (b) the acquisition of assets with funds of a municipality not immediately required, with the primary aim of preserving those funds;

1.19 "lender", means a person who provides debt finance to a municipality;

1.20 Line Item" an appropriation that is itemized on a separate line in a budget adopted with the idea of greater control over expenditures

1.21 "local community" has the meaning assigned to it in section 1 of the Municipal Systems Act;

1.22 "Municipal Structures Act" means the Local Government: Municipal Structures Act, 1998(Act No. 117 of 1998);

1.23 "Municipal Systems Act" means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);

1.24 "long-term debt" means debt repayable over a period exceeding one year;

1.25 "Mayor" means the councillor elected as the Mayor of the municipality in terms of section 55 of the Municipal Structures Act;

1.26 "Municipal council" or "council" means the council of a municipality referred to in section 18 of the Municipal Structures Act;

1.27 "Municipal debt instrument" means any note, bond, debenture or other evidence of

indebtedness issued by a municipality, including dematerialised or electronic evidence of indebtedness intended to be used in trade;

1.28" Municipal entity" has the meaning assigned to it in section 1 of the Municipal Systems Act (refer to the MSA for definition);

1.29 "municipality"-

(a) when referred to as a corporate body, means a municipality as described in section 2 of the Municipal Systems Act; or

(b) when referred to as a geographic area, means a municipal area determined in terms of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998);

1.30 "Municipal service" has the meaning assigned to it in section 1 of the Municipal Systems Act (refer to the MSA for definition);

1.31" Municipal tariff" means a tariff for services which a municipality may set for the provision of a service to the local community, and includes a surcharge on such tariff;

1.32 "Municipal tax" means property rates or other taxes, levies or duties that a municipality may impose;

1.33 "National Treasury" means the National Treasury established by section 5 of the Public Finance Management Act;

1.34 "official", means-

(a) an employee of a municipality or municipal entity;

(b) a person seconded to a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity; or

(c) a person contracted by a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity otherwise than as an employee;

1.35 "overspending"-

(a) means causing the operational or capital expenditure incurred by the municipality during a financial year to exceed the total amount appropriated in that year's budget for its operational or capital expenditure, as the case may be;

(b) in relation to a vote, means causing expenditure under the vote to exceed the amount appropriated for that vote; or

(c) in relation to expenditure under section 26 of the MFMA, means causing expenditure under that section to exceed the limits allowed in subsection (5) of this section;

1.36 "Past Financial Year" means the financial year preceding the current year;

1.37 "Ring Fenced" an exclusive combination of line items grouped for specific purposes for instance salaries and wages

1.38 "quarter" means any of the following periods in a financial year:

(a) 1 July to 30 September;

(b) 1 October to 31 December;

(c) 1 January to 31 March; or

(d) 1 April to 30 June;

1.39 "Service Delivery and Budget Implementation Plan" means a detailed plan approved by the Mayor of a municipality in terms of section 53(l)(c)(ii) of the MFMA for implementing the municipality's delivery of municipal services and its annual budget, and which must indicate-

(a) projections for each month of- (i) revenue to be collected, by source; and

(ii) operational and capital expenditure, by vote;

(b) service delivery targets and performance indicators for each quarter; and

(c) any other matters that may be prescribed, and includes any revisions of such plan by the Mayor in terms of section 54(l) (c) of the MFMA;

1.40 "short-term debt" means debt repayable over a period not exceeding one year;

1.41 "Standards of generally recognised accounting practice," means an accounting practice complying with standards applicable to municipalities or municipal entities as determined by the Accounting Standards Board

1.42 "Unauthorised expenditure", means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3) of the MFMA, and includes- (a) overspending of the total amount appropriated in the municipality's approved budget;

(b) overspending of the total amount appropriated for a vote in the approved budget;

(c) expenditure from a vote unrelated to the department or functional area covered by the vote;

(d) expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;

(e) spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of allocation otherwise than in accordance with any conditions of the allocation; or

(f) a grant by the municipality otherwise than in accordance with the MFMA;

1.43 "virement" means transfer of funds between functions / votes

1.44 "vote" means-

- (a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and

- (b) which specifies the total amount that is appropriated for the purposes of the Department or functional area concerned

2. INTRODUCTION

Municipal Budgets, Subsection (16), states that the council of a municipality must for each financial year approve an annual budget for the municipality before the commencement of that financial year. According to subsection (2) of the Act concerned, in order to comply with subsection (1), the Mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year. This policy must be read, analysed, explained, interpreted, implemented and understood against this legislative background. The budget plays a critical role in an attempt to realise diverse community needs. Central to this, the formulation of a municipality budget must take into account the government's macro-economic and fiscal policy fundamentals. In brief, the conceptualisation and the operationalisation of the budget must be located within the national government's policy framework

3. OBJECTIVES OF POLICY

- a) The policy sets out the budgeting principles which Polokwane Municipality will follow in preparing each annual budget. The policy aims to give effect to the requirements and stipulations of the Municipal Finance Management Act in terms of the planning, preparation and approval of the annual budgets.

- b) The policy shall apply to all the relevant parties within the Polokwane Municipality that are involved throughout the budget process.

- c) The policy shall establish and maintain procedures to ensure adherence to the IDP review and budget processes

4. BUDGETING PRINCIPLES

- a) The municipality shall not budget for a deficit and should also ensure that revenue projections
in the budget are realistic taking into account actual collection levels.
- b) Expenses may only be incurred in terms of the approved annual budget (or adjustments
budget) and within the limits of the amounts appropriated for each vote in the approved budget.
- c) The MTREF budget shall at all times be within the framework of the Municipal Integrated Development Plan

5. BUDGET PREPARATION PROCESS

5.1. Formulation of the budget

- a) The Accounting Officer with the assistance of the Chief Financial Officer and the Heads responsible for IDP and Performance Management shall draft the Schedule of key deadlines for the budget and allied processes for the municipality and its municipal entities for the ensuing financial year.
- b) The schedule of key deadlines shall indicate the processes relative to the review of the IDP as well as the preparation of the medium-term revenue and expenditure framework budget and the revision of the annual budget. Such target dates shall follow the prescriptions of the Municipal Finance Management Act as well as the guidelines set by National Treasury.
- c) The mayor shall table the IDP process plan as well as the budget timetable to Council by 31 August each year for approval (10 months before the start of the next budget year).

- d) Strategic workshop shall be convened in September/October with senior managers to determine the IDP priorities which will form the basis for the preparation of the MTREF budget taking into account the financial and political pressures facing the municipality.
- e) The Mayor shall table the draft IDP and MTREF budget to council by 31 March (90 days before the start of the new budget year) together with the draft resolutions and budget related policies (policies on tariff setting, credit control, debt collection, indigents, investment and cash management, borrowings, etc).
- f) The Chief Financial Officer and senior managers undertake the technical preparation of the budget.
- g) The budget must be in the format prescribed by National Treasury and must be divided into capital and operating budget.
- h) The budget must reflect the realistically expected revenues by major source for the budget year concerned.
- i) The budget must also contain the information related to the two financial years following the financial year to which the budget relates, as well as the actual revenues and expenses for the prior year, and the estimated revenues and expenses for the current year.

5.2 Public participation process

Immediately after the draft annual budget has been tabled, the municipality must convene regional and public hearings on the draft budget in April and invite the public, stakeholder organizations, to make representations and to submit comments in response to the draft budget.

5.3 Approval of the budget

- a) Per legislation, Council shall consider the next medium term expenditure framework budget for approval not later than 31st May (at least 30 days before the start of the budget year).
- b) The annual budget must be approved before the start of the financial year.

- c) Should the municipality fail to approve the budget before the start of the budget year, the mayor must inform the MEC for Finance that the budget has not been approved.
- d) The budget tabled at Council for approval shall include, inter alia the following draft resolutions:
 - i. draft resolutions approving the budget and levying property rates, other taxes and tariffs for the financial year concerned;
 - ii. draft resolutions approving measurable performance objectives for each budget vote, taking into account the municipality's IDP;
 - iii. draft resolutions approving any proposed amendments to the IDP;
 - iv. draft resolutions approving any proposed amendments to the budget_ related policies;
 - v. draft resolutions approving the contents of the annual budget and supporting documents in terms of Section 17 of the MFMA

5.4 Publication of the budget

- a) Immediately after the budget is tabled the Accounting Officer (AO) must make public the budget and its supporting documents and invite the local community to submit representations in connection with the budget.
- b) Therefore, the Senior Manager Budgets on behalf of the AO must place the budget and other budget related documentation onto the municipal website so that it is accessible to the public as well and submit within 14 days both printed and electronic formats to the National Treasury, the Provincial Treasury and any other prescribed Organs of State affected by the Budget.

5.5 Service Delivery and Budget Implementation Plan (SDBIP)

- a) The Mayor must approve the Service Delivery and Budget Implementation Plan not later than 28 days after the approval of the Budget by Council.

- b) The SDBIP shall include the following components:
- i. Monthly projections of revenue to be collected for each source
 - ii. Monthly projections of expenditure (operating and capital) and revenue for each vote
 - iii. Quarterly projections of service delivery targets and performance indicators for each vote
 - iv. Ward information for expenditure and service delivery
 - v. Detailed capital works plan broken down by ward over three years

6. CAPITAL BUDGET

- a) The capital budget refers to the allocations made to specific infrastructural projects and the purchase of equipment and other forms of assets having a lifespan of more than one year and a cost value of more than R10000
- b) Vehicle replacement shall be done in terms of Council's vehicle replacement policy. The budget for vehicles shall distinguish between replacement and new vehicles. No globular amounts shall be budgeted for vehicle acquisition.
- c) A Municipality may spend money on a capital project only if the money for the project has been appropriated in the capital budget.
- d) The envisaged sources of funding for the capital budget must be properly considered and the Council must be satisfied that this funding is available and has not been committed for other purposes.
- e) Before approving a capital project, the Council must consider the following aspects;
 - i. the projected cost of the project over all the ensuing financial years until the project becomes operational,
 - ii. future operational costs and any revenues, which may arise in respect of such project, including the likely future impact on operating budget (i.e. on property rates and service tariffs).
- f) Before approving the capital budget, the council shall consider the following:

- i. the impact on the present and future operating budgets of the municipality
- ii. relation to finance charges to be incurred on external loans,
- iii. depreciation of fixed assets,
- iv. maintenance of fixed assets, and
- v. any other ordinary operational expenses associated with any item on such capital budget.
- vi. Council shall approve the annual or adjustment capital budget only if it has been properly balanced and fully funded.

Basis of Calculation

a) The zero-based method is used in preparing the annual capital budget, except in cases where a contractual commitment has been made that would span over more than one financial year.

b) The annual capital budget shall be based on realistically anticipated revenue, which should be equal to the anticipated capital expenditure in order to result in a balanced budget.

7. OPERATING BUDGET

- a) The municipality shall budget in each annual and adjustments budget for the contribution to:
 - i. provision for accrued leave entitlements equal to 100% of the accrued leave
 - ii. entitlement of officials as at 30 June of each financial year,
 - iii. provision for bad debts in accordance with its rates and tariffs policies
 - iv. provision for the obsolescence and deterioration of stock in accordance with its stores management policy.
 - v. Depreciation and finance charges shall be charged to or apportioned only between the departments or votes to which the projects relate.
 - vi. At least a minimum of 5% of the operating budget component of each annual and adjustments budget shall be set aside for maintenance.
 - vii. When considering the draft annual budget, council shall consider the

impact which the proposed increases in rates and service tariffs will have on the monthly municipal accounts of households.

viii. The impact of such increases shall be assessed on the basis of a fair sample of

randomly selected accounts.

b) The operating budget shall reflect the impact of the capital component on:

- i. depreciation charges
- ii. repairs and maintenance expenses
- iii. interest payable on external borrowings
- iv. other operating expenses.

c) The chief financial officer shall ensure that the cost of indecency relief is separately reflected

in the appropriate votes.

8. FUNDING OF CAPITAL AND OPERATION BUDGET

The budget may be financed only from:

8.1 Own Financing Sources (Basic Capital Budget)

The Council shall establish a Capital Replacement Reserve (CRR) for the purpose of financing capital projects and the acquisition of capital assets.

Such reserve shall be established from the following:

a) unappropriated cash-backed surpluses to the extent that such surpluses are not required

for operational purposes.

b) further amounts appropriated as contributions in each annual or adjustments budget; and

c) net gains on the sale of fixed assets in terms of the fixed asset management and

accounting policy.

8.2 Other Finance Sources (Ad Hoc Capital Budget)

The Ad- Hoc capital budget shall be financed from external sources such as the following:

- a) Grants and subsidies as allocated in the annual Division of Revenue Act.
- b) Grants and subsidies as allocated by Provincial government.
- c) External Loans
- d) Private Contributions
- e) Contributions from the Capital Development Fund (developer's contributions) and,
- f) Any other financing source secured by the local authority.

9. UNSPENT FUNDS/ ROLL OVER

- a) The appropriation of funds in an annual or adjustments budget will lapse to the extent that they are unspent by the end of the relevant budget year, but except for funds relating to capital expenditure.
- b) Only unspent grants (if the conditions for such grant funding allows that) or loan funded capital budget may be rolled over to the next budget year
- c) Conditions of the grant fund shall be taken into account in applying for such rollover of funds
- d) Application for rollover of funds shall be forwarded to the budget office by the 15 June each year in order to be by Council by August in terms of legislation
- e) No funding for projects funded from the Capital Replacement Reserve shall be rolled over to the next budget year except in cases where a commitment has been made 90 days (30 March each year) prior the end of that particular financial year.

- f) No unspent operating budget shall be rolled over to the next budget year

10. VIREMENT BUDGET/ TRANSFERS

Virement is the process of transferring budgeted funds from one line-item number to another, with the approval of the relevant Director and CFO, to enable budget managers to amend budgets in the light of experience or to reflect anticipated changes. (Section 28 (2) (c) MFMA)

9.1 Financial Responsibilities

Strict budgetary control must be maintained throughout the financial year in order that potential overspends and / or income under-recovery within individual vote departments are identified at the earliest possible opportunity. (Chapter 4 of the MFMA)

The Chief Financial Officer has a statutory duty to ensure that adequate policies and procedures are in place to ensure an effective system of financial control. The budget virement process is one of these controls. (Section 27(4) MFMA)

It is the responsibility of each manager or head of a department or activity to which funds are allotted to plan and conduct assigned operations so as not to expend more funds than budgeted for. In addition, they have the responsibility to identify and report any irregular or fruitless and wasteful expenditure in terms of the MFMA sections 78 and 32.

10.2 Virement Restrictions

- a) No funds may be transferred between votes (Directorates) without approval in the adjustment budgets.
- b) Virements resulting in adjustments to the approved SDBIP need to be submitted with

an adjustments budget to the Council with altered outputs and measurements for approval.

- c) No virement may commit the Municipality to increase recurrent expenditure, which
 - commits the Council's resources in the following financial year, without the prior approval
 - of the Mayoral Committee. This refers to expenditures such as entering into agreements
 - into lease or rental agreements such as vehicles, photo copiers or fax machines
- d) No virement may be made where it would result in unauthorised expenditure.
- e) If the virement relates to an increase in the work force establishment, then the Council's existing recruitment policies and procedures will apply.
- f) Virements are not allowed in respect of ring-fenced allocations.
- g) Virements are not allowed on the following items: - Finance Charges, Depreciation,
 - Debt Impairment, Contributions, Grant Expenditure and Income Foregone,
 - Insurance and VAT
- h) Virements must be between projects of similar major funding sources (e.g. CRR ↔ CRR)
- i) Virement amounts may not be rolled over to subsequent years, or create expectations
 - on following budgets. (Section 30 MFMA)
- j) Virements are not allowed between Expenditure and Income.
- k) Virements are not allowed between capital and operational budgets without approval in the adjustment budgets.
- l) Virements towards personnel expenditure and vice versa will not be permitted.
- m) No budget may be moved to or from a vote, programme or project etc. that will exceed 20%
 - of that vote
 - i. This refers to virement within a directorate that must not exceed 20% of that department's total approved budget of the following Sub-votes – Other Materials, Contracted Services and Other Expenditure
- n) Any virement in excess of 20% should be approved by Council, however this threshold shall not apply in case of emergency

- o) No virement may be made where it would result in over expenditure (MFMA Section 32);
- p) Virement should only be allowed within a *m*SCOA function and its sub functions¹, except for the following cases:
 - 1. A Project extending over/ incorporating more than one *m*SCOA function or sub function, then savings in the budgetary allocation in a function or sub-function may be applied across the functions and/ or sub-functions directly linked to the same Project and Funding Source;
 - 2. Where the Finance and Administrative function or sub function is directly linked to another Function or sub function, then savings in the linked function/ sub-function may be applied in the Finance and Administrative function or vice versa². Therefore virement between Rates Services and Trading Services and across Trading Service are not allowed;
 - 3. Virements should not result in adding 'new' projects to the Capital Budget;

10.3 Virement Procedure

- a) All virement proposals must be completed on the appropriate documentation and forwarded to the Budget Office for verification and implementation.
- b) All virements must be approved by the Vote holder and/or relevant Manager in the case of a departmental budget transfer, and by the relevant Director in the case of a

All the virement on Capital budget must be approved by the Municipal Manager

10. Capital Budget Virement within a GFS Classification must be approved by the relevant manager and Director, the Municipal Manager and Chief Financial Officer.

11. A virement form must be completed for all Budget Transfers.

12. All documentation must be in order and approved before any expenditure can be committed or incurred.

11. ADJUSTMENT BUDGET

- a) Each adjustments budget shall reflect realistic excess, however nominal, of current revenues over expenses.
- b) The chief financial officer shall ensure that the adjustments budgets comply with the requirements of the National Treasury reflect the budget priorities determined by the Mayor, are aligned with the IDP, and comply with all budget-related policies, and shall make recommendations to the executive mayor on the revision of the IDP and the budget-related policies where these are indicated.
- c) Council may revise its annual budget by means of an adjustments budget at most three times a year or as regulated.
- d) The Accounting Officer must promptly adjust its budgeted revenues and expenses if a material under-collection of revenues arises or is apparent.
- e) The Accounting Officer shall appropriate additional revenues, which have become available but only to revise or accelerate spending programmes already budgeted for or any areas of critical importance identified by Council in compliance with Item 2 of Section 10.
- f) The Council shall in such adjustments budget, and within the prescribed framework, confirm unforeseen and unavoidable expenses on the recommendation of the Mayor.
- g) The Council should also authorise the spending of funds unspent at the end of the previous financial year, where such under-spending could not reasonably have been foreseen at the time the annual budget was approved by the Council.
- h) Only the Mayor shall table an adjustments budget, and adjustments budget shall be done at most three times a year after the end of each quarter and be submitted to Council in the following months:
 - i. In October – to adjust funding rolled over from the previous financial year as well as to include additional funding that has become available from external sources,
 - ii. February – to take into account recommendations from the mid-year budget and performance report tabled to Council in January that affect the annual budget.

- iii. May – final budget adjustment to adjust current year’s budget in cases where there is an indication that there will be rolling over of funding to the next financial year
- i) An adjustments budget shall contain the following aspects;
 - i. An explanation of how the adjustments affect the approved annual budget;
 - ii. Appropriate motivations for material adjustments; and
 - iii. An explanation of the impact of any increased spending on the current and future annual budgets.
 - iv. Any inappropriate surplus from previous financial years, even if fully cash backed shall not be used to balance any adjustments budget but shall be appropriated to the municipality’s capital replacement reserve.
- j) Municipal taxes and tariffs may not be increased during a financial year except if required in terms of a financial recovery plan.

12. BUDGET IMPLEMENTATION

12.1 MONITORING

- a) The accounting officer with the assistance of the chief financial officer and other senior managers is responsible for the implementation of the budget, and must take reasonable steps to ensure that:
 - i. Funds are spent in accordance with the budget;
 - ii. Expenses are reduced if expected revenues are less than projected; and
 - iii. Revenues and expenses are properly monitored.
- b) The Accounting officer with the assistance of the chief financial officer must prepare any adjustments budget when such budget is necessary and submit it to the Mayor for consideration and tabling to Council.
- c) The Accounting officer must report in writing to the Council any impending shortfalls in the annual revenue budget, as well as any impending overspending, together with the steps taken to prevent or rectify these problems.

13. REPORTING

13.1 Monthly Reports

The accounting officer with the assistance of the chief financial officer must, not later than ten working days after the end of each calendar month, submit to the Mayor and Provincial and National Treasury a report in the prescribed format on the state of the municipality's budget for such calendar month, as well as on the state of the budget cumulatively for the financial year to date.

The report must reflect the following:

- a) actual revenues per source, compared with budgeted revenues;
- b) actual expenses per vote, compared with budgeted expenses;
- c) actual capital expenditure per vote, compared with budgeted expenses
- d) actual borrowings, compared with the borrowings envisaged to fund the capital budget;
- e) the amount of allocations received, compared with the budgeted amount;
- f) actual expenses against allocations, but excluding expenses in respect of the equitable share;
- g) explanations of any material variances between the actual revenues and expenses as indicated above and the projected revenues by source and expenses by vote as set out in the service delivery and budget implementation plan;
- h) The remedial or corrective steps to be taken to ensure that the relevant projections remain within the approved or revised budget; and projections of the revenues and expenses for the remainder of the financial year, together with an indication of how and where the original projections have been revised.

The report to the National Treasury must be both in electronic format and in assigned written document.

13.2 Quarterly Reports

The Mayor must submit to Council within thirty days of the end of each quarter a report on the implementation of the budget and the financial state of affairs of the municipality.

13.3 Mid-year budget and performance assessment

The Accounting officer must assess the budgetary performance of the municipality for the first half of the financial year, taking into account all the monthly budget reports for the first six months, the service delivery performance of the municipality as against the service delivery targets and performance indicators which were set in the service delivery and budget implementation plan.

The Accounting officer must then submit a report on such assessment to the Mayor by 25 January each year and to Council, Provincial Treasury and National Treasury by 31 January each year.

The Accounting officer may in such report make recommendations after considering the recommendation of the Chief Financial Officer for adjusting the annual budget and for revising the projections of revenues and expenses set out in the service delivery and budget implementation plan.

13.4 Municipal website

The Director Corporate Services must place on the municipality's official website the following information:

the annual and adjustments budgets and all budget-related documents; all budget-related policies; the integrated development plan the annual report; all performance agreements; all service delivery agreements.

14. IMPLEMENTATION AND REVIEW OF POLICY

This policy shall be implemented on 1st July 2023 and shall be reviewed on an annual basis to ensure that is in line with the municipality's strategic objectives and with legislation.



**CASH MANAGEMENT
AND
INVESTMENT POLICY**

2023/2024

PREAMBLE

Whereas section 13 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) determines that a municipality must introduce appropriate and effective investment arrangements;

And whereas a municipality must disclose its investment details;

And whereas councillors and officials as trustees of public funds, have an obligation to ensure that cash resources are managed as effectively, efficiently and economically as possible;

Now therefore the Polokwane Municipality adopts the following Investment Policy:

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1. DEFINITIONS

For the purpose of this policy, unless the context indicates otherwise, any word or expression to which a meaning has been attached in the Act shall bear the same meaning and means: - Section 82 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) and who is the head of administration and also the Municipal Manager for the Municipality

Accounting Officer: A person appointed by the Municipality in terms of Section 82 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) and who is the head of administration and also the Municipal Manager for the Municipality

Chief Financial Officer: An officer of the municipality appointed as the Head of Finance Department and includes any person: - acting in such position; and to whom the Chief Financial Officer has delegated a power, function or duty in respect of such a delegated power, function or duty.

Council or Municipal Council: A municipal council referred to in section 18 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) and for purposes of this policy, the municipal council of the Municipal of Polokwane.

Councillor: A member of the Municipal Council.

Investments: Funds not immediately required for the defraying of expenses and invested at draft financial institutions.

Municipal Manager: The accounting officer appointed in terms of section 82 of the Local Government: Municipal Structures Act, 1998 ((Act No. 117 of 1998) and being the head of administration and accounting officer in terms of section 55 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) and includes any person: - acting in such position; and to whom the Municipal Manager has delegated a power, function or duty in respect of such a delegated power, function or duty.

Municipality: The institution that is responsible for the collection of funds and the provision of services to the customers of Polokwane.

Public funds: All monies received by the municipality to perform the functions allocated to them.

FSP or Investment Manager: A financial institution tasked with assisting the municipality with investment planning.

2. OBJECTIVE OF POLICY

- The objectives of the Investment Policy are: -
- to manage the investments of the municipality in such a manner
- that it will not tie up the municipality's scarce resources required to improve the quality of life of the citizens;
- to manage the investments of the municipality in such a manner
- that sufficient cash resources are available to finance the capital and operating budgets of the municipality; and
- to gain the highest possible return on investments during periods
- when excess funds are not being used, without unnecessary risk.

3. SCOPE OF POLICY

The Policy deals with: -

- Responsibility / Accountability;
- Investment instruments;
- Cash flow estimates;
- Investment ethics and principles;
- Investment procedures;
- Other external deposits; and
- Control over investments.

4. RESPONSIBILITY / ACCOUNTABILITY

4.1 The Municipal Manager as the Accounting Officer of the municipality is accountable for investment management.

4.2 The municipal council must approve a policy directing procedures, processes and systems required to ensure efficient and effective management of investments.

4.3 Efficient and effective investment management include: -

- a) Accurately forecasting the institution's cash flow requirements.
- b) Timing of the in- and outflow of cash.
- c) Recognizing the time value of money.
- d) Taking any other action that avoids locking up money unnecessarily and inefficiently.

e) Avoiding bank overdrafts.

5. INVESTMENT INSTRUMENTS

5.1 The Minister of Provincial and Local Government may with the

concurrence of the Minister of Finance by notice in the Gazette determine instruments or investments other than those referred to below in which Municipality may invest: -

a) Deposits with banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990);

b) Securities issued by the National Government;

c) Investments with the Public Investment Commissioners as contemplated by the Public Deposits Act, 1984 (Act No. 46 of 1984);

d) A municipality's own stock or similar type of debt; internal funds of a municipality which have been established in terms of a law pool money available to the municipality and to employ such money for the granting of loans or advances to departments within a municipality, to finance capital expenditure;

e) Bankers' acceptance certificates, negotiable certificates of deposits of banks;

f) Guaranteed Endowment policies offered by insurance companies in order to meet the redemption fund requirements of municipalities; and

g) Any other instruments or investments in which a municipality was under a law permitted to invest before the commencement of the Local Government Transition Act, 1996: provided that such instruments shall not extend beyond the date of maturity or redemption thereof.

6. CASH FLOW ESTIMATES

6.1 Before money can be invested, the Municipal Manager must

determine whether there will be surplus funds available for the term of the investment.

6.2 In order to be able to make investments for any fixed term, it is

essential that cash flow estimates can be drawn up.

6.3 Provision must be made in the cash flow estimates for the

operating and capital requirements of the municipality: -

a) The operating requirements must include provisions for: -

(i) Payment of monthly salaries.

(ii) Payment for bulk purchases of electricity and water.

(iii) Interest on long-term loans.

(iv) Maintenance of assets.

(v) General expenditure.

(vi) Expected daily and monthly income. b) Capital requirement must provide for: -

(i) The anticipated cash flow requirements for each capital project.

7. INVESTMENT ETHICS AND PRINCIPLES

7.1 The Municipal Manager will be responsible for the investment of

funds, and he / she has to steer clear of outside interference, regardless of whether such interference comes from individual councillors, agents or any other institution.

7.2 Under no circumstances may he / she be forced or bribed into making an investment.

7.3 No member of staff may accept any gift unless that gift can be

deemed so small that it would not have an influence on his / her work or was not intended to do so, and can merely be seen as goodwill.

7.4 A certificate in respect of any gifts received should be furnished to the Municipality.

7.5 Interest rates offered should never be divulged to another institution.

7.6 Long-term investments should be made with an institution with at least a minimum F rating (where F refers to low risk institutions), however institutions without a credit rating should be considered in line with sec 217 subsection (1) a and b of the constitution.

7.7 Short-term investments should be made with an institution with at

least a minimum BBB+ rating (where BBB+ refers to higher risk institutions), however institutions without a credit rating should be considered in line with sec 217 subsection (1)a and b of the constitution.

7.8 The maximum amount invested with a financial institution should

not exceed 10% of the relevant institution's shareholder's funds (capital and reserves).

7.9 The municipality may not borrow money specifically for re-

investment, as this would mean interest rates would have to be estimated in advance, which can be seen as speculation with public funds.

7.10 If the Municipal Manager invests with financial institutions, he/she

must ensure that such institutions are registered in terms of the Banks Act, 1990 (Act No. 94 of 1990) and that they are draft financial institutions, as draft by the Reserve Bank of South Africa from time to time.

7.11 When making growth related investments, the Municipal Manager must obtain a guarantee that at least the capital amount invested is safe and must exercise due diligence in this regard.

8. INVESTMENT PROCEDURES

After determining whether there is cash available for investment and fixing the maximum term of investment, the Municipal Manager must consider the way in which the investment is to be made.

8.1 Short-term Investments:

a) Quotations should be obtained from a minimum of three financial institutions (local banks), for the term of which the funds will be invested.

b) Should one of the institutions offer a better rate for a term, other than what the municipality had in mind, the other institutions which were approached, should also be asked to quote a rate for the other term.

c) Quotations should be obtained in writing.

d) Quotations from institutions must include the following: -

(i) Name of institution;

(ii) Name of person quoting rates;

(iii) Period of the investment;

(iv) Relevant conditions; and

(v) Other facts, such as interest payable monthly or on maturation date.

e) Once the required number of quotes has been obtained, a decision must be taken regarding the best terms offered and the institution with which funds are going to be invested.

f) The best offer must under normal circumstances be accepted, with thorough consideration of investment principles.

g) No attempt must be made to make institutions compete with each other as far as their rates and terms are concerned.

h) The investment capital must only be paid over to the institution with which it is to be invested and not to an agent or third party.

i) The financial institution where the investment is made must issue a confirmation stating the details of the investments.

j) The Municipal Manager must make sure that the investment document, if issued, is a genuine document and issued by the draft institution.

k) The municipality must be given a monthly report on all investments.

l) The Municipal Manager must obtain information from which the creditworthiness of financial institutions can be determined. This must be obtained and analysed annually.

8.1.2 INSTITUTIONS WHERE INVESTMENTS MAY BE MADE

Standard Bank Investment Corporation Ltd.

Investec Limited

First National Bank Ltd.

Nedbank Ltd.

ABSA Bank Ltd.

Rand Merchant Bank Ltd.

8.2 Long-term investments:

- a) Written quotations must be obtained for all investments made for periods longer than twelve months.
- b) The municipal council must approve all investments made for periods longer than twelve months after considering the cash requirement for the next three years.
- c) The municipality must within 30 days after an investment with a term of 12 months or longer has been made, publish in a local newspaper in circulation within its area of jurisdiction, full details of any investments so made.

8.3 Withdrawals

All investment amounts withdrawn and not to be re-invested at the same institution at the time of withdrawal, shall be paid into the primary bank account.

All interest shall be paid into the primary bank account at the time of withdrawal of an investment, irrespective of the capital being re-invested.

9. OTHER EXTERNAL DEPOSITS

The principles and procedures set out above must apply to other investment possibilities subject to the applicable legislation, which is available to the municipality, including debentures and other securities of the state as well as other municipalities or statutory bodies in the Republic of South Africa, instituted under and in terms of any law.

10. CONTROL OVER INVESTMENTS

10.1 An investment register should be kept of all investments made.

The following information must be recorded: -

- a) Name of institution;
- b) capital invested;
- c) date invested;

- d) interest rate;
- e) maturation date;
- f) interest received;
- g) capital repaid; and
- h) balance invested

10.2 The investment register and accounting records must be reconciled on a monthly basis.

10.3 The investment register must be examined on a weekly basis to identify investments falling due within the next week.

10.4 Interest, correctly calculated, must be received timeously, together with any distributable capital.

10.5 Investment certificates, if issued, must be kept in a safe place with dual custody.

10.6 The following documents must be safeguarded: -

- a) Fixed deposit letter or investment certificate;
- b) Receipt confirmation for capital invested;
- c) Copy of electronic transfer or cheque requisition;
- d) Schedule of comparative investment figures;
- e) Commission certificate indicating no commission was paid on the investment; and
- f) Interest rate quoted.

11. CASH MANAGEMENT

All money collected should be promptly deposited within 72 business hours in the municipality Primary Bank unless on exceptional circumstances which should be approved by the Manager Revenue or Chief Financial Officer. Satellite offices including Library, swimming pools and related

will be allowed to bank monthly as long as the collection does not exceed R20 000. Exceptions will also be allowed where there is cash in transit problem as long as the risk is minimised.

The respective responsibilities of the Chief Financial Officer and other directors in this regard are in terms of the approved budget and other budget related policies.

Collection and banking of revenue is the lifeblood and determines the going-concern status of a municipality. A healthy cash flow is crucial to ensure sustainable service delivery and infrastructure development and maintenance and preservation.

This is appropriately prescribed in terms of section 64 of the Municipal Finance Management ACT of 2003.

11.1 SECTION 64: REVENUE MANAGEMENT

11.1.1 The Accounting Officer of the municipality is responsible for the management of the revenue of the municipality.

11.1.2. The Accounting Officer, must, among other things, take all reasonable steps to ensure that all money received is promptly deposited in accordance with the requirements of the Act into the municipality's primary bank account.

11.1.3. The Accounting Officer must also ensure that all revenue received by the municipality, including revenue received by any collecting agent on its behalf, is reconciled on regular basis.

11.1.4. The Accounting Officer must take all reasonable steps to ensure that any funds collected by the municipality on behalf of another organ of state are transferred to that organ of state at least on a regular basis, and that such fund are not used for purposes of the municipality.

11.2 REVENUE AND CASH COLLECTION

11.2.1. Every director shall be responsible for the collection of all moneys falling within the ambit and area of his or her designated functions and budget.

11.2.2. The Chief Financial Officer shall ensure that all revenues are properly accounted for.

11.2.3. The collection of all area revenues and the control of area accounts shall be co-ordinated by the Chief Financial Officer in terms of any policies determined by the Council.

11.2.4. The Municipality may allocate any credit/ payment to any accounts of the same debtor or department.

11.2.5. Any revenue that is not recovered or likely to be recovered after the necessary steps have been taken, the Chief Financial Officer shall report the matter adequately and timeously to the finance Committee and advice for adjustment purpose.

11.3 CASHIER COLLECTION

11.3.1. The following negotiable instrument is accepted and will be construed as cash; credit cards, debit cards, direct deposits, and electronic funds transfers.

11.3.2. Every payment received by a cashier or other authorised officer charged with the receipt of money shall be acknowledged by the issuing a sequentially numbered official receipt of receipt book or computer-generated receipt.

11.3.3. All cashier banking batches and or shifts must be closed at least on a daily basis and be deposited promptly in the municipality primary bank account.

11.3.4. Receipt cancelled during collection should be attached on the end of shift form or be written with a detailed explanation thereof.

11.4 END OF SHIFT/DAY

11.4.1. A cashier must count the money he/she receipted, record the outcome on the cash-up sheet per category, then report to the senior responsible for the closing of the banking batches;

11.4.2. No cashier may have access to the closing bank batch facility of the financial system. The senior verifies whether the amounts are correct and send the cashier back if necessary, otherwise closed the banking batch;

11.4.3. All shortages must be paid in by the cashier and all surpluses must be receipted in the vote number or segment open for this purpose.

11.4.4. The cashier supervisor in the presence of the cashier should deposit the money into the prescribed money bag, seal and lock it up in the safe;

11.4.5. All closed banking batches must be deposited and received by the bank within 72 hours unless holiday or weekends or as indicated above; and

11.5 AVAILABILITY OF RECEIPTING POINTS.

11.5.1. Cash receipting points will be available in Polokwane civic centre, Mankweng, Seshego, Sebayeng municipal offices and other special services such as Traffic and licensing in Ladanna, Game reserve, Swimming pools, Library, Sports and facility management and all satellite offices;

Clients can also Pay at the approved 3rd Party services like the Top Supermarket.

11.5.2. The normal office hours for receipting all offices from Monday to Friday is 08h00 till 16h00.

11.5.3. The Municipality also makes use of third party payments for example; Easy pay and Pay-a-Bill. Unipay, SAPO. The bank facilities such as; speed points, EFT, debit orders, direct deposits.

11.5.4. Electronic transfers directly into the bank account are allowed provided that the client use his/her debtors account number as reference or booking number or reference granted by the municipality. A penalty may be levied for repeated incorrect or no reference.

11.5.5. Charges in respect of card payments and or any other payments method may be recovered from the customer in terms of the municipal policies or council resolution

12. CODE OF PRACTICE WITH REGARD TO CASH COLLECTION AND BANKING

12.1 CASHIER SHORTAGES

It is the cashier responsibility to take care of custody of cash until it is handed over to the supervisor. For this reason, shortages will be handled as hereunder:

12.1.1. A Stained/Dyed Note sported on sport or returned by the Bank will be paid by the Cashier.

12.1.2. Up to R100 must be paid in by the cashier, immediately before banking is done.

12.1.3. More than R100 up to R500, the cashier shortage account must be debited, and the total balance must be paid in end of the same month.

12.1.4. Two shortages of over R100 in one month, cashier must get a verbal warning, if it happens three times, written warning must be issued and valid for Three Months.

12.1.5. Shortages of over R500 up to R1000, written warning will be issued to the cashier and disciplinary actions may be taken against the cashier.

12.1.6. Shortage over R1000 disciplinary actions must be taken against the cashier. (First time offender will have an option of a final warning and repayment; second time offender will have option of final warning or dismissal)

12.2 SHORTAGES IN THE BANK

12.2.1 Supervisors accept the money from the cashier for banking and takes responsibility for the money until banked. As results shortages reported by the bank will be accounted and paid for by the supervisor who prepared the banking. But where the Shortage is caused by a Stained/Dyed Note a Cashier should pay.

12.2.2 The above principle as per 12.1 on cashier shortages will be applicable in terms of payments and disciplinary actions to be considered.

12.2.3. All shortages identified by the bank, must be paid in by the supervisor, and all surpluses must be receipted in the vote number open for this purpose. Electronic shortages, like speed points not banked etcetera will be investigated for application of the recovery as recommended by the policy.

12.3 SUPRISE CHECKS

The municipal management may conduct surprise checks without prior notice and take disciplinary actions on shortages as on 12.2 above

13. ADVANCE PAYMENT.

13.1. Any amount that is paid in advance for the service that still has to be rendered will be kept in the suspense account / Unallocated vote until the time that such service is rendered.

13.2. In case where service will be rendered in the following financial year, applicant will be advised to pay deposit for booking and later pay required amount that will in line with tariff policy for the particular year.

13.3 Amount directly deposited or transferred into the municipality s bank account will attract penalty in line with the tariff schedule.

14. CASH FLOAT

Designated cashier may have cash float as determined by the responsible manager. Such cash float shall be kept by the cashier and should always be presented on request.

15. KEYS TO THE STRONG ROOM/ SAFE

Strong Room/ safe shall have at least more than one key and the keys should be kept by at least 2 authorised officials responsible for cash management. A register of keys shall be kept by the supervisor, accountant or and assistant manager.

16. SHORT TITLE

This Policy shall be called the Investment and Cash Management Policy of the Polokwane Municipality.

17. IMPLEMENTATION AND REVIEW OF POLICY

This policy shall be implemented on 1st July 2023 and shall be reviewed on an annual basis to ensure that is in line with the municipality's strategic objectives and with legislation.



CLAIMS & LOSS CONTROL COMMITTEE POLICY

2023/2024

POLOKWANE LOCAL MUNICIPALITY

CLAIMS & LOSS CONTROL COMMITTEE POLICY

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POLOKWANE LOCAL MUNICIPALITY

CLAIMS & LOSS CONTROL COMMITTEE POLICY

To provide for a written description of the Claims & Loss Control Committee (the “Committee”) procedures established for Polokwane Local Municipality. This document is an overview of the individual procedures which support the Claims & Loss Control Committee and contains guidelines for Good Practice for claims and loss management within Polokwane Municipality.

WHEREAS the municipality does from time to time receive claims from the public relating to possible damages caused in incidents occurring in the service delivery activities of the municipality;

AND WHEREAS from time to time the municipality has to deal with losses occurring within the organisation pertaining to its employees, official equipment, vehicles and municipal property as a whole as well as private property of employees;

AND WHEREAS it is the purpose of the Claims & Loss Control Committee to evaluate and settle property loss/damage and/or liability claims in amounts less than the excess amount for which the Municipality is liable in terms of its insurance policy;

NOW BE IT ENACTED by the Council of the Polokwane Local Municipality, as follows: -

CHAPTER 1

COMMITTEE COMPOSITION

1.1 CUSTODIAN OF THE COMMITTEE

- (a) The Committee shall fall under the custodianship of the Chief Financial Officer of the Municipality.
- (b) Members of the Committee shall be appointed, in writing, by the Municipal Manager or his/her authorised representative.
- (c) The office of the CFO shall appoint a secretary for the Committee, the duty of whom it shall be to distribute Agendas for meetings of the Committee as well as record and minute meetings of the Committee.
- (d) This Policy as well as the appointment of members of the Committee shall be reviewed annually by the Municipal Manager or his/her authorised representative.
- (e) The CFO may delegate any of his/her duties under this policy to a senior official within the Financial Services SBU.

1.2 MEMBERS AND REPRESENTATION

- (a) The Committee membership shall comprise of the following standard members: -

Chairperson	Deputy CFO
Finance Officials	Asst. Manager Expenditure Accountant Insurance & Investments
Legal Services	Asst. Manager Legislation & Law Enforcement
OHS	Asst. OHS Officer
Environment	Asst. Manager/Snr. Supervisor
Traffic	Asst. Manager/Snr. Superintendent

- (b) Service Business Units shall be represented by the relevant Manager of that SBU in meetings of the Committee whenever a claim or loss arising from the activities of such a SBU is tabled before the Committee.
- (c) SBU Managers may delegate a representative to attend meetings of the Committee on his/her behalf but only with the consent of the Chairperson of the Committee and further provided that such a representative shall be fully conversed and familiar with all relevant facts pertaining to the claim or loss he/she shall be presenting before the Committee on behalf of the SBU.

1.3 ROLES AND RESPONSIBILITIES

- (a) Chairperson: A representative from the Office of the Chief Financial Officer (generally the Deputy CFO) will chair the Claims & Loss Control Committee.
- (b) The Chairperson shall ensure the meeting agenda is completed and that assignments and commitments have been achieved and further that all records are sent to the Records Section for safekeeping.

- (c) All records required and generated by the procedures and working of the Committee shall be maintained and located in the Records Section of the Municipality.
- (d) The Chairperson shall also be the technical mentor and coach of the Committee by providing guidance in terms of regulatory requirements, technical resources and references etc.
- (e) Members: Complete the functions and tasks necessary to fulfil the goals and objectives of the Committee.

1.4 QUORUM RULES

- (a) A minimum 75% (4) of the membership is required to be present in order to hold a meeting and take a vote.
- (b) Resolutions and process directions are passed by a majority vote.

1.5 MEETING SCHEDULES

The Committee will meet as claims arise but at least quarterly.

1.6 AGENDAS MINUTES AND RECORDING OF MEETINGS

- (a) The secretary of the Committee shall be responsible for compilation and distribution of Agendas for Committee meetings at least 3 days prior to a meeting.
- (b) Agendas shall contain all relevant information as stipulated in this policy regarding a specific claim and/or loss including a written report from the relevant SBU Manager to whose SBU the claim or loss relates.
- (c) The secretary shall capture all resolutions of the meeting during the meeting and then record same in written Minutes of the meeting to be distributed to all attendees of a specific Committee Meeting.
- (d) The secretary shall ensure that an attendance register is signed at all meetings of the Committee and also record any apologies accordingly.

CHAPTER 2

PROCEDURE

2.1 PURPOSE OF THE COMMITTEE

- (a) The purpose of the Committee is to consider and settle or repudiate claims for damages caused to the property of members of public arising against the Municipality from time to time as well as consider and settle internal loss control issues as they arise.
- (b) The Committee shall have the authority to deal with claims as described in sub-clause 2.1(a) on the merit of each individual claim, for claims which falls within the excess amount of the Municipality's liability under its public liability insurance policy.
- (c) The Committee shall focus on the following goals and functions in order to meet the purpose identified:
 - (i) Review, consider and discuss all claims and losses received;
 - (ii) Settle, repudiate or refer back for further information all claims tabled before the Committee which falls within its mandate;
 - (iii) Attend meetings arranged for purposes of discussion and finalisation
 - (iv) Seek advice from any Third Party in considering and finalising claims before the Committee as the Committee may deem necessary.

CHAPTER 3

RECEIPT OF CLAIMS TO SERVE BEFORE THE COMMITTEE

3.1 SUBMISSION OF CLAIMS

- (a) Claims against the Municipality have to be submitted at the office of the Manager of the SBU allegedly responsible for the damage which gave rise to the claim.
- (b) Potential claimants have to contact the office of the relevant SBU Manager where the necessary claim form can be obtained and again submitted with the required information and documentation required as indicated on the form.
- (c) Claimants shall claim from their own insurance companies first before recourse is sought against the Municipality. No claimant shall refuse to claim for damages against their own insurance company. In all instances the claimant shall disclose the name and telephone number of their insurance company.
- (d) Claims for consideration by the Committee have to be lodged with the Municipality within 3 months of the date of the incident causing the alleged damage. Claims lodged outside the cut-off period of 3 months shall not be considered by the Municipality.
- (e) All claims lodged with the municipality shall contain the following information and be accompanied by the following relevant documentation: -
 - (i) Completed claim form;
 - (ii) Sworn affidavit by the claimant on the circumstances how, date, time and place where the incident allegedly causing the damage occurred;
 - (iii) SAPS MR Number showing the incident has been reported with SAPS;
 - (iv) 3x quotations for repairing of the damage allegedly caused;
 - (v) Colour photographs of the scene of the incident as well as the damaged property (where damage is caused to mag-wheels and tyres the municipality reserves the right to inspect such mag-wheels and tyres);
 - (vi) A certified copy of the claimants' ID;
 - (vii) A certified copy of the damaged motor vehicle's registration/licensing documents (where applicable);
 - (viii) A copy of the claimants' municipal services account for the month directly preceding the incident;
 - (ix) A letter from the claimants' insurance company indicating that a claim has been lodged with the insurer for the damage to the claimants property, further indicating what the excess amount payable on the claim is.

3.2 CLAIMS ASSESSMENT

- (a) Although all claims received shall be reviewed by the Committee, the Municipality is not obliged to honour any claim.
- (b) Claims received shall be considered on merit of each individual claim. Negligence on the part of the claimant shall result in discounting of the claim in the discretion of the committee.
- (c) In all instances where alleged damage is caused to a claimant's property, the Municipality shall only consider payment of the claimants' excess payable under his/her own insurance policy where the Committee is of the opinion that the claim has merit and warrants remuneration.
- (d) Claims received shall within a period of 5 working days from date of receipt of such a claim, be submitted to the office of the Accountant Insurance and Investments by the relevant SBU Manager receiving the claim. Claims thus submitted shall contain all relevant information requested on the claim form and shall be accompanied by a written report of the relevant SBU Manager regarding the merit of the claim from the SBU's perspective.
- (e) On receipt of a claim from the SBU Manager, the Accountant Insurance and Investments shall acknowledge receipt of the claim and arrange for the claim to be lodged with the Records Section so that a file number can be allocated to the claim.
- (f) Complete claims shall be forwarded to the Secretary of the Claims and Loss Control Committee who in turns shall compile an Agenda for the Committee and secure a date for the next meeting to consider claims.
- (g) Claims have to be finalised within 30 working days following the date of receipt of a complete claim.

3.3 PAYMENT OF CLAIMS

- (a) Claims deserving of payment in accordance with the Committee's resolution shall be limited to payment of the lowest quotation amount or the claimant's excess payment under his/her policy, whichever is the lesser amount.
- (b) Where the Committee resolves to honour a claim against the Municipality, the payment shall be made ex gratia and in full and final settlement of the claimants claim.

3.4 NO OR PARTIAL PAYMENT OF CLAIMS

- (a) If the claim is denied, the Committee states and minutes explicitly to the claimant the reasons on which denial of the claim is based.
- (b) If the amount offered is different from the amount claimed, the Committee explains the reason for this to the claimant.
- (c) When the municipality is not responsible (by virtue of common law of delict principles) for meeting all or any part of the claim, the Committee notifies the claimant of this fact and explains why.

CHAPTER 4

LOSS CONTROL

4.1 RECEIPT OF LOSS CONTROL MATTERS FOR CONSIDERATION

- (a) Incidents of internal loss control to be considered by the Committee shall be submitted to the office of the appointed Secretary of the Claims and Loss Control Committee for inclusion in the Agenda of the Committee.
- (b) Incidents so submitted shall consist of a comprehensive written report by the relevant SBU Manager, which report shall contain information on the nature of the loss, how it occurred, what remedial steps have been taken to prevent future occurrences, disciplinary action taken if any, value of the loss and how the damage caused will be compensated. The said report shall also contain a recommendation to the Committee on how the incident has to be dealt with.
- (c) When a loss control issue serves before the Committee, the relevant SBU Manager shall avail himself/herself to ensure attendance of such a meeting of the Committee.
- (d) Resolutions taken on loss control issues shall be final and binding and executed accordingly by the SBU Manager.

CHAPTER 5

CLAIMS REGISTER

- (a) A claims register shall be opened and kept on all claims received and considered by the Committee. This register shall contain the date of the claim, the claimants name and ID number as well as the amount of the claim and whether the claim was paid out or not.
- (b) Claims are documented in order to be able to address questions that may arise concerning the handling and payment of a claim.

CHAPTER 6

COMPLAINTS AND DISPUTES

6.1 FILING OF COMPLAINTS AND DISPUTES

- (a) When a claimant files a complaint against the findings of the Committee, the Committee: -
 - (i) acknowledges receipt of the complaint within a reasonable period of time;
 - (ii) provides the claimant with explanations on how his/her complaint will be handled and the procedures to be followed
 - (iii) processes the complaint promptly and fairly
 - (iv) provides a final response in writing within a reasonable period of time.

6.2 PROCEDURE FOR DEALING WITH COMPLAINTS AND DISPUTES

- (a) Once a complaint has been received and acknowledged, the letter of complaint together with the resolution of the Committee taken with regard to the claim on which

a complaint has been received has to be tabled before the earliest next sitting of the Committee for consideration.

- (b) Complaints and disputes so received shall be duly considered by the Committee, where after the Committee shall resolve on the matter and a final response on the complaint be forwarded to the claimant in writing.

6.3 DISPUTES

- (a) If the claimant is dissatisfied with the final response from the Committee, the claimant shall be informed to forward his/her dispute in writing to the CFO and Manager Legal Services, who will then assess the matter and decide on a way forward regarding that dispute and inform the claimant accordingly in writing.
- (b)

7. IMPLEMENTATION AND REVIEW OF POLICY

This policy shall be implemented on 1st July 2023 and shall be reviewed on an annual basis to ensure that is in line with the municipality's strategic objectives and with legislation.



**CONSUMER
DEPOSIT POLICY**

2023/2024

POLOKWANE LOCAL MUNICIPALITY
CONSUMER DEPOSIT POLICY

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POLOKWANE LOCAL MUNICIPALITY
CONSUMER DEPOSIT POLICY 2023/2024

PREAMBLE

Whereas Section 96(a) of the Local Government: Municipal Systems Act, No 32 of 2000 (hereinafter referred to as the “MSA”), obliges the municipality to collect all money that is due and payable to it, subject to the provisions of that Act and any other applicable legislation;

And whereas, the Municipal Finance Management Act (MFMA), 2003 (Act No. 56 of 2003) sections 62 and 64 requires the effective management of the municipality’s revenue;

And whereas the municipality requires assurance that service rendered will be paid for by the customer,

Therefore, the Consumer Deposit Policy 2023/2024 is herewith adopted by Polokwane Municipality.

1. DEFINITIONS

“Arrears” means the debt that is overdue after missing one or more required payments.

“Council” means the municipal council of Polokwane municipality in terms of section 18 of Municipal Structures act and or section 157(1) of the Constitution,

“Credit Control and Debt Collection By-law” means the Credit Control and Debt Collection By-law as adopted by Polokwane Municipal council in terms of section 96(b) of the Municipal Systems Act 2000 as amended,

“Customer” means the owner of property or premises, liable to the council for payment of municipal account.

“Deposit” means a determinable amount payable by a customer on application for municipal services, to be withheld by the municipality from the date of opening of an account until the date of termination thereof, which amount will be refunded to the customer on termination of the consumer account within the discretion of the Municipality, provided that the customer does not have any other outstanding accounts with the Municipality.

“Financial Year” means the Municipal financial year commencing on 1st July and ending at 30 June of the following year.

“Foreigner” means a person who comes from a foreign country, a person who is not in possession of a South African bar-coded identity book issued by the South African Department of Home Affairs.

“Municipality” refers to Polokwane Municipality,

“owner” means registered owner of the property; liable to pay all outstanding amounts of the property

“Refund” means to return or pay back money, repayment, or of a balancing account, appropriation of the deposit held by the Municipality.

“Service agreement” means a written agreement in a standard format entered between the Municipality and the owner of a property applying for municipal services, to be completed by the owner upon applying for a municipal service /account,

“Sundry deposit” means a person who receives goods or services from the Municipality and does not make payment immediately and is liable to pay for the service in future. Also called sundry debtors or accounts receivable

“Termination of service application” means the form to be completed by a customer as a notification of the closing of a municipal account.

2. OBJECTIVES OF THIS POLCIY

2.1 To reduce the risk and liability of the Municipality by ensuring that deposits held on owners accounts are always equal to twice the average monthly consumption of any consumer, and may be adjusted to comply with the latter when and if the deposit is not equal to average the monthly consumption or as determined by CFO from time to time.

3. LEGISLATIVE FRAMEWORK

3.1 The Local Government Municipal Finance Act, 56 of 2003, Section 64 of the Municipal Finance Management Act (MFMA) requires the Accounting officer of a municipality to take all reasonable steps to ensure that the municipality has and maintains effective revenue collection systems consistence with section 95 of the Municipal Systems Act (MSA) and the municipality’s Credit Control and Debt Collection By-law and the requirements of section 104(1)(d) of the MSA.

4. DEPOSIT OUTLINED

4.1 The deposit payable by a customer on application for municipal services shall be in the form of a cash deposit, Electronic Transfers, credit, and debit cards.

4.2 Irrevocable bank guarantees will only be accepted after a duly motivated application, approved in writing by the Chief Financial Officer, is made in this regard, stating all reasons why the applicant cannot make a deposit in the form of cash or bank guaranteed cheque.

4.3 Deposits are payable on opening of accounts and will be held until the account is closed, subject to the provisions of this Policy.

- 4.4 At the time of entering into a service agreement with the Municipality, payment of a deposit will be required in an amount calculated on the basis as per the Tariff of Charges By-Law.

5. DEPOSIT AMOUNTS

- 5.1 The minimum deposit amount payable, will be as per the approved Tariffs. And may be reviewed annually to be equal to twice the average monthly consumption.
- 5.2 A deposit will be due and payable on all new applications/registrations of customers and includes applications for services by such existing customer for services at an alternative address in the event that he/she moves to a new address.
- 5.3 Further to 5.2 above, deposits will not automatically be transferred from a terminated application to a new application by the same consumer at an alternative address. Each new application shall be treated as such and will require a deposit as determined by the Tariffs.
- 5.4 In the discretion of the Municipality, the deposit amount may vary according to the credit worthiness of the customer and/or the risk as determined by Council from time to time.

The Municipality may classify customers in terms of their credit risk profile into three groups:-

- (a) Good Customers – Customers with a good credit record and who do not pose any credit risk to the Municipality;
 - (b) Moderate Customers – Customers with a moderate credit record and who may pose a credit risk to the Municipality, and
 - (c) Bad Customers – Customers with a bad credit record who pose a significant credit risk to the Municipality.
- 5.5 Foreign Customers, in the discretion of the Municipality, the deposit amount payable for municipal services by foreigners may vary from the deposit amount payable to SA Citizens. The deposit amount for foreigners shall be determined annually.
- 5.6 Only the Chief Financial Officer has the powers to approve a deposit amount other than the amounts stated in the deposit structure to the policy.
- 5.7 Any deposit amount, whether new or existing, may be adjusted, in writing, by the Chief Financial Officer based on the consumption of services by a customer.

5.8 The security deposit amounts may vary according to the credit rating of the customer as assessed by the municipality.

5.9 Apart from the grouping contained in sub-clause 5.5 the Municipality will categorise the customer type and minimum amount payable per type as contained in the Municipal Tariff Schedule

6. REVISION OF DEPOSITS & ADDITIONAL DEPOSITS:

6.1 The municipality may in certain circumstances and in its sole discretion increase the deposit of a customer by not more than 10% of the approved deposit amount as per the approved tariff list of the current year.

6.2 The increase of consumer deposits in sub-clause 6.1 may be effected based on the following grounds: -

- (a) Where a consumer's account is regularly in arrears or paid after due date.
- (b) Where a consumer's account is regularly in arrears and the average account balance is more than the original deposit amount.
- (c) Where a consumer's service supply is restricted or disconnected.
- (d) When a debtor applies for extension of time to settle an account.
- (e) When payments by direct/negotiable instrument is dishonored.
- (f) When the debtor poses a payment risk in the discretion of the municipality.
- (g) When there is an increase in consumption of services.

6.3 The municipality may increase the deposit amount based on twice the average consumption of any two consecutive month's actual verifiable consumption within the previous 12 month, regardless of 6.1 Above. First refer to the Billing Policy. Align the two.

6.4 i.) Every consumer of water and/or electricity shall, on application and before such supply is given, deposit with the Municipality a sum of money based on a calculation made by the Chief Financial Officer, of the cost of the maximum consumption of water and/or electricity which the applicant is likely to consume within a period of any 2 (two) consecutive months, further provided that such deposit shall not be less than the prescribed tariff.

- ii.) The first R5 000 (five thousand rand) payable towards a consumer deposit shall be paid in cash to the Municipality. In the event of a balance payable remaining in terms of such a deposit, the Municipality may, in its sole discretion, accept a bank guarantee in the form prescribed by the Municipality, as surety for payment of any future amount that may become due by the applicant in respect of water and/or electricity consumption.

- 6.3 Apart from the provisions contained in clause 6, consumer deposits shall be revised annually on approval of the municipal budget.

7. ALLOCATION OF PAYMENTS

- 7.1 In the event where the Municipality increases a deposit as in the revision of deposits in Clause 6 above, the amount paid towards the increase shall first be allocated to the deposit and then other services as per the municipality's Credit Control and Debt Collection By-law. The total amount adjusted will be levied on the account in one month.

- 7.2 This sequence of allocation shall be followed notwithstanding any instruction to the contrary given by the accountholder.

8. APPROPRIATION OF DEPOSITS

- 8.1 On termination of the service agreement, the deposit shall be appropriated to the account and;

- 8.2 Any credit due may be refunded to the customer provided that any other debt is paid in full.

- 8.3 If a customer's services account has not been paid in full, the deposit will be applied to any outstanding amounts owed by the customer. Should the deposit exceed the amount due on the account, the balance will be returned to the customer.

- 8.4 If the deposit is not sufficient to cover the amount outstanding on the consumer account, the customer shall remain liable for the outstanding balance and notice to that effect shall be given to the client to settle the account within 14 (Fourteen) days of such notice, after which credit control measures shall be applied.

- 8.5 The Municipality shall not be liable for non-payment of unclaimed deposits, or delayed payments due to outstanding documents and information requested for that purpose.

- 8.6 It remains the responsibility of the customer to ensure that a deposit is claimed back and to follow up on any deposits held by the Municipality.
- 8.7 An agreement for the provision of water and electricity services may contain a condition that a deposit will be forfeited to Council if it has not been claimed within twelve months of the date of termination of the agreement.

9. UNCLAIMED DEPOSIT /CREDIT

- 9.1 Only credits claimed by customers will be refunded and these credits will only be refunded to customers who can positively identify themselves as the person who has signed the consumer agreement in terms of which the deposit was paid initially with the Municipality.
- 9.2 In the event of the death of a customer who has entered into a service agreement and paid a deposit, application for a refund of the deposit shall only be considered upon submission of the following documents:
- a. A written request for the refund by the Executor of the deceased estate.
 - b. A certified copy of the court appointment of the Executor; and
 - c. A certified death certificate of the deceased customer.
- 9.3 Guarantees shall only be released on written confirmation by the Municipality's Manager Revenue that the outstanding debt of the consumer has been settled in full.
- 9.4 Where a customer does not complete a termination of service request form, services shall be disconnected by application of the new customer. It will then remain the responsibility of such disconnected consumer to claim their deposits.
- 9.5 The Municipality may appropriate a customer's deposit to any account related to that customer, including rates in arrears by tenants and occupiers in terms of section 28 of the Local Government Municipal Property Rates Act 2004 (Act 6 of 2004) and other legislation.
- 9.6 Where a customer has absconded leaving a municipal services debt on a property, the debt should first be paid in full before a customer is allowed to enter into a new agreement with the Municipality.

9.7 All the accounts linked to the stand must be paid in full or have approved arrangement before any consumer can be connected.

9.8 All unclaimed credits more than three years shall be deemed prescribed and may be recognized as revenue and transferred to accumulated surplus of the municipality once appropriated.

10. UNECONOMIC REFUNDS

Where the Municipal Council deems it uneconomic to refund a certain consolidated amount which accumulated out of unclaimed deposits as calculated and resolved annually by the Council, such amount will be forfeited, and set off against provision for bad debts.

11. INTEREST

The municipality will not pay any interest on deposits and or credits on accounts. All deposits paid shall not be regarded as being in payment of an account due to the Municipality, and as such will be held by the Municipality as security until the account is closed (service terminated) and fully settled.

12. SHORT TITLE AND COMMENCEMENT

This Policy will be known as the Consumer Deposit Policy of Polokwane Municipality and shall commence on the date of adoption thereof by the Municipal Council. And remain valid until reviewed.

13. IMPLEMENTATION AND REVIEW OF POLICY

This policy shall be implemented on 1st July 2023 and shall be reviewed on an annual basis to ensure that is in line with the municipality's strategic objectives and with legislation.



COST CONTAINMENT POLICY

2023/2024

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1. DEFINITIONS

“**Act**” means the Local Government: Municipal Finance Management Act, 2003(Act No.56 of 2003)

“**consultant**” means a professional person, individual partnership, corporation, or a company appointed to provide technical and specialist advice or to assist with a design and implementation of projects or to assist the municipality to achieve its objectives of local government in terms of section 152 of the Constitution.

“**cost containment**” the measures implemented to curtail spending in terms of this policy.

“credit card” means a card issued by a financial services provider, which creates a revolving account and grants a line of credit to the cardholder.

“municipality” Polokwane Local Municipality

2. PURPOSE

The purpose of the policy is to regulate spending and to implement cost containment measures at Polokwane Local Municipality.

3. OBJECTIVES OF THE POLICY

The objectives of this policy are to:

3.1 To ensure that the resources of the municipality are used effectively, efficiently and economically;

3.2 To implement cost containment measures.

4. SCOPE OF THE POLICY

This policy will apply to all:

4.1 Councillors'; and

4.2 Municipal employees.

5. LEGISLATIVE FRAMEWORK

This policy must be read in conjunction with the -

5.1 The Municipal Finance Management Act, Circular 97, published on 7 December 2016;

5.2 Municipal Cost Containment Regulations, 7 June 2019; and

5.3 Travel and subsistence policy.

6. POLICY PRINCIPLES

6.1 This policy will apply to the procurement of the following goods and/or services:

(i) Use of consultants

(ii) Vehicles used for political office-bearers

(iii) Travel and subsistence

- (iv) Domestic accommodation
- (v) Credit cards
- (vi) Sponsorships, events and catering
- (vii) Communication
- (viii) Conferences, meetings and study tours
- (ix) Any other related expenditure items

7. USE OF CONSULTANTS

- 7.1 Consultants may only be appointed after an assessment of the needs and requirements have been conducted to support the requirement of the use of consultants.
- 7.2 The assessment referred to in 7.1 must confirm that the municipality does not have requisite skills or resources in its full time employ to perform the function that the consultant will carry out.
- 7.3 When consultants are appointed the following should be included in the Service Level Agreements:
 - (i) Consultants should be appointed on a time and cost basis that has specific start and end dates;
 - (ii) Consultants should be appointed on an output-specific, specifying deliverables and the associated remuneration;
 - (iii) Ensure that cost ceilings are included to specify the contract price as well travel and subsistence disbursements and whether the contract price is inclusive or exclusive of travel and subsistence; and
 - (iv) ensure the transfer of skills by consultants to the relevant officials
 - (v) All engagements with consultants should be undertaken in accordance with the municipality's supply chain management policy.
- 7.4 Consultancy reduction plans should be developed.
- 7.5 All contracts with consultants must include a retention fee or a penalty clause for poor performance.
- 7.6 The specifications and performance of the service provider must be used as a monitoring tool for the work that is to be undertaken and performance must be appropriately recorded and monitored.

8. VEHICLES USED FOR POLITICAL OFFICE-BEARERS

- 8.1 The threshold limit for vehicle purchases relating to official use by political office-bearers must not exceed seven hundred thousand rand (R700 000) or 70% of the total annual remuneration package for the different grades, whichever is lower.
- 8.2 The procurement of vehicles must be undertaken using the national government transversal mechanism, unless it may be procured at a lower cost through other procurement mechanisms.
- 8.3 Before deciding to procure a vehicle, the Accounting Officer must provide the council with information relating to the following criteria that must be considered:
 - (i) Status of current vehicles
 - (ii) Affordability
 - (iii) Extent of service delivery backlogs
 - (iv) Terrain for effective usage of vehicle
 - (v) Any other policy of council
- 8.5 Regardless of their usage, vehicles for official use by public office bearers may only be replaced after completion of 120 000 kilometres.

8.6 Notwithstanding 8.5, a municipality may replace vehicles for official use by public office bearers before the completion of 120 000 kilometres only in instances where the vehicle experiences serious mechanical problems and is in a poor condition, and subject to obtaining a detailed mechanical report by the vehicle manufacturer or approved dealer.

9. TRAVEL & SUBSISTENCE

9.1 An accounting officer:

(i) May only approve the purchase of economy class tickets for officials where the flying time for a flight is five (5) hours or less; and less; and

(ii) For flights that exceed five (5) hours of flying time, may purchase business class tickets *only* for accounting officers, and persons reporting directly to accounting officers.

9.2 Notwithstanding 9.1, an accounting officer may approve the purchase business class tickets for officials with disabilities.

9.3 International travel to meetings or events will only be approved if it is considered critical to attend the meeting or event, and only the officials that are directly involved with the subject matter will be allowed to attend the meeting or event.

9.4 Officials of the municipality must:

(i) Utilize the municipal fleet, where viable, before incurring costs to hire vehicles;

(ii) Make use of a shuttle service if the cost of such a service provider is lower than:

- the cost of hiring a vehicle;
- the cost of kilometres claimable by the employee; and
- the cost of parking.

(iii) not hire vehicles from a category higher than Group B; and

(iv) where a different class of vehicle is required for a particular terrain or to cater for the special needs of an official, seek the written approval of the accounting officer before hiring the vehicle.

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9.5 The municipality must use the negotiated rates for flights and accommodation as communicated by National Treasury, from time to time, or any other cheaper flight or accommodation that is available.

10. DOMESTIC ACCOMMODATION

10.1 An accounting officer must ensure that costs incurred for domestic accommodation and meals are in accordance with the maximum allowable rates for domestic accommodation and meals, as communicated by National Treasury, from time to time, and the travel and subsistence policy of the municipality.

11. CREDIT CARDS

11.1 An accounting officer must ensure that no credit card or debit card linked to a bank account of the municipality is issued to any official or public office-bearer.

11.2 Where officials or public office bearers incur expenditure in relation to official municipal activities, such officials and public office bearers must use their personal

credit cards or cash, and will request reimbursement from the municipality in terms of the travel and subsistence policy and petty cash policy.

;

12. SPONSORSHIPS, EVENTS & CATERING

12.1 The municipality may not incur catering expenses for meetings that are only attended by persons in the employ of the municipality, unless prior written approval is obtained from the accounting officer.

12.2 Catering expenses may be incurred by the accounting officer for the following, if they exceed five (5) hours:

- (i) Hosting of meetings;
- (ii) Conferences;
- (iii) Workshops;
- (iv) Courses;
- (v) Forums;
- (vi) Recruitment interviews; and
- (vii) Council proceedings

12.3 Entertainment allowances of officials may not exceed two thousand rand (R2000,00) per person per financial year, unless otherwise approved by the accounting officer.

12.4 Expenses may not be incurred on alcoholic beverages.

12.5 Social functions, team building exercises, year-end functions, sporting events, budget speech dinners and other functions that have a social element must not be financed from the municipal budget or by any supplier or sponsor such as but not limited to:

- staff year-end functions
- staff wellness functions
- attendance of sporting events by municipal officials

12.6 Expenditure may not be incurred on corporate branded items like clothing or goods for personal use of officials, other than uniforms, office supplies and tools of trade, unless the costs thereto are recovered from the affected officials.

12.7 Expenditure may be incurred to host farewell functions in recognition of officials who retire after serving the municipality for ten (10) or more years, or retire on grounds of ill health, the expenditure should not exceed the limits of the petty cash usage as per the petty cash policy of the municipality.

13. COMMUNICATION

13.1 All municipal related events must, as far as possible, be advertised on the municipal website, instead of advertising in magazines or newspapers.

13.2 Publications such as internal newsletters must be designed internally and be published quarterly in an electronic media format and on the municipal website/intranet.

13.3 Newspapers and other related publications for the use of officials must be discontinued on the expiry of existing contracts or supply orders.

13.4 The acquisition of mobile communication services must be done by using the transversal term contracts that have been arranged by the National Treasury.

13.5 Allowances for officials for private calls is limited to R50,00 per official.

13.6 Provision of diaries be limited to secretaries and electronic diaries be kept by directorates.

14. CONFERENCES, MEETINGS & STUDY TOURS

14.1 Appropriate benchmark costs must be considered prior to granting approval for an official to attend a conference or event within and outside the borders of South Africa.

14.2 The benchmark costs may not exceed an amount determined by National Treasury.

14.3 When considering applications from officials to conferences or events within and outside the borders of South Africa, the accounting officer must take the following into account:

- (i) The official's role and responsibilities and the anticipated benefits of the conference or event;
- (ii) Whether the conference or event will address the relevant concerns of the Municipality;
- (iii) The appropriate number of officials to attend the conference or event, not exceeding three officials; and
- (iv) Availability of funds to meet expenses related to the conference or event.

14.4 The amount referred to in 14.2 above excludes costs related to travel, accommodation and related expenses, but includes:

- (i) Conference or event registration expenses; and
- (ii) Any other expense incurred in relation to the conference or event.

14.5 When considering the cost for conferences or events the following items must be excluded, laptops, tablets and other similar tokens that are built into the price of such conferences or events.

14.6 Attendance of conferences will be limited to one (1) per annum with a maximum of two (2) delegates.

14.7 Meetings and planning sessions that entail the use of municipal funds must, as far as practically possible, be held in-house.

14.8 Municipal offices and facilities must be utilized for conferences, meetings and strategic planning sessions where an appropriate venue exists within the municipal jurisdiction.

14.9 The municipality must take advantage of early registration discounts by granting the required approvals to attend the conference, event or study tour, in advance.

15. OTHER RELATED EXPENDITURE ITEMS

15.1 All commodities, services and products covered by a transversal contract by the National Treasury must be procured through that transversal contract before approaching the market, in order to benefit from savings and lower prices or rates that have already been negotiated.

15.2 Municipal resources may not be used to fund elections, campaign activities, including the provision of food, clothing and other inducements as part of, or during the election periods.

16. ENFORCEMENT PROCEDURES

16.1 Failure to implement or comply with this policy may result in any official of the municipality or political office bearer that has authorized or incurred any expenditure contrary to those stipulated herein being held liable for financial misconduct as set out in Chapter 15 of the MFMA.

17. DISCLOSURES OF COST CONTAINMENT MEASURES

17.1 Cost containment measures applied by the municipality must be included in the municipal in-year budget report and annual cost savings must be disclosed in the annual report.

17.2 The measures implemented and aggregate amounts saved per quarter, together with the regular reports on reprioritization of cost savings, on the implementation of the cost containment measures must be submitted to the municipal council for review and resolution. The municipal council can refer such reports to an appropriate council committee for further recommendations and actions.

17.3 Such reports must be copied to the National Treasury and relevant provincial treasuries within seven calendar days after the report is submitted to municipal council.

18. IMPLEMENTATION & REVIEW PROCESS

18.1 This policy will be reviewed at least annually or when required by way of a council resolution, or when an update is issued by National Treasury.

19. CONSEQUENCES FOR NON-ADHERENCE TO THE COST CONTAINMENT MEASURES

19.1 Any person must report an allegation of non-compliance to the cost containment policy to the accounting officer of the municipality.

19.2 The accounting officer must investigate the allegations and if frivolous, speculative or unfounded, terminate the investigations.

19.3 If the accounting officer determines the allegations are founded, a full investigation must be conducted by the disciplinary board.

19.4 After completion of a full investigation, the disciplinary board must compile a report on the investigations and submit a report to the accounting officer on:

- Findings and recommendations; and/or
- Whether disciplinary steps should be taken against the alleged transgressor.

19.5 The accounting officer must table the report with recommendations to the municipal council.

19.6 Subject to the outcome of the council decision the accounting officer must implement the recommendations.

20. SHORT TITLE

20.1 This policy shall be called the Cost Containment Policy of Polokwane Local Municipality.

21. DATE OF IMPLEMENTATION

This policy takes effect from 1 July 2023 and will be reviewed annually during the budgetary process of the Municipality.



CREDIT CONTROL AND DEBT COLLECTION POLICY

2023/2024

P R E A M B L E

Whereas section 96 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) requires a municipality to adopt, maintain and implement a credit control and debt collection policy;

And whereas section 97 of the Systems Act prescribes what such policy must provide for;

And whereas the Municipal Council of the Municipality of Polokwane has adopted by-laws in line with section 98 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) to give effect to this policy.

Now therefore the Municipal Council of the Municipality of Polokwane adopts the Credit Control and Debt Collection Policy as set out in this document: -

For the purpose of this policy, unless the context indicates otherwise, any word or expression to which a meaning has been attached in the Act shall bear the same meaning and means: -

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1. DEFINITIONS

Act	The Local Government Act: Municipal Systems Act 2000 (Act No. 32 of 2000) as amended from time to time.
Authorised Representative	The person or entity legally appointed by the Council to act or to fulfil a duty on its behalf.
Arrears	Amount outstanding after due date, payable in respect of fees, charges, surcharges on fees, property rates and other municipal taxes and services, levies, penalties and duties.
Agreement	Means the contractual relationship between the municipality and a consumer whether in writing or not.
Account/ Municipal account	<p>Account in name of customer held with the Polokwane Municipality.</p> <p>(a) The proper and formal notification by means of a statement of account, to persons liable for monies levied and indicating the net accumulated balance of account, specifying charges levied by the Municipality, in the format of, but not limited to:- Show the levies for property rates and services</p> <p>(b) Monthly accounts rendered indicating the levies for property rates and/ or building clause, availability charge, sewage, refuse removal, electricity, water, sundries, housing rentals and instalments, as well as monthly instalments for annual services paid monthly.</p>
Basic service	The amount or level of any municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety of the environment and for the purposes of this Policy are restricted to the delivery of electricity, refuse, sewerage and water services.

Chief Financial Officer	An officer of the municipality appointed as the Head of the Finance Department (Budget and Treasury) and includes any person:- a) Acting in such position; and b) To whom the Chief Financial Officer has delegated a power, function or duty in respect of such a delegated power, function or duty.
Child-headed household	A household where all the occupants of a residential property are younger than 18 years old, i.e. a child-headed household is a household consisting only of children and household income of below the indigent threshold.
Council or Municipal Council	A municipal council referred to in section 18 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) and for purposes of this policy, the municipal council of the Municipality of Polokwane.
Credit Control	The functions relating to and aimed at the collection of any monies due and payable to the Municipality.
Debt Collection	The function relating to and aimed at the collection of any monies due and payable to the Municipality after due date has passed or not paid on due date.
Closely connected Person	Any immediate relative of the person namely spouse, child, parent, parent-in-law, life partner, siblings (brother or sister from same parents) and in laws,
Customer	Any occupier or consumer of any property to which the Municipality has agreed to supply services or already supplies services to, or if there is no occupier, then the owner of the property (including registered indigent households).
Due date	Means the date on which the amount payable in respect of an account becomes due, normally the 25 th unless the 25 th is on weekend, owing and payable by the customer, which date shall be determined by council from time to time.
Defaulter	A person who owes money to the Municipality in respect of a municipal account after the due date for payment has expired

Director	The person in charge of the civil and / or electrical component(s) of the Municipality and includes any person:- a) Acting in such position; and b) To whom the Director has delegated a power, function or duty in respect of such a delegated power, function or duty.
Equipment	A building, structure, pipe, pump, wiring, cable, meter, machine or any fittings.
Household	all persons who are jointly living on a stand or site on a permanent basis and who receives electricity and / or water from one meter, regardless whether the person rents or owns the property.
Indigent and Pensioners	A household which is not financially capable of paying for the delivery of basic services and meeting the criteria determined by Council from time to time – this also includes poor households and pensioners as per the Municipality's Indigent Policy.
Interest	A levy with the same legal priority as service fees and calculated on all amounts in arrears in respect of assessment rates and service levies or any other sundry services or surcharge at a standard rate as draft by Council from time to time.
Municipality	Means Polokwane Municipality established in terms of the Local Government Structures Act, 1998 as amended from time to time.
Municipal Manager	The accounting officer appointed in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) as amended from time to time and being the head of administration and accounting officer in terms of section 55 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) as amended from time to time and includes any person:- a) Acting in such position; and b) To whom the Municipal Manager has delegated a power, function or duty in respect of such a delegated power, function or duty.
Municipal Services	Those services provided by the Municipality such as, amongst others the supply of water and electricity, refuse removal, sewerage treatment, and for which payment is required by the Municipality or not.

Occupier	Any person who occupies any property or part thereof, without any regard to the title whether or not that person has the right to occupy the property.
Premises or Property	Any portion of land, the external surface boundaries of which are delineated on:- a) A general plan or diagram registered in terms of the Land Survey Act, 1927 (Act No. 9 of 1927) as amended from time to time or in terms of the Deeds Registry Act, 1937 (Act No. 47 of 1937); as amended from time to time or b) A sectional plan registered in terms of the Sectional Titles Act, 1986 (Act No. 95 of 1986); as amended from time to time which is situated within the area of jurisdiction of the Municipality.
Owner	a) The person in whom the legal title to the property is vested; b) A person mentioned below may for the purposes of this Policy be regarded by a municipality as the owner of a property in the following cases: i. A trustee, in the case of a property in a trust excluding state trust land; ii. An executor or administrator, in the case of a property in a deceased estate; iii. A trustee or liquidator, in the case of a property in an insolvent estate or in liquidation iv. A judicial manager, in the case of a property in the estate of a person under judicial management; v. a curator, in the case of a property in the estate of a person under curatorship; vi. A person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude; vii. A lessee, in the case of a property that is registered in the name of a municipality and is leased by it; or viii. a buyer, in the case of a property that was sold by a municipality and of which possession was given to the buyer pending registration of ownership in the name of the buyer;

ix. Owner in terms of Municipal Property Rates Act.

(c) In the case where the Council is unable to determine the identity of such person; the person who is entitled to the benefit of such property or any building thereon;

d) In the case of a property for which a lease agreement of 30 years or more has been entered into, the lessee thereof;

e) Regarding:-

(i) a portion of land delineated on a sectional title plan registered in terms of the Sectional Titles Act, 1986 (Act No. 95 of 1986), as amended from time to time and without restricting the above-mentioned stipulations, the developed or body corporate of the communal property; or

(ii) a portion as defined in the Sectional Titles Act, the person in whose name that portion is registered under a sectional title deed, including the legally appointed representative of such person;

(f) Any legal entity, including but not limited to:-

(i) a company registered in terms of the Companies Act, 1973 (Act No. 61 of 1973), a trust inter vivos, trust mortis causa, a closed corporation registered in terms of the Closed Corporations Act, 1984 (Act No. 69 of 1984), and any voluntary organisation.

(ii) Any local, provincial or national government.

(iii) Any council, board or entity established in terms of any legislation applicable to the Republic of South Africa; and

(iv) any embassy or other foreign entity.

2. GENERAL OBJECTIVES:

The objectives of this policy are to:-

2.1 Provide a framework within which the municipality can exercise its executive and legislative authority with regard to credit control and debt collection.

2.2 Ensure that all monies due and payable to the municipality are collected and in a financially sustainable manner;

2.3 Provide a framework for customer care and indigent support;

2.4 Describe credit control measures and sequence of events;

2.5 Outline debt collection and credit control procedures and mechanisms; and

2.6 Set realistic targets for credit control and debt collection.

2.7 Provide for actions that may be taken by the Municipality to secure payment of accounts that are in arrears including and not limited to the termination or restriction of services and legal actions

2.8 Provide for alternative debt repayment arrangements in accordance with the terms and conditions of this policy

2.9 Create an environment which enables a customer to repay the outstanding debt and establish culture of payment for services rendered by the Municipality.

2.10 Effectively and efficiently deal with defaulters in accordance with the terms and conditions of this policy

2.11 Provide for procedures and mechanisms to ensure that all monies due and payable to the Municipality are collected.

3. PRINCIPLES:

The credit control and debt collection policy is based on the following principles –

3.1 GENERAL

(i) The administrative integrity of the Municipality must be maintained at all costs.

(ii) The democratically elected councillors are responsible for making the policies, while it is the responsibility of the Municipal Manager to ensure execution of these policies.

(iii) The policy and its application provides for the specific circumstances of the community to which it relates.

(iv) The credit control and debt collection procedures must be understandable, uniform, fair and consistently applied.

(v) Credit control must be effective, efficient and economical.

(vi) The measures taken must be sustainable in the long term.

3.2 COUNCIL

(i) To enable the Council to differentiate between those customers that cannot pay from those that simply do not want to pay, the “Indigent Policy” will be applied.

(ii) The Credit Control and Debt Collection Policy may be supported by procedure manual(s) and/or Revenue Enhancement strategies that may be put in place by the Chief Financial Officer and Revenue Manager.

(iii) The Credit Control and Debt Collection Policy shall supersede all other policies aimed at achieving the same purpose to which the current credit control policy seeks to achieve.

3.3 SERVICE CONNECTION

(a) Application forms may be used to, amongst others, categorize customers according to credit risk and to determine relevant levels of services and deposits required.

(b) Unauthorized consumption, connection and reconnection, the tampering with or theft of meters, service supply equipment and reticulation network and fraudulent activity in connection with the provision of Municipal services will lead to disconnections, charges, penalties, loss of rights and/or criminal prosecutions.

(c) The Council shall not conduct any business activity with or accept new services application to any customer who is in arrears with the Municipality except if a suitable payment arrangement for repayment of arrears is made.

(d) The Municipality may whenever possible, combine any separate accounts of a person who is liable for payment to the Municipality, into one consolidated account in line with section 102 of the Act.

3.4 COUNCILOR SERVICES ACCOUNTS

In accordance with the provisions of Schedule 1, of the Municipal Systems Act, 32 of 2000, an elected councillor residing within demarcated area of the Council and is individually or jointly responsible for account, may not be in arrears for municipal service fees, surcharges on fees rates or any other municipal taxes, levies and duties levied by the Council for more than 3 (three) months.

Notwithstanding any relevant procedure, method or action that may be taken in terms of this policy, the Municipal Manager may deduct amounts due for more than 3 (three) months from such councillor's remuneration.

3.5 STAFF/ OFFICIALS SERVICES ACCOUNTS

In accordance with the provisions of Schedule 2, of the Municipal Systems Act, 32 of 2000, an official of council, residing within demarcated area of the Council and is individually or jointly responsible for account, may not be in arrears for municipal service fees, surcharges on fees rates or any other municipal taxes, levies and duties levied by the Council for more than 3 (three) months.

Notwithstanding any relevant procedure, method or action that may be taken in terms of this policy, the City Manager may deduct amounts due for more than 3 (three) months from such official's remuneration.

4. PERFORMANCE EVALUATION

This is addressed in the SDBIP and the Municipal Performance Management System.

5. REPORTING

5.1 The Chief Financial Officer shall report monthly to the Municipal Manager in a suitable format to enable the Municipal Manager to report to the Mayor as supervisory authority in terms of the Systems Act. This report shall contain particulars on:-

a. Cash collection statistics, showing high-level debt recovery information (number of consumers; enquiries; arrangements; default arrangements; growth or reduction of arrear debt).

b. Where possible, the statistics should ideally be divided into wards, business (commerce and industry), domestic, government, institutional and other such divisions.

c. Performance of all areas against targets agreed to in section 4 of this policy document.

5.2 If in the opinion of the Chief Financial Officer, Council will not achieve cash receipt income equivalent of the income projected in the annual budget as draft by Council, the Chief Financial Officer will report this with motivation to the Municipal Manager who may immediately move for a revision of the budget according to realistically realizable income levels.

5.3 The Mayor as Supervisory Authority shall report quarterly to Council as contemplated in section 99(c) of the Systems Act.

6. CUSTOMER CARE AND MANAGEMENT

The municipality customer care shall be in line with the customer care policy of the municipality.

7. ACCOUNTS ADMINISTRATION

7.1 ACCOUNTS AND BILLING

7.1.1 The municipality will render monthly accounts in line with the billing policy

7.1.2 Failure by the Council to render an account does not relieve a customer of the obligation to pay any amount that is due and payable in terms of these By-laws.

7.1.3 The customer is entitled to accurate, timeous and understandable bill as far as possible.

7.1.4 The Council may, in accordance with the provisions of section 102 of the Act –

a) Consolidate any separate accounts of a customer liable for payments in terms of these Policy to the Council;

b) Credit any payment by such customer against any account of that customer; and

c) Implement any of the debt collection and credit control measures provided for in these By-laws in relation to any arrears on any of the accounts of a customer.

7.1.5 The amount due and payable by a customer constitutes a consolidated debt, and any payment made by a customer of an amount less than the total amount due, will, be allocated in reduction of the consolidated debt in the order prescribed by the Municipality.

(a) Any amount paid by a customer in excess of an existing debt may be held in credit for the customer in anticipation of future rates and fees for municipal services. (b) No interest is payable on any amount contemplated in paragraph (a)

7.2 ACCOUNT QUERIES

(a) Account query refers to the instance when a customer queries any specific amount or any content contained in any account as rendered by the Council;

(b) Query can be raised verbally or in writing at any of the Council's administrative offices

(c) Customer to furnish in writing full personal particulars including acceptable means of identification, contact details and account number in respect of which amount owing is queried;

(d) A customer may be represented by a duly appointed nominee or agent, and such nominee or agent shall upon request produce sufficient proof of such appointment;

(e) Pending the outcome of query, a customer may be granted a temporary payment extension in terms of provisions of this policy;

(f) The customer shall, pending the resolution and outcome of the query, continue to make regular payments on all other services not disputed;

(g) Should a customer not be satisfied with the outcome of the query, a customer may lodge an appeal in terms of section 62, as read with section 95 (f), of the Local Government: Municipal Systems Act 32 of 2000.

7.3 DISPUTES

(a) A customer may lodge an appeal in terms of section 62, as read with section 95 (f), of the Local Government: Municipal Systems Act 32 of 2000.

(b) Customer to furnish in writing full personal particulars including acceptable means of identification, contact details and account number in respect of which amount owing is disputed

(c) Only disputes lodged by registered account holder will be considered.

(d) Customer may be represented by a duly appointed nominee or agent, and such nominee or agent shall upon request produce sufficient proof of such appointment.

(e) Should any written dispute arise as to the amount owing on the account in respect of all services by a customer, the customer shall, pending the resolution and outcome of that dispute, continue to make regular minimum payments based on the average charges for the preceding three months prior to the arising of the dispute, plus interest, until the resolution of that dispute.

(f) Should any written dispute arise as to the amount owing on part of the account or service by a customer, the customer shall, pending the resolution and outcome of that dispute, continue to make regular payments on services that are NOT in dispute PLUS the average charges for the preceding three months prior to the arising of the dispute in respect of remaining part of account or disputed service until the resolution of that dispute.

8. INTEREST CHARGES

Interest will be levied on all accounts not paid by due date at a rate prescribed by council from time to time and in accordance with Section 97 (e) of Municipal Systems Act, 32 of 2000.

8.1 No interest shall be earned on a credit balances

8.2 Interest may only be reversed under the following circumstances—

- a) Exemptions as determined by Council from time to time
- b) If the Municipality has made an administrative error on the account
- c) Where any debt accrued as a result of incorrect charge or any administrative error
- d) Where Council or any other authorised committee or delegated official approves such reversal from time to time;

9. ACCOUNT DUE DATE & ALLOCATION OF PAYMENT

a) Account due date shall be the 25th day of the month or the following business day

Interest shall accrue after 30 days from date of account on unpaid accounts. The interest shall accrue for each completed month in respect of any arrears remaining unpaid after 30 days of the account, a part of a month shall be deemed to be a completed month on the basis that interest is charged as from the first day of the account been in arrears.

b) Only payments receipted through the Municipal financial system on or before account due date will be deemed to have been duly received.

c) Payments by customers through 3rd party vendors, will only be deemed to have been received when receipted through the Municipal financial system. Customers making use of this payment measure needs to pay at least three days before the due date .

d) Any amount paid by the Customer in excess of an existing debt may be held in credit for the Customer in expectancy of future rates and fees for Municipal services charges, and no interest will be payable on that amount.

10. CREDIT CONTROL

10.1 OBJECTIVE

10.1.1 To provide procedures and mechanisms to collect all the monies due and payable to the Municipality arising from the supply of services and annual levies, in order to ensure financial sustainability and delivery of municipal services in the interest of the community

10.1.2 To limit risk levels by means of effective management tools.

10.1.3 To provide for restrictions, limitations, termination of services for non-payment.

10.2 SERVICE APPLICATION, AGREEMENTS, CUSTOMER SCREENING AND SECURITIES

10.2.1 All consumers (owners) of services will be required to sign an agreement governing the supply and cost of municipal services. On default by a tenant, the owner will be the debtor of last resort and is responsible for payment unless where the Municipality is the owner of the property.

10.2.2 Applicants for Municipal services may be checked for credit worthiness, which may include checking information from banks, credit bureaus, other local authorities, trade creditors and employers.

10.2.3 The consumer applying for services must bring proof of ownership or consent from the owner, proof of residential address and physical address

10.2.4 Where the applicant is a legal entity, being a company, closed corporation, trust, etc.

a) Sureties must also be signed by the directors, members, trustees, etc.

b) Must supply details of their director, members, partners or trustees and at least the main shareholder must in his/her personal capacity guarantee the payment of the applicant's Municipal account and in case of a trust, all the trustees in their personal capacity.

10.2.5 On the signing of the agreements, customers will be entitled to access the policy document, which are available on www.polokwane.gov.za or on request at any Municipal office service centre at a fee prescribed by the council from time to time.

10.2.6 On the signing of the agreement, consumers will receive a copy of the agreement for their records.

10.2.7 The Municipality reserves the right to decline supplying services should such applicant owe monies to the Municipality until such debt is paid in full or an acceptable arrangement to settle has been made with the Municipality. Should the applicant prove to the Chief Financial Officer or the Manager Revenue or delegated Senior official that he/she is unable to pay, the application will be dealt with in terms of the Municipality's Indigent Policy and arrangements may be granted on exceptional cases.

10.2.8 The Municipality reserves the right to decline the application for services if any of the tenants or previous tenants or owner is in arrears or of a person who is closely connected to a customer who has defaulted with account payments and who resides or is to reside on the same premises, until such debt is settled in full or accepted arrangement has been made. The Municipality may also reject the application for services of any concern that is not a natural person should such concern be in arrears with any other municipal account for which it, or any member or director is responsible or partially responsible.

10.2.9 On the termination of the agreement the amount of the deposit, less any outstanding amount due to the Municipality, will be refunded to the consumer.

10.2.10 All information furnished may be verified by the Municipality with any or all data information institutions, credit information bureaus and any financial institutions as may be deemed necessary by the Municipality in determining a person's credit worthiness or for any other reason as determined by the delegated Senior official.

10.3 RESPONSIBILITY FOR AMOUNTS DUE

10.3.1. In terms of Section 118 (3) of the Systems Act, an amount due for municipal service fees, surcharge on fees, property rates and other municipal taxes, levies and duties is a charge upon the property in connection with which the amount is owing and enjoys preference over any mortgage bond registered against the property. Accordingly —

a) The owner of such property shall be liable for charges incurred in connection with such property and all municipal debts must be paid by the owner of such property without prejudice to any claim or right of recovery which the Municipality may have against another person;

b) The Municipality reserves the right to cancel a contract with the Customer in default and register the owner of such property for services on the property; and

c) Subject to the right to a basic water supply as contemplated in the Water Services Act, 1997 (Act No. 108 of 1997), as amended, the Municipality will not provide any services on the property until all municipal debts on the property have been paid in full or suitable arrangements have been made to pay such debts. The Municipality reserves the right to determine the manner in which access to a basic water supply will be provided.

10.3.2 Where the property is owned by more than one person, each owner shall be jointly and severally liable, the one paying the other to be absolved, for all municipal debts charged on the property.

10.3.3 Owners with their tenants who are registered as Customers shall be held jointly and severally liable, the one paying the other to be absolved, for debts on their property, except for property rates.

10.3.4 When a Juristic person opens a Service Account, the directors, members or trustees as the case may be must sign personal suretyships in favour of the Municipality. Liability for outstanding amounts maybe extended to such directors, members or trustees jointly and severally, the one paying the other to be absolved.

10.3.5 The Municipality may —

In a case of an Owner who is in arrears recover from the tenant or agent in terms of Section 28 and 29 of the Municipal Property Rates Act, 6 of 2004 as amended;

10.3.6 Should the tenant, occupier or agent as contemplated in subsection 10.3.5 refuse to pay the Municipality, the services of the tenant, occupier or agent may be disconnected.

10.3.7 Should any query or dispute arise as to the amount owing, the Customer shall pay all amounts which are not subject to the dispute and average of the service under dispute that are due and payable, pending the finalisation of the dispute lodged in respect of the specific amount owed by the Customer.

10.4 RIGHT OF ACCESS TO PREMISES

10.4.1 The owner and or occupier of property must allow an authorized representative of the municipality access at all reasonable hours to the property in order to read, inspect, install or repair any meter or service connection for reticulation, or to disconnect, stop or restrict, or reconnect, the provision of any municipal service as stipulated in Section 101 of Municipal Systems Act, 32 of 2000.

10.4.2 The owner is responsible for the cost of relocating a meter if satisfactory access is not possible.

10.4.3 If a person fail to comply, the municipality or its authorised representative may:-

a) By written notice require such person to restore access at his/her own expense within a specified period.

b) Without prior notice restore access and recover the cost from such person if it is the opinion that the situation is a matter of urgency.

10.5 ENFORCEMENT MECHANISM

10.5.1 The Municipality will issue a credible statement of account reflecting all services charge, units of water & electricity consumed (where applicable), due date and monies payable. Where the Municipality fails to render the account, subsection 7.1.2 of this policy shall apply.

10.5.2 The Municipality may deliver notices electronically or by any means available to it or in accordance with section 115 of the Municipal Systems Act and section 3 of PAJA.

10.5.3 Subject to the provisions of section 95(e) of the Systems Act, a failure to receive or accept accounts does not relieve a Customer of the obligation to pay any amount due and payable. The onus is on the Customer to make every effort to obtain a copy of the account, or establish the amount payable for payment.

10.5.4 The Municipality may print a message on a statement of account to remind customers to pay before or on due date to avoid interest charges and other credit control measures.

10.5.5 The Municipality may remind the customer to pay the account before or on due date by using and not limited to SMS, MMS, e-mail and Telephone call.

10.5.6 A 14 Days' notice may be issued before cut off or restriction of supply for accounts in arrears.

10.5.7 In the event of queries and disputes section 7.2 and 7.3 of this policy shall apply.

10.5.8 The customer may apply/ request payment extension in writing before the due date stating reasons for such request and proposed date for payment.

10.5.9 The Municipality shall have the right to discontinue or restrict the supply of services due to late or non-payment of accounts relating to any consumer and or owner of property.

10.5.10 All debtors who are in arrears for more than 60 days may have their water and electricity meters converted to prepaid at municipality 's sole discretion.

10.6 PRE-PAYMENT METERING SYSTEM

The Municipality will use its pre-payment metering system to:-

a) Link the provision of electricity by the Municipality to a "pre-payment" system comprising, pre-payment of electricity units; and

b) A payment in respect of arrears comprising all accrued municipal taxes and other levies, tariffs and charges in respect of services such as water, refuse removal, sanitation and sewage.

c) To load an auxiliary on the “pre-payment” system in order to allocate a portion of the rendered amount to the customers arrear account for other services.

d) To enforce satisfactory arrangements with consumers in arrears by blocking access to pre-payment meters.

e) 60/40% prepayment debt recovery, the municipality may allocate 60% of payment to the arrears and 40% to the purchase of electricity to customers who purchases prepaid electricity with other services in arrears.

11. DEBT COLLECTION

11.1 OBJECTIVE

11.1.1 To implement procedures which ensure the collection of debt, meeting of service targets and the prevention of escalation in arrear debt.

11.1.2 THE PRINCIPLE: The money owed to the Municipality for more than 30 days after due date would be classified as debt to be collected following the procedures as outlined in this section of the policy.

11.2 ACTIONS TO SECURE PAYMENTS INCLUDING TERMINATION OF SERVICES AND SERVICE AGREEMENTS

11.2.1 The Municipality and/or Service provider may take the following actions to secure payments of arrears in respect to Municipal services.

11.2.1 At least fourteen (14) days' notice is required from the Customer upon termination of an account, to enable the Municipality to take final meter readings and process account adjustments.

11.2.1 The Municipality or service provider may contact the customer telephonically and/or physically.

(a) Council will endeavour, within the constraints of affordability, to make personal or telephonic contact with all arrear debtors to encourage their payment, and to inform them of their arrears state, their rights (if any) to conclude arrangements or to indigence subsidies,

other related matters and will provide information on how and where to access such arrangements or subsidies.

(b) Such contact is not a right for debtors to enjoy and disconnection of services and other collection proceedings may continue in the absence of such contact for whatever reason.

11.2.1 Council reserves the right to deny or restrict the sale of electricity or water to consumer and or the owners who are in arrears with their rates and or other service charge.

11.2.2 60/40% prepayment debt recovery, the municipality may allocate 60% of payment to the arrears and 40% to the purchase of electricity to customer who purchases prepaid electricity with other services in arrears. Or allow the customer to purchase 40% of the amount paid.

11.2.3 If a person is indigent a pre-paid electricity meter or water meter may be installed free of charge.

11.2.5 Once the tenant's consumption account in arrears is terminated, the account may thereafter be linked to the owner's rates account.

11.2.6 The Municipality may exercise its common-law right where a tenant on a property is in breach of his or her contract with the Municipality, and link the debt to the owners' account. The tenant shall forfeit his or her deposit to the owner where the outstanding debt is paid by the owner.

11.2.7 The Municipality may terminate a service agreement, or any other arrangement with the municipality having given a written notice of not less than 14 days to the Customer, if the Customer concerned has breached or failed to comply with any specific term or condition of the service agreement.

11.3 THE POWER TO RESTRICT OR DISCONTINUE SUPPLY OF MUNICIPAL SERVICES

11.3.1 The Council or duly appointed agent may terminate and / or restrict the supply of water, electricity or in the case of pre-paid electricity withhold the selling of electricity in terms of the prescribed disconnection procedures, or discontinue any other service to any premises associated with the customer, whenever a consumer of any service –

11.3.2 after the expiry of the period for payment in terms of the final demand/final notice referred to in section 11.2.1.1, fails to make full payment on the due date or fails to make acceptable arrangements for the repayment of any amount for municipal services, property rates or taxes or other amounts due in terms of this policy;

11.3.3 No proof of registration as an indigent was furnished within the period provided for in the final demand / final notice referred to in section 11.2.1.1;

11.3.4 No payment was received in accordance with an agreement for payment of arrears;

11.3.5 fails to comply with a condition of supply imposed by the council;

11.3.6 obstructs the efficient supply of electricity, water, or any other municipal services to another customer;

11.3.7 Supplies such municipal service to a consumer/owner who is not entitled thereto or permits such service to continue;

11.3.8 causes a situation, which in the opinion of the council is dangerous, or a contravention of relevant legislation;

11.3.9 in any way bridges the supply or illegally reconnect previously disconnected municipal services;

b) The Council shall hand deliver, per mail or per electronic means available, to the physical address of property or most recent recorded address or electronic contact address and / or number of such customer, a discontinuation notice informing such consumer –

(i) That the provision of the service will be, or has been discontinued on the date stated on the discontinuation notice;

(ii) Of the steps which can be taken to have the service reconnected;

(iii) Of the minimum amount payable to restore service.

c) The right of the Council or any duly appointed agent to restrict or discontinue water and electricity to any premises, owner of property, tenant on property, customer or occupant of property, shall be subject to the relevant legislature.

d) The Council reserves the right to deny or restrict or reduce the sale of electricity or water to properties which are in arrears with their rates or other municipal charges.

11.4 RECONNECTION OF SERVICES

11.4.1 Upon paying the full amount owed or the conclusion of acceptable arrangements as prescribed in section 11.6 of this policy the service will be reconnected and soon as conveniently possible.

11.5 DEBT FOR WHICH AN ARRANGEMENTS CAN BE DONE

Arrangements for the payment of outstanding debt can be made according to the procedures described hereunder.

11.6 CONCLUSION OF AGREEMENT

11.6.1 If a customer cannot pay his/her account with the Municipality then the Municipality may enter into an extended term of payment not exceeding 12 months, stipulating that the debt will be paid together with the monthly and/or annual accounts, with the customer upon paying at least the required percentage as determined by Council from time to time.

11.7 DEBT COLLECTION PROCEDURE

11.7.1 Council may handover accounts that are 90 days and older to external debt collection companies after all internal processes have been exhausted and there is no positive respond.

11.7.2 The handover will be done through creation of child account linked to the main account. The child account will be closed when it is paid up or balance cleared. The debt collector will not be responsible for collection on the debt on the main account where child account is created.

11.7.3 Annual accounts: Should accounts remain unsettled three (3) months after it became due and payable, notice will be given to the owner/consumer that the amount owed should be settled within fourteen (14) days, failure of which it would be handed over for collection.

11.7.4 Should there be no reaction on the notices; accounts are forthwith handed over for collection, which may include legal proceedings.

11.7.5 All debtors regarding houses in rental, selling and self-build schemes, without any capital debt, which are still registered in the name of the Municipality, should be notified in writing that if satisfactory arrangements for transfer of the property into his/her name are not

made within one (1) month, the property concerned will be put up for sale by Council at a public auction.

11.7.6 Upon handing over of accounts for collection, details of employers and work addresses of the debtors should be made available to the attorneys as far as possible for the purposes of garnishee orders.

11.8 INDIGENT

11.8.1 Customers who qualify as indigent households will be assisted in terms of the indigent policy.

11.9 THEFT AND FRAUD

11.9.1 Any person (natural or juristic) found to be illegally connected or reconnected to municipal services, tampering with meters, the reticulation network or any other supply equipment or committing any unauthorized act associated with the supply of municipal services, as well as theft of and damage to Council property, will be prosecuted and/or liable for costs at the prescribed tariffs as determined from time to time.

11.9.2 The Municipality may terminate and/or remove the supply of services including the removal of circuit breakers to a customer should such conduct as outlined above, be detected and certified.

11.9.3 The total bill owing, including penalties, assessment of unauthorized consumption and credit control administration fees, will be due and payable before any reconnection can be sanctioned. Corrective measures may be put in place to calculate lost consumption and levy penalty due to illegal connections or tampering of meters, refer to tariff schedule.

11.9.3 Council will maintain monitoring systems and teams in order to identify and monitor customers who are undertaking such illegal actions.

11.9.4 Council reserves the right to lay criminal charges and/or to take any other legal action against both vandals and thieves.

11.9.4 Any person failing to provide information or providing false information on his application for or other document pertaining to the supply of services to the Municipality may face immediate disconnection of services.

11.10 INCENTIVES

Incentives may be used in collection procedures as approved by council.

11.11 LEGAL PROCESS (USE OF ATTORNEYS/USE OF CREDIT BUREAUS)

11.11.1 The Municipality may, when a debtor is in arrears, commence legal processes against that debtor, which process could involve final demands, summonses, court trials, judgements, garnishee orders and, as last resort, sales in execution of property.

11.11.2 The Municipality will exercise strict control over this process to ensure accuracy and legality within it and will require regular reports on progress from staff responsible for the process or outside parties, be they attorneys or any other collection agents appointed by Council.

11.11.3 The Municipality will establish procedures and codes of conduct with such outside parties. In the case of employed debtors, garnishee orders, are preferred to sales in execution, but both are part of the Municipality's system of debt collection procedures.

11.11.4 All steps in the credit control procedure will be recorded for the Municipality's records and for the information of the debtor.

11.11.5 All costs of this process will be for the account of the debtor.

11.11.6 Individual debtor accounts are protected and are not the subject of public information. However, the Municipality may release debtor information to credit bureaus and the property owner in respect of his/her lessee(s). This release will be in writing or by electronic means and will be covered in the agreement with customers.

11.11.7 The Municipality may consider the cost effectiveness of the legal process and will receive reports on relevant matters and report to the Executive Mayor.

11.11.8 Upon recommendation from the Municipal Manager, Council may consider the use of agents and innovative debt collection methods and products. Cost effectiveness, the willingness of agents to work under appropriate codes of conduct and the success of such agents and products will be part of the agreement Council might conclude with such agents or service providers.

11.11.10 Any agreement concluded with an agent or product vendor shall include a clause whereby breaches of the code of conduct by the agent or vendor will constitute termination of the contract.

11.11.11 If, after the due date an amount due for rates is unpaid by the owner of the property, the Municipality may recover the amount, in whole or in part, from the tenant or occupier of the property, after it has served written notice on the tenant or occupier. The Municipality may recover the outstanding amount despite any contractual obligation to the contrary on the tenant or occupier.

11.11.12 If, after the due date an amount due for rates is unpaid by the owner of the property, the Municipality may recover the amount, in whole or in part, from the agent of the owner, if this is more convenient for the Municipality, after it has served written notice on the agent.

The agent must on request from the Municipality, provide a statement reflecting all payments made to the agent for the owner during a period determined by the Municipality.

11.12 COST OF COLLECTION

The Municipal manager may recover from the debtor, all costs in cases where such costs are incurred by or on behalf of the City, including;

All costs of legal processes such as interest, penalties, service discontinuation costs and legal costs associated with credit control and debt collection, wherever applicable, are for the account of the debtor and should reflect at least the cost of the particular action.

11.13 CLEARANCE CERTIFICATE

11.13.1 In terms of section 118(3) of the Act an amount due for municipal service fees, surcharges on fees, property rates and other municipal taxes, levies and duties is a charge upon the property in connection with which the amount is owing and enjoys preference over any mortgage bond registered against the property,

11.13.2 The municipality will require an estimation of up to four months before issuing clearance figures.

11.13.3 All payments will be allocated to the registered seller's municipal accounts and all refunds will be made to such seller unless advised otherwise.

11.13.3 Clearance figures for all accounts handed over to debt collectors may make provision for Collection costs at the draft commission percentage.

11.13.4 The Municipality will only issue a clearance certificate once a completed prescribed application form from the conveyancer has been received.

11.13.5 Where any residential or non-residential debtor has entered into an arrangement with the Municipality in respect of the arrears on a property, the prescribed certificate as referred to in Section 118 of the Systems Act, will not be issued until such time as the full outstanding amount have been paid. Should the certificate be issued on payments for three months preceding the date of clearance, the outstanding balance will be due and against the property or any owner thereof with or without their knowledge on transfer.

11.13.6 Accordingly, all such municipal debts shall be payable by the owner of such property without prejudice to any claim which the municipality may have against any other person,

11.13.7 On application for clearance any arrangements, acknowledgement of debt shall be cancelled, and all debts on the property shall become due, and payable.

11.13.8 The payments of clearance certificate must be made in cash or by irrevocable bank guarantee, there shall be no refunds on cancellation of sale, and the certificate shall be valid for a period of 60 days from date of issue.

11.13.9 No Clearance certificate, in terms of section 118 of the Municipal Systems Act, will be issued were the registered owner (and, in this instance, the seller) has not complied with any relevant legislation, policy or agreement relating to the property in question;

11.13.10 Polokwane Municipality reserves the right to pursue the debt incurred by the seller by lodging an interdict with a competent court prior to any transfer to obtain a court order ordering the sale in execution of a property.

11.13.11 Subject to section 118 (1) of the Systems Act the City manager has the right to offset any credit , or any amount due to a debtor, against any debit pertaining to that same debtor; or

(a) To transfer any debt to another account of the same debtor.

11.13.12 The City Manager has the right to transfer any property debt, incurred by a tenant, to any account of the registered owner, provided the registered owner was the owner of the property at the time the debt was incurred.

11.14 BUSINESS RESCUE

11.14.1 In terms of Section 118 (3) of the Systems Act, an amount due for municipal service fees, surcharge on fees, property rates and other municipal taxes, levies and duties is a charge upon the property in connection with which the amount is owing and enjoys preference over any mortgage bond registered against the property.

11.15 DECEASED ESTATES

11.15.1. The Executor or representative of a Deceased Estate shall be liable for payment of all debts on the property.

11.15.2. The purposes of liability for an account, including a consolidated accounts, the occupier or occupiers of a property which vests in a deceased estate where neither an executor nor representative has been appointed, will be regarded as the Deemed Owner. The municipality may request a deemed owner to sign a services agreement. Where there is more than one occupier on the property, every occupier will be jointly and severally liable for an account or consolidated account.

11.15.3. "Deemed Ownership" does not confer any rights on an occupier other than the liability to pay the accounts.

11.15.4. Failure by the executor to inform the Municipality that the property forms part of a deceased estate may result in the disconnection of services, until an executor or representative has been appointed.

11.15.5 Where a deceased estate is insolvent (liabilities exceed all assets) and a property is sold by the executor pursuant to section 34 of the Administration of Deceased Estates Act, 1965 (Act 66 of 1965), the Municipality enjoys preference creditor status in terms of section 118 (1) of the MSA. Accordingly, no revenue clearance certificate will be issued until

all amounts assessed for the prescribed 2 year period, have been paid. The balance of the debt will be dealt with as guided by the law on the administration of deceased estates.

11.16 IRRECOVERABLE DEBT

11.16.1 Debt will only be considered as irrecoverable if it complies with the following criteria:

-

(a) All reasonable notifications and cost-effective legal avenues have been exhausted to recover a specific outstanding amount; or

(b) any amount equal to or less than R1 000.00, or as determined by Council from time to time, will be considered too small, after having followed basic checks, to warrant further endeavours to collect it; or

(c) The cost to recover the debt does not warrant the further action; or

(d) The amount outstanding is the residue after payment of a dividend in the rand from an insolvent estate; or

1. There is a danger of a contribution; or

2. No dividend will accrue to creditors; or

(e) A deceased estate has no liquid assets to cover the outstanding amount following the final distribution of the estate; or

Where the estate has not been reported to the Master and there are no assets of value to attach; or

(f) It has been proven that the debt has prescribed; or

(g) The debtor is untraceable or cannot be identified so as to proceed with further action; or

(i) The debtor has emigrated leaving no assets of value to cost effectively recover Councils' claim; or

(h) it is not possible to prove the debt outstanding; or

(i) a court has ruled that the claim is not recoverable; or

(j) The outstanding amount is due to an irreconcilable administrative error by the Municipality as approved by Council.

11.17 ABANDONMENT OF CLAIMS

11.17.1 The Municipal Manager must ensure that all avenues are utilised to collect the Municipality's debt.

11.17.2 There are some circumstances, as contemplated in section 109(2) of the Act, that allow for the valid termination of debt collection procedures, such as:-

- a) The insolvency of the debtor, whose estate has insufficient funds.
- b) A balance being too small to recover, for economic reasons considering the cost of recovery.
- c) Where Council deems that a debtor or group of debtors are unable to pay for services rendered.

11.17.3 The Municipality will maintain audit trails in such an instance, and document the reasons for the abandonment of the action or claim in respect of the debt.

11.18 AUTHORITY AND DELEGATION TO WRITE OFF

Once council has approved or any of the event above is met, officials responsible or delegate for capturing journals under the relevant Strategic Business Unit will then affect the transaction on the system.

12. SHORT TITLE

This policy will be called Credit control and debt collection policy of Polokwane municipality.

13. IMPLEMENTATION AND REVIEW OF POLICY

This policy shall be implemented on 1st July 2023 and shall be reviewed on an annual basis to ensure that is in line with the municipality's strategic objectives and with legislation.



INTERGRATED CUSTOMER CARE POLICY

2023/2024

POLOKWANE LOCAL MUNICIPALITY

CUSTOMER CARE POLICY

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17. Short Title

Preamble

Whereas Section 95 of the Local Government Municipal Systems Act, Act No 32 of 2000 requires a Municipality to exercise Customer Care and Management in relation to levying of rates and other taxes.

And Whereas Section 156(1) of the Constitution of the Republic of South Africa, 1999 conferred powers of the Municipality to administer. Now therefore the Municipal Council of Polokwane Municipality adopts the Customer Care Policy as set out in this document.

1. PURPOSE AND OBJECTIVE.

In establishing itself as a progressive and service oriented municipality, Polokwane Municipality, the City of Stars, is committed to focusing on its customers' needs as well as creating a positive and reciprocal relationship between the community or customers of the Municipality and the Municipality itself.

In order to achieve this objective, this Customer Care Policy has been adopted to develop structures to ensure that in our dealing with customers these values are demonstrated and in line with Batho Pele Principle

2. PRINCIPLES

- a. Polokwane Municipality is aiming at setting a consistent excellent service standard in its dealings with customers.
- b. The Municipality is committed to ensuring human rights principles set out in the National Constitution of the Republic of South Africa, 1996, as well as the Batho Pele Principles, aimed at transformation of public service delivery, and "getting it right the first time", forms the basis on which Polokwane Municipality's service delivery rests.
- c. By laying this basis and building a service delivery model thereon, the Municipality wants to display the commitment to the principle of "Customer First" and ensuring that service excellence forms an integral part of the planning and delivery of all Municipal services to our community.

3. MUNICIPAL VALUES.

- a) As a service delivery orientated organisation, and in order to satisfy the goal of achieving Customer Service excellence, a common set of values, that guides the interaction

between municipal staff and the customers shall form the basis of the relationship between the Municipality and its Customers.

b) Commitment to the following values will guide our Staff interaction with Customers and form the cornerstone of our customer focused approach:

- i) Mutual Respect, which includes mutual trust and understanding.
- ii) Good Customer Care.
- iii) Efficient and Excellent Service.
- iv) Integrity and Professionalism.
- v) Equity and Fairness.
- vi) Compassion and Dignity.

4. "PEOPLE FIRST" – THE *BATHO PELE* PRINCIPLE

- vii) National Government's approach to all interaction between government institutions and the public is based on the eight "Batho Pele Principles", which forms the foundation of service delivery to the public. Therefore Customers of the Municipality:-
- viii) Should be given a choice about the services offered to them and also be consulted about the level and the quality of the public service they receive.
- ix) Has to be informed regarding the level and quality of public services (service standards) they will receive, in order to be aware of what service to expect.
- x) Should have equitable access to the services they are entitled to.
- xi) Has to be treated with courtesy and with consideration.
- xii) Should be given full and accurate information regarding the public services they are entitled to receive
- xiii) Has, in an open and transparent way, to be informed on how services are calculated and levied.
- xiv) Where the promised standard of service is not delivered, in redress, should be offered an apology, an explanation and a speedy and effective remedy, and when

complaints are lodged, Customers should receive a sympathetic, positive response thereto.

- xv) Has to receive Municipal services (as a public service) provided economically and efficiently so as to give the best possible value for money.

5. THE CUSTOMER.

Habitually the people dealt with by the Municipality were primarily referred to as ratepayers or consumers. This created an unequal balance as these people were seen either as taxpayers or as people who consumed essential services provided by the Municipality.

The aim is at changing this mind set and constantly reminding ourselves that we are dealing with Customers,

- a. Thus, Customers are all the people that we as a Municipality deal with in the execution of our daily duties and work.
- b. Customers are the people who live in, work in or visit our City and Municipality and who do business with the Municipality.
- c. In this sense, the Municipality has internal as well as external Customers and the same standards shall apply to internal (colleagues and service providers) as to external Customers.

6. CUSTOMER CARE.

WHAT CUSTOMER CARE IS AND WHY IT IS IMPORTANT:

Polokwane Municipality is committed to assist its customers in getting the help they need in approaching the Municipality.

It is the Municipality's aim to, whenever contacted by a customer, make it convenient for the Customer to do so as well as treat such a Customer courteously, promptly and fairly.

This in essence means ensuring that the Customer will receive a prompt and clear response to any enquiry made within a stated period of time as defined in the Customer Care Standards and Management Controls as well as in the Customer Service Charters for the various service delivery counters.

Customer Care embodies the principle of taking care of Municipal Customers in a positive manner, as part of the set of behaviours to be undertaken in interaction with our Customers.

In order to achieve this it is important to clearly set goals as to how we can put Customers First. It is important to define what Service Excellence in Customer Care is so that all officials/staff will know what standards have to be maintained by them in executing their duties.

At the same time and in addition to staff education on Customer Care, Customers has to be informed what standards of Customer Care they can expect whenever they engage with any officials/staff of Polokwane Municipality.

The “Customer First” principle will also be adhered to by the Municipality in all policies and procedures to be considered.

Therefore Customer Care is:-

- a. Treating all Customers with courtesy, dignity and respect;
 - b. As far as possible customers may be served in their language of choice, always bearing in mind that English is the official communicating language of Council as per resolution;
 - c. Providing a good quality service in a friendly, efficient and helpful manner;
 - d. Giving people the information they need and providing an explanation where the service is not available or up to the expected standard;
 - e. Keeping the Customers informed of progress in addressing their complaints, requests and enquiries.
- a. Subsequently Customer Care standards are important to ensure:-
- i. That all Customers, whether they are residents or visitors to Polokwane Municipality, will receive the same consistent high standards of customer care;
 - ii. That Customer Care and service to Customers are essential to the planning and delivery of all Council Services;
 - iii. That Polokwane Municipality officials will constantly be reminded of their responsibility in putting the Customer First and what this means in practical terms;
 - iv. That Polokwane Municipality will eliminate wastage by providing all services “Right the First Time”.

7. CUSTOMER CARE CYCLE .

8. *The following will be dealt as in terms of Credit Control and Debt Collection Policy)*

- a. The Municipality provides services to the consumers.
- b. Afford opportunities for customer queries to be addressed.
- c. Implement the follow up process of query resolution.
- d. Ensure community interaction outside the office.
- e. Implement processes to produce accurate and credible accounts.
- f. Bill for the service rendered.
- g. Issue accounts to consumers.
- h. Remind customers by issuing notices to settle accounts.
- i. Issue final notices to non-paying consumers, a further opportunity to the consumer to either raise queries or to make arrangements for account payment.
- j. Consult with non-paying consumers, as part of the final demand process and actual credit control action and enforcement of credit policy.
- k. Final step is to restrict or disconnect actual services to the consumer, with clear municipal input via the customer care and debt collecting policies.

9. CUSTOMER INTERACTION.

- a. Face to Face Contact;
 - a) Customers will be treated in a courteous and polite manner.
 - b) Staff will always give their full attention to the customer.
 - c) Wherever possible, staff will aim to resolve the customer's enquiry at first contact
 - d) We will aim to ensure all customers are catered for and appropriate arrangements are in place.
 - e) Staff at first point of contact will give customers the option of seeing specialist members of staff.

Waiting Times

- a) After initial contact, customers will be given an indication of how long they can be expected to wait. If waiting times are to exceed 10minutes, customer care officials must inform the customer.
- b. Telephone Calls;
 - a) Staff will answer telephone calls promptly

- b) Staff should aim, wherever possible, to resolve the customer's enquiry at first contact.
 - c) If a call is put on hold the customer must be told why this is happening and kept updated if the waiting time is longer than expected.
- c. Written Correspondence.
- a) Incoming written correspondence will be acknowledged within 7 days and responded to in 14 working days
 - b) Receipt of an email will be acknowledged in 3 working day
 - c) All issues raised by the customer will be acknowledged and responded to within the correspondence.
- d. Complaints Procedure
- a) Staff will aim to resolve all concerns raised by the customer immediately and informally
 - b) Staff will inform the customer that if the informal resolution is not to their satisfaction, they may make a formal complaint and explain how to do this
 - c) Heads of Departments will analyse any complaints about the service in their respective units and take remedial action

10. MEASURING SUCCESS IN CUSTOMER CARE.

- a. Polokwane Municipality Customer Care Policy is extended with specific Customer Service Charters for each service delivery counter, in which Charter the Customer Care Standards for that specific service point is contained.
- b. Customer Care Staff attending to the various service delivery counters shall Pledge, committing themselves to upholding the Customer Care Standards set for their various service counters.
- c. Satisfactory Customer Care performance by Municipal officials/staff will be monitored continuously and regular Performance review.
- d. Methods for receiving Customer feedback will be developed and communicated to the customers.
- e. Communication means will be developed and communicated to the customers within the constraints of the municipal resources.
- f. Comments and complaints from Customers are an important part of the process and will assist in building a "Customer First" organisation. Monitoring methods will further help in developing programmes to address any shortcomings in the standard of the Municipality's service.

11. STANDARDS AND CONTROLS IN CUSTOMER CARE

12.10.1 Customer Care Standards

Polokwane Municipality is committed to the continuous improvement of the standards of service it renders to its Customers. For this reason the Municipality is endeavouring to provide services and manage complaints in a manner which is timeous, efficient and effective.

In reaching this goal in service delivery the following principles have been set as Customer Care Standards:-

- a. A friendly and courteous service that puts the Customer first; that is Customer focused and measurable;
- b. Clear guidelines along which officials/staff is to behave in dealing with Customers;
- c. Clear, achievable performance targets;
- d. Trained officials/staff who have a full understanding of the standards of performance expected from them and who are at the same time – through training – capacitated to achieve these performance standards.
- e. Commitment to equal opportunities which will provide:-
 - i) Support, interpretation and translation services;
 - ii) Clear signage to direct Customers to where they need to go;
 - iii) Accessible, welcoming buildings and service counters;
 - iv) Disabled access wherever practicable;
 - v) Private areas when necessary, where Customers can discuss private and sensitive matters;
 - vi) Officials/staff trained in awareness and understanding.

13. CUSTOMER EXPECTATIONS.

Customers of Polokwane Municipality can expect the following treatment from officials/staff:-

- a. Courtesy, respect and consideration towards a Customer at all times;

- b. Officials/staff will identify themselves by name and communicate by listening and responding appropriately
- c. Communicate efficiently, with integrity, fairly and professionally;
- d. To be provided with relevant, accurate and up-to-date information;
- e. Actively seeking comments on a regular basis in order to continue and develop a service of high standard;
- f. In instances where problems arise:-
 - i. Officials/staff will deal with such a problem promptly;
 - ii. Advise on a probable delay in provision of a solution to the problem as well as any relevant reasons;
 - iii. Update on progress with long-term problems;
- v. Advise on how and who to contact in the event of any dissatisfaction.

14. CUSTOMER CARE: MANAGEMENT.

At the core of the service delivery principle of placing the Customer first, lays the practical challenges for the Municipality as organisation that requires us to re-evaluate processes as well as ensure achievement of set standards.

For the purpose of meeting that goal, controls to measure the Municipality's overall performance has been set in place, including:-

- a. Compliance with or adherence to the Customer Care Service Standards to be reflected as a Key Performance Indicator on each responsible official's Performance Plan;
- b. Continuous training programmes for officials/staff to ensure effective service delivery and Customer satisfaction;
- c. Continuous monitoring and review of processes and procedures in ensuring the Customer is put first;

- d. Consideration for introduction of a computerised call-logging and tracking system, ensuring sensitivity and efficiency in the enquiries, complaints and feedback received from Customers.

15. VARIOUS SERVICE DELIVERY COUNTERS.

a. Disabled and Senior Citizens only.

General enquires on all Municipal Services.

b. Municipal Services General – excluding & Licenses, Community Safety & Disaster Management.

- a. Any query or complaint regarding Corporate and Technical Services to be recorded and submitted to the relevant Service Business Units.
- b. Means of communication between SBU's to be done via
 - Telephones; and
 - E-mails
- c. Centralized database to be maintained for accurate reporting and tracking purpose of all complaints.
- d. All Financial Services complaints must be captured on the financial systems notepad.
- e. Feedback to customers to be done via telephone and or e-mails and in person for walk in customers
- f. Turn-around time regarding feedback or completion of the complaint or query, must not exceed 21 (twenty one) working days, alternatively according to timeframes as set in Policies and By-Laws of The Polokwane Municipality
- g. All queries and complaints that are not being dealt within the prescribed timeframe must be escalated to the next levels: Direct Supervisor, Assistant Manager, Manager, Director and ultimately the Municipal Manager.

c. Indigents and request for extension on payments:

Refer to indigent policy

- a. All Indigents related queries
- b. Apply for extension of payments on service accounts on the prescribed via the prescribed documents

d. Account Statements and Clearances:

- a. Issuing of duplicates accounts, histories and various reports.

- b. Receive applications for clearance requests on transfer of properties
- c. Attorney correspondence relating to clearances only (Submit and collect)

e. Budget and Treasury – General enquiries:

- a. All account and related queries.
- b. Request special meter readings on the prescribed document, accompanied by payments as stipulated in the Tariff policy.
- c. Request a Meter Test on the prescribed document, accompanied by payments as stipulated in the Tariff policy.
- d. Changing of addresses.
- e. Requesting ACB payment methods.
- f. Cancellation of ACB payment methods.
- g. Valuation certificates/roll at the tariff as per Councils Tariff policy.
- h. Request information subject to stipulation of Access to the Information as stipulated in The Promotion of Access to Information Act, Act 2 of 2000.
- i. Profile updates.
- j. Leeto la Polokwane Bus Tickets
- k. Prepaid water and Electricity Personnel
- l. RPU Officials

f. Connection and Disconnection of supply services:

- a. Only rightful owners are allowed to apply for services on the prescribed documents. No tenant will be allowed to apply for any services unless prepaid
- b. Notification of disconnections by owners of properties in respect of services on the prescribed documents.

*Arrange final readings, including arrangements of access to premises by authorized representatives of the Municipality for purposes of final readings. Refer section 101 of the Municipal Systems Act, 32 of 2000.

g. Cashiers.

Refer to cash management policy

- a. Cashiers general.
- b. Cash Power (Water & Elect)
- c. Disabled, Senior Citizens

- d. Traffic Fines
- e. Leeto la Polokwane Bus Tickets
- f. One can also pay at the Shops- Easypays (Shoprite/Checkers/Pick'nPay/Woolworths/Boxer/Macro/Game); Unipay (Spar and selected Garages-Shell/Sasol) and Post Office.

h. Municipal Control Centre

The following services are located within the Municipal Control Centre by dialling the following telephone numbers: 015-290 2000 – Any Municipal related enquiries:

- Vehicle registration enquiries;
- Water & Electricity cut-off lists;
- Polokwane Mapping (Geographical Information System);
- Provincial Traffic After-hours call-out procedures;
- Electrical and water Complaints;
- Information on security and traffic cameras;
- Emergency Numbers;
- Disaster Management Information;
- Mobile Control Unit (Combined Joint Operation Control);
- Reporting bomb threats;
- Reporting serious occurrences;
- Reporting drowning;
- Complaints relating to animals;
- Towing Services radio link;
- Civil defence radio link.
- Any other services unless directed otherwise

15. COMMUNICATION TO PUBLIC REGARDING METER READING AND METER READING SCHEDULES

- a. Members of the public must be informed that it is an offence under section 101 of the Local Government Municipal Systems Act to restrict accessibility of meters to authorised representatives of the Municipality.
- b. Inaccessible meters must be read at least within a six month cycle to correct any under/over estimations. Estimations must be calculated by using any three latest consecutive accurate meter readings or any verifiable accurate reading measured or fixed determined by municipality, on condition that;
- c. These latest readings should not exceed prior 3 years. If no accurate readings obtained within the three years, the readings should then be monitored for three months going forward; and the average of those accurate readings, shall be used to calculate the corrections as mentioned in c, above.
- d. Members of the public must further be informed that failure to receive an account does not relieve a consumer of the obligation to pay an amount due and payable. Accounts can be obtained during normal working hours, per e-mail, telephone request of by visiting the Civic Centre or any satellite office.
- e. Inform Polokwane Citizens of the Municipality's intention to do away with Conventional Meters- we rolling over to Prepaid Services
- f. Fines for Bridging Municipal Services- taken care of by the RPU Team weekly (Surprise Visits conducted)

16. ORGANISATIONAL CONDUCT: CODE OF CONDUCT OF ALL MUNICIPAL OFFICIALS

- a. All Municipal Officials shall treat all customers with dignity and respect at all times. Employees shall execute their duties in an honest and transparent manner whilst protecting the confidentiality of information in accordance with the Promotion of Access to Information Act No. 2 of 2000.
- b. Where information held by the municipality is requested by Customers, such information shall only be made available in accordance with the Municipality's official Promotion of Access to Information Manual and provided that the necessary application forms have been filled in by a customer and the required fee has been paid.
- c. All Councillors and officials shall conduct themselves according to the "Code of Conduct" for Councillors and Municipal Staff members as contained in Schedule 1 & 2 of the Municipal Systems Act 32 of 2000.

17. SHORT TITLE

This policy shall be called the Integrated Customer Care Management Policy of the Polokwane Municipality

18. IMPLEMENTATION AND REVIEW OF POLICY

This policy shall be implemented on 1st July 2023 and shall be reviewed on an annual basis to ensure that is in line with the municipality's strategic objectives and with legislation.



EXPENDITURE MANAGEMENT POLICY

2023/2024

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1. ABBREVIATIONS

CFO – Chief Financial Officer

CM – Council Minute/s

IDP – Integrated Development Plan

MBRR – Municipal Budget Reporting Regulations

MFMA – Municipal Finance Management Act, Act No. 56 of 2003

MSA – Municipal Systems Act, Act No.32 of 2000

MSTA – Municipal Structures Act

MTREF – Medium term revenue and expenditure framework

SDBIP - Service delivery and budget implementation plan

2. DEFINITIONS

"Accounting Officer" a person appointed in terms of section 82(l) (a) or (b) of the Municipal Structures Act; and also refers to the municipal manager of a municipality in terms of section 60 of the MFMA;

"Approved budget" the annual budget approved by a municipal council; and includes such an annual budget as revised by an adjustments budget in terms of section 28 of the MFMA;

"Basic Municipal Service" a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment;

Chief Financial Officer" a person designated in terms of section 80(2) (a) of the MFMA;

"Creditor" a person to whom money is owed by the municipality;

"Current year the financial year, which has already commenced, but not yet ended;
"Delegation" the power to perform a function or duty which is given to office bearer, councillor or staff members either in terms of section 59 of the MSA or section 79 of the MFMA;

"Financial year" a twelve-month period commencing on 1st July and ending on 30th June each year;

"Overspending" -

(a) causing the operational or capital expenditure incurred by the municipality during a financial year to exceed the total amount appropriated in that year's budget for its operational or capital expenditure, as the case may be;

(b) in relation to a vote, causing expenditure under the vote to exceed the amount appropriated for that vote; or

(c) in relation to expenditure under section 26 of the MFMA, causing expenditure under that section to exceed the limits allowed in subsection (5) of this section; **"Previous financial year"** the financial year preceding the current year;

"Senior Manager" all officials reporting directly to the Accounting Officer as contemplated in sect 56 of the MSA;

"Service delivery and budget implementation plan" a detailed plan approved by the executive mayor of the municipality, in terms of section 53(l) (c) (ii) of the MFMA, for implementing the municipality's delivery of municipal services;

"Vote" one of the main segments into which a budget of a municipality is divided for the appropriation of funds for the different directorates of the municipality; and which specifies the total amount that is appropriated for the purposes of the directorate concerned.

"Vote holder" means the senior manager to which the vote is assigned.

3. INTRODUCTION

The Municipal Finance Management Act, (Act 56 of 2003) read together with the Municipal Budget and Reporting Regulations, provides the legislative framework within which any expenditure related transactions must take place.

Section 11 of the Municipal Finance Management Act, (Act 56 of 2003) specifically provides the legislative framework for any withdrawals from any bank account in the name of the municipality. The budget plays a critical role in an attempt to realise the diverse community needs. Central to this, the formulation of this expenditure policy must ensure that the objectives of the MFMA as set out in section 2, is incorporated in the day to day administration of the municipality. This policy must be read, interpreted, implemented and understood against this legislative background.

4. OBJECTIVE

The objective of the Expenditure Management policy is to:

- a) Set out a framework for the municipality to deal with:
 - i. All expenditure related transactions;
 - ii. To establish and maintain procedures to ensure adherence to the Municipality's IDP review and budget processes; and
- b) as far as possible, the municipality will strive to ensure that all payments to creditors are made within 30 days of receiving the invoice or statement; whichever is the latest as prescribed by the Municipal Finance Management Act, 2003 (Act No.53 of 2003); and
- c) Ensure that the principles applied, as a result of this policy, will enhance and support a healthy working capital position for the municipality.

5. EXPENDITURE MANAGEMENT

5.1 Responsibility of the accounting officer with regards to expenditure management: S65 MFMA

The accounting officer of municipality is responsible for the management of the expenditure of the municipality and must, among others ensure-

- that the municipality has and maintains an effective systems of expenditure control, including procedures for the approval, authorisation, withdrawal, and payments of funds;
- that the municipality has and maintains a system of internal control in respect of creditors and payments;
- that payments made by the municipality are made-
 - directly to a person to whom it is due unless agreed otherwise for reasons as may be prescribed; and
 - either electronically or by way of non-transferable cheques, provided that cash payments and payments by way of cash cheques may be made for exceptional reasons only up to a prescribed limit.
- That all money owing by the municipality be paid within 30 days on receipt of relevant invoices or statements, unless prescribed otherwise for certain categories of expenditure.
- That municipality complies with its tax, levy, duty, pension, medical aid, audit fees and other statutory commitments.
- That the municipality's available working capital is managed effectively and economically in terms of the prescribed cash management and investment framework.
- That all financial accounts of the municipality are closed at the end of each month and reconciled with its records.
- That the municipality has and maintains a management, accounting and information system which-
 - recognises expenditure when it is incurred;
 - accounts for creditors and payments made by the municipality;

- Avoid and report on Unauthorised, irregular, fruitless and wasteful expenditure as soon as it occurs.
- Expenditure on staff, including councillors are reported in line with section 66 of MFMA

5.2 Creditor Payments

5.2.1 All money owed by the Municipality must be paid within thirty (30) days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure.

5.2.2 The CFO has the powers to delay payments beyond 30 days on negotiations with the creditors should the municipality be unable to pay due to any challenges that may be faced by the municipality.

5.2.3 All payments vouchers must be sequentially filled and stored in a secured room.

5.2.4 Payments will only be made directly to the person or institution to which a contract was awarded and from which the invoice is received for legally rendering the service to the Municipality.

5.2.5 Invoices or statements submitted for payment to the Deputy CFO by any department must be signed, when a department authorises the payment of accounts the signatory certifies and authorises that: -

- (a) All processes in terms of the Supply Chain Management Policy of the Municipality had been followed;
- (b) The goods and services have been received and rendered in good order and are under the control of the Municipality;
- (c) The account has not previously been submitted for payment;
- (d) Sufficient budgetary provisions exist;
- (e) Authority for the payment exists, in which case the authority shall be indicated on the voucher; and
- (f) Fruitless and wasteful expenditure has not been incurred.

5.2.6 Before payment is processed the Creditors Department shall ensure that:

- (a) The prices, calculations and any taxes are correct and invoice are tax compliant.;
- (b) Any discounts to which the municipality is entitled to have been deducted;
- (c) Correct with regard to period covered.
- (d) Sufficient budgetary provisions exist.
- (e) Supported by original and necessary documentation such as, tax invoices, certificates, goods received notes and signed by the recipient, and is generally in order.

5.2.7 All payments due by the Municipality shall be made by or approved electronic payment method.

5.3 Recovery of Losses

5.3.1 Any loss suffered by the Municipality due to any fraudulent or corrupt act or an act of bribery shall be dealt with and immediately be reported to the South African Police Service, Auditor-General, Mayor and Accounting Officer in terms of section 32 (b) of the MFMA

5.3.2 Circumstances of financial misconduct by municipal officials in accordance with section 171 of the MFMA must be reported to the Accounting Officer immediately.

Conclusion

This policy will be implemented on 1st July 2023 in line with the delegations of financial authority by the accounting officer and the creditor procedure manual and will be reviewed and adjusted for any new developments as and when the need arises.



FARE POLICY AND FARE STRUCTURE

LEETO LA POLOKWANE

2023/2024

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ANNEXURE "A" TO THE FARE STRUCTURE – FARE REGIME

DEFINITIONS AND ACRONYMS OF TERMS

For the purpose of this policy, unless the context indicates otherwise, any word or expression to which a meaning has been attached in the Act shall bear the same meaning and means:

Term	Definition
NLTA	The National Land Transport Act, No 5 of 2009
AFC	Automated Fare Collection system as defined in the NLTA Regulations. A Smartcard must be used as the main Payment Medium.
BRT (Bus Rapid Transit)	A high capacity road based public transport system utilising buses of varying sizes and capacities characterised by high frequency of vehicles and exclusive use lanes which may or may not be physically separated from other traffic lanes. Bus Rapid Transit systems consist of high capacity trunk routes as well as feeder routes.
Check in/out	To check in or check out is the terminology used to describe the act of entering or leaving the transport system and either by validating a Smartcard on a card validator machine or by use of a paper ticket. Using a Smartcard to enter or exit the system is also referred to as tapping in or out as the card is often tapped against the validator equipment although physical contact is not necessary as the validator equipment can detect a card in close proximity to the validator.
Chief Financial Officer	an officer of the municipality appointed as the Head of the Finance Department (Budget and Treasury) and includes any person: - <ul style="list-style-type: none"> • acting in such position; and • to whom the Chief Financial Officer has delegated a power, function or duty in respect of such a delegated power, function or duty.
Contracting Authority	Authority assigned to a Local Government by a Provincial MEC for transport to develop, negotiate and enter into contracts with public transport operators in terms of the NLTA
Council or Municipal Council	A municipal council referred to in section 18 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) and for purposes of this policy, the municipal council of the Municipality of Polokwane.
Director	the person in charge of the transportation services component(s) of the Municipality and includes any person acting in such position; and to whom the Director has delegated a power, function or duty in respect of such a delegated power, function or duty.
Electronic Purse	Portion of the data storage facility on the Smartcard ()ABT wherein cash can be loaded electronically for use to purchase cash Fares or low value retail purchases from retail merchants, at a retail outlet that supports the use of this functionality of the card.
ABT	The Account-Based Ticketing Fare collection system as specified by the Department of Transport,

ABT Card Issuing Fee	<p>The fee to be charged to any passenger to whom an ABT Card is issued:</p> <ul style="list-style-type: none"> • on request, the Municipality may redeem the issuing fee where the passenger returns the Smartcard, provided that the card has been used on the Leeto La Polokwane system. • subject to Leeto La Polokwane Rules and Terms & Conditions made available together with the Smartcard, or on the Municipality's website, including terms and conditions regarding the redemption of the issuing fee - which conditions may be varied on notice to the passengers; <p>The Smartcard issuing fee may, for marketing purposes, be waived when and where applicable as authorised by the Transport Authority in consultation with the Chief Financial Officer.</p> <p>The ABT Card Issuing Fee shall be waived in respect of the first issue provided ID number of the passenger is captured on issue.</p>
Fare	The price of conveyance or passage of a person travelling on a public transport vehicle.
Fare Box Recovery Ratio	The Fare box recovery ratio of a passenger transportation system is the fraction of operating expenses which are met by the Fares paid by passengers. It is calculated by dividing the system's total Fare revenue by its total operating expenses. Fare Box Recovery Ratios are normally represented as a percentage with 100% representing a balance between operating cost and revenue.
Fare Evasion Penalty Fare	<p>The Fare to be charged where there is prima facie proof that a passenger has intentionally evaded or attempted to evade paying a Fare.</p> <p>An example is where a passenger jumps over an access gate or a station fence, or intentionally tailgates. An example of tailgating is where a passenger enters a gate together with another passenger in such a manner that the second passenger does not pay a Fare.</p> <p>Where more than one passenger acts in this way with a common purpose, they may all to be charged the Penalty Fare.</p> <p>Despite having been charged a Penalty Fare, the relevant passengers may also be prosecuted.</p> <p>The Fare Evasion Penalty Fare applies where the passenger is found to have evaded or attempted to evade the Fare on a Route..</p>
Interim Period	The duration of the Interim Service, which shall not exceed 3 (three) years from date of commencement thereof.
Interim Service	A public transport service that is run on a temporary basis and may or may not be replaced by a permanent service and may operate under a temporary or experimental fare system and design until the permanent service commences operation or the temporary service is terminated.

IRPTS (Integrated Rapid Public Transport System)	A public transport system that is integrated with other public transport systems and that conveys passengers rapidly and at higher speeds by using a degree of segregation from other traffic either by exclusive use lanes in the case of road based public transport. Rapid transit systems are characterised by high capacity and high frequency of vehicles.
IRPTS Full Fare System	The IRPTS service using a full fare management system, namely an AFC system including technology, software and back office capacity required to administer a route-based fare. Public to be notified of the start of the IRPTS Full Fare System through a notice in the press. IRPTS.
Journey	One or more One Way trips connected through permitted closed and open transfers.
Leeto La Polokwane	The official brand name of the Municipality contracted, road-based public transport system consisting of Bus Rapid Transit (BRT) on trunk routes and supported by a feeder and distribution network on other routes and utilizes a variety of vehicle and facility types. The Leeto La Polokwane system is characterised by high quality services an automated fare collection system utilising CiPurse Smartcard technology and is operated by means of vehicle operator contracts developed and administered by the Municipality.
Municipality	Means Polokwane Municipality established in terms of the Local Government Structures Act.
Municipal Manager	The accounting officer appointed in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) and being the head of administration and accounting officer in terms of section 55 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) and includes any person acting in such position; and/or to whom the Municipal Manager has delegated a power, function or duty in respect of such a delegated power, function or duty.
Municipal Services	any of the local government matters listed in Part B of Schedule 4 of the Constitution, those services provided by the Municipality, including Municipal Public Transport Services, and for which payment is required by the Municipality or not.
Municipal Surcharge	A charge in excess of the municipal base tariff that a municipality may impose on fees for a municipal service provided by or on behalf of a municipality, in terms of section 229(1)(a) of the Constitution
Notice in the press	A notice placed in two newspapers generally circulating in the City of Polokwane prior to the relevant information that is to be published, as per the City of Polokwane Communications Strategy.
Off-peak periods	All periods of operation of the service, other than peak periods.
One Way	One Journey or trip either in a forward or a return direction only.
Payment Medium	The means by which payment is made or payment information is conveyed e.g. by paper ticket or Smartcard etc.

Peak Period	The period as defined in the official published timetable (as amended from time to time) and relates to the peak demand of travel during the morning and evening peak periods. This period may be amended by a notice in the press.
Penalty	A punishment or sanction imposed by law or an authority for a crime or an offence.
Policy	A plan, course of action or guiding principle of a government or business, intended to influence and determine decisions, actions, and other matters.
Premium Service	A service designed on a specific route for a specific trip purpose. A premium service generally offers a higher level of service than a non-premium service.
Redundancy Conditions	A condition which occurs when a necessary part of the AFC system is not operating as planned, such as when the system for loading cash on the card is down, or when the electricity supply is interrupted and the uninterrupted power supply (provided as backup) fails, or where the electricity supply is interrupted for an extended period resulting in the power in the uninterrupted power supply being depleted. It could also be due to a corrupted server and data is lost.
Regulations	Refers to the Regulations relating to integrated fare systems published in the Government Gazette on 17 June 2011 in terms of the National Land Transport Act, No 5 of 2009.
Ridership	In public transport terms, patronage or ridership is a type of forecasting or statistic for studying the average quantity of passengers ("patrons") carried per certain time period in a mode of a public transport system. The concept should not be confused with the maximum loading capacity of one particular vehicle or the whole public transport system. The gathered or predicted ridership data is usually used in transport planning to align a route and determine the kind of vehicles that should be employed.
Seamless Travel	Travel from origin to destination, which attempts to improve the ease of transfer between modes.
Smartcard	A contactless card CiPurse, a South African National Roads Agency Limited (SANRAL) recommended payment media, complying with National Department of Transport (NDoT) specifications and conforming to the requirements of the NDoT data structure, as prescribed in the Regulations. A user can use the Smartcard in two ways: (a) as an Electronic Purse, with value to be loaded as required, regarding which the user must pay load fees to the SANRAL (which load fees are deducted from value loaded and which load fees are payable in addition to the fees above), with Fares being paid from this purse by checking in (currently there is only checking in though the Bus Validator) on the Leeto La Polokwane system; and (b) to load and use a Travel Package issued by the Municipality.

Tariff	A Municipal Tariff means a tariff (price) for services which a municipality may set for the provision of a service to the local community and includes a surcharge on such tariff.
Transit points	Transit points are a transit product that offer prepaid value covering the bank load fees and enabling the traveler to choose the amount to load and to use this for travelling on a pay as you go basis. This product does not offer any discounted Travel Fare and is charged at single trip rates. Transit points loaded are equivalent to the rand value.
Travel Demand Management	<p>The concept of managing travel behaviour in favour of more efficient transport modes is known as Travel Demand Management (TDM). The following six focus areas should inform the Travel Demand Management Strategy:</p> <ul style="list-style-type: none"> • Promote Higher Vehicle Occupancies. • Roll out programmes for large employers to encourage alternative transport options (Travel Smart programme). • Develop supporting Policies and Tax incentives. • Market TDM and Public Transport. • Develop a Congestion Pricing Strategy and focus on Intelligent Transport System applications to inform drivers.
Travel Package	Travel Packages are a transit product that offer prepaid discounted payment options and give added benefits such as covering the bank load fees and enabling the discounted Travel Fare to be charged compared to single trip Fares. Travel Packages load points equivalent to the rand value. Savings are provided on purchases of Travel Packages compared to loading cash without purchasing a Travel Package. Travel Packages are offered at a discount, through various Travel Fares. This is intended to encourage bulk purchase and frequent use of the system as well as the purchasing of the Travel Packages as opposed to loading cash. The costs of the various Travel Packages are defined in the associated tariffs as applicable per financial year.
Trip	Travel from one point to another per mode of travel. A single journey may be made up of multiple trips for example in a home to work public transport journey, a traveller may walk to a taxi or feeder bus stop (one walking trip), catch a taxi or feeder bus to a BRT station (one taxi or feeder bus trip), travel by BRT to a taxi or feeder bus stop (one BRT trip), catch a taxi or feeder bus to an approximate final destination (an additional taxi or feeder bus trip) and walk the rest of the way to the final destination (additional walking trip). This typical journey would therefore consist of 5 trips.

ACRONYM	MEANING
AFC	Automated Fare Collection
BRT	Bus rapid transit
CITP	Comprehensive Integrated Transport Plan
CPI	Consumer Price Index
PSDF	Polokwane Spatial Development Framework
DoRA	Division of Revenue Act (5 of 2012)
ABT	Account-Based Ticketing
IDP	Integrated Development Plan
IPTN	Integrated Public Transport Network
IRPTN	Integrated Rapid Public Transport Network
IRPTS	Integrated Rapid Public Transport System
KPI	Key Performance Indicator
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act (56 of 2003)
MSA	Municipal Systems Act (32 of 2000)
NLTA	National Land Transport Act (5 of 2009)
PC	Portfolio Committee
PGL	Provincial Government of Limpopo
PLTF	Provincial Land Transport Framework
PTIG	Public Transport Infrastructure Grant
PTNO	Public Transport Network Operations
PTNOG	Public Transport Network Operations Grant
PTOG	Public Transport Operations Grant
TDM	Travel Demand Management
TCT	Transport for Polokwane
VOCs	Vehicle Operating Companies

1 PROBLEM STATEMENT

The Polokwane Municipality is in the process of introducing the initial implementation stage of Leeto la Polokwane, the Phase 1A of which will be launched during the latter part of the 2018/2019 Municipal financial year. The Fare Policy needs to accord with the Vision, Mission and Values for the City of Polokwane of becoming a "**Smart City**".

The **Vision, Mission and Values** for the City of Polokwane are as follows:

- **Vision:** The ultimate in Innovation and Sustainable Development
- **Mission:** Provide cost effective services which promote sustainable livelihood through socio economic development and good governance
- **Values:** Transparency, Respectfulness, Integrity, Responsiveness, Loyalty, Professionalism, Approachable, Adaptable.

With the development and implementation of the Leeto La Polokwane Integrated Rapid Public Transport System (IRPTS) project underway, the need to establish a formal Fare Policy and a Fare Structure that governs Polokwane's Fare-related decisions is vital. Within the Polokwane area there are different public transport modes that are operated by different entities and each with its own Fare Structure , policy regimes and differing subsidy levels. The minibus taxi industry serves an important role in the public transport environment, but it is unscheduled and receives no operating subsidy.

With the establishment of the Polokwane Transport Authority, and its vision for an IRPTS in Polokwane, it is considered imperative that a policy foundation is established prior to the incorporation of additional modes into the Fare system and design.

A condition of the Public Transport Network Operations Grant (PTNOG) is: "*From the start of operations, IRPTN/IPTN systems must recover all the direct operating costs of contracted vehicle operators from Fare revenue, other local funding sources and, if applicable, from any Public Transport Operating Grant contributions. These direct operational costs include fuel, labour, operator administration and vehicle maintenance*". This condition poses a challenge for the Leeto La Polokwane system as it highly unlikely that the IPTN system can immediately recover all direct operating costs to ensure self-sustainability of the system.

A Fare Policy should establish the principles and goals that will underlie and guide the Municipality's Fare related decisions (i.e., decisions regarding developing or adjusting the Fare Structure). In addition, all such decisions should also be made in accordance with National, Provincial and Local

Government enabling legislation (e.g., NLTA, MFMA and MSA) and policy frameworks for public transport.

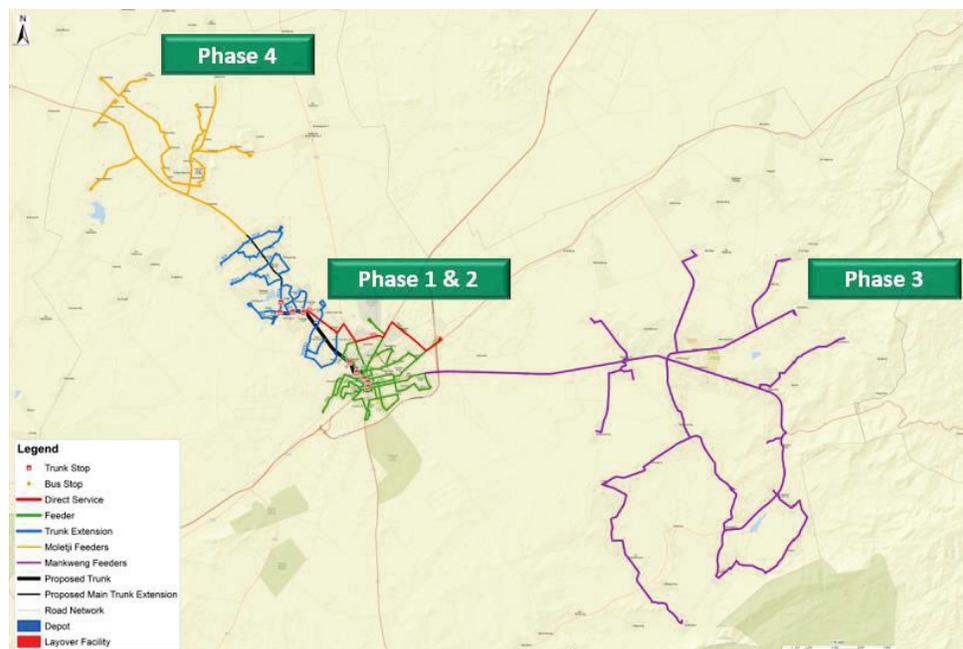
Three fundamental parameters are related to decisions taken about Fares namely,

- Fare Policy;
- Fare Strategy and Design; and
- Fare Structure and Levels.

These three primary parameters of a Fare System are closely interrelated. This policy should generally set the direction for the specific strategy and design. This Fare Policy applies to all aspects of Fare Design development, pricing, and the selection of fare collection and payment methods.

2 OVERVIEW OF FULL LEETO LA POLOKWANE NETWORK

The full Leeto La Polokwane IRPTN route system and network extents are illustrated in the figure below



The following is a brief description of the four phases:

Phase 1 & 2 – Public Transport Infrastructure Intervention: Within the high population density of the Seshego-Molelji corridor the PIRTN will provide a Bus Rapid Transport (BRT) system. This

intervention is infrastructure intensive and will require significant investments in road infrastructure, new vehicles, bus stops and depots. The key design features of Phase 1 & 2 of the PIRTN system is the extensive use of trunk & trunk extensions designed to maximise coverage and minimise walking distances to access the PIRTN. No transfers have to be made by commuters between the feeders and the trunk service. A second feature is the pedestrianisation of Church Street to only allow access to pedestrians, PIRTN buses and delivery vehicles. Other vehicles currently making use of Church Street will be accommodated by addressing congestion on parallel roads. This will be done by improving intersection capacity through the implementation of intersection upgrades, improved traffic signalling and better management of parking demand.

Phase 3 & 4- Transport Restructuring and Formalisation: The PTI Grant will be used to restructure the existing conventional bus or mini-bus services along public transport corridors between Mankweng and Polokwane, and along the lower density area of outer limits of Polokwane North West. This development will be in line with the grant requirements for transformation of the businesses and operational models and for meeting tax and labour requirements. Infrastructure upgrades are not the focus of this intervention, the focus is operational improvements and a restructuring of the exiting subsidized (PTOG) services into integrated, coordinated PIRTN contracts. A further key feature of Phases 3 and 4 is that while the services will provide improved public transport into the Polokwane CBD from these outlying areas, this long-distance service is limited in extent so as not to entrench the existing spatial dislocations. Instead, the service will focus on creating viable urban environments within Mankweng through improved access and connectivity locally.

All phases will include automated fare management and a Public Transport Management System. The Automated Fare Management enables Automated Fare Collection using a smart card system. The Public Transport Management System will include electronic monitoring of vehicles.

3 LEGAL BASIS AND REGULATORY FRAMEWORK

The Fare Policy for the Leeto La Polokwane IRPTS has been written in accordance with the instructions and guidelines published by Government in the National Transport Policy White Paper of 1996. This Fare Policy is based on the following legislation and regulations:

- The Constitution of South Africa, Act 108 of 1996 (e.g. provisions on assignment of functions).
- The National Road Traffic Act 93 of 1996 and NR Traffic Regulations, 2000: fitness of drivers and vehicles, rules of the road etc.
- Promotion of Administrative Justice Act 3 of 2000 (PAJA) – fair administrative processes.
- Promotion of Access to Info. Act 2 of 2000.

- Promotion of Equality and Prevention of Unfair Discrimination Act 4 of 2000.
- Municipal Systems Act 32 of 2000: e.g. on assignment of functions
- Municipal Finance Management Act no 56 of 2003
- Intergovernmental Relations Framework Act 13 of 2005.
- The Division of Revenue (DoRA) Acts 12 of 2009, 1 of 2010 and 6 of 2011 – provide for the Public Transport Operations Grant (PTOG) and PT Infrastructure and Systems Grant (PTIS).
- Protection of Personal Information Act, 2013
- Consumer Protection Act, 2008
- National Land Transport Act, 2009
- NLTA Regulations Relating to Integrated Fare Systems of 2011
- National Regulations on Automated Fare Collection

The Fare Policy must comply with all necessary legislation and regulations from a National, Provincial and Municipal perspective.

We set out in this Report as Annexure “A”, the Fare Policy and the Fare Structure. The Fare Structure shall apply on the launch of the Leeto la Polokwane, and shall be reviewed pursuant to detailed analysis which will include the take up of the Leeto La Polokwane and financial viability, amongst other issues.



POLOKWANE MUNICIPALITY

FARE POLICY FOR LEETO LA POLOKWANE

Date of Approval by Council:

Date of Implementation

1 POLICY FRAMEWORK

In setting out this Fares Policy, the following current national, provincial and local government policy frameworks for public transport were also taken into consideration:

- White Paper on National Transport Policy
- Provincial Transport Policy
- Polokwane Integrated Development Plan
- Polokwane Transport Policy
- Transport Needs Assessment
- National Land Transport Act (NLTA) of 2009
- NLTA Regulations Relating to Integrated Fare Systems of 2011
- Division of Revenue Act (DoRA) of 2014

In developing this Fare Policy we have taken into account the policy objectives set out in the said Policy Documents.

2 PURPOSE OF THE FARE POLICY

The purpose of this Fare Policy is to set out the framework and clarify the governing principles in respect of -

- the determination of Fares charged on the Leeto la Polokwane
- the AFC System and how it functions
- the Roles and Responsibilities of the AFC Contractor

This policy also provides the guiding principles for the establishment of a by-law, which amongst other aspects of the public transport system, would address the enforcement of the Fares Policy.

This Fare Policy is produced to guide the process which will result in Fare determination and collection for Leeto La Polokwane, which will be implemented and controlled through use of the AFC System and the AFC Service Provider. The policy is therefore an overarching framework document or guiding document that must be referred to in all fare-related decision-making. In addition, all such decisions should also be made in accordance with the above-mentioned National, Provincial and the Local Government enabling legislation (i.e., NLTA, MFMA, MSA etc.) and policy frameworks for public transport. This policy is consistent and compliant with the existing legislative and policy requirements.

3 SCOPE OF THE FARE POLICY

The Fare Policy will be applicable to all the public transport services administered by Polokwane Municipality. These may be services provided directly by the Municipality or services contracted by it. The scope includes the BRT Services planned for implementation from 2019, as well as any integrated road-based services that the Municipality may contract. The aim is also to enable Fare integration with other transport operators outside of the Municipality's control in the longer term.

This document sets out the main policies in relation to the Leeto La Polokwane Fare System. A Fare System can be understood as having the following main components, each of which is dealt with in this document:

- Fare Policy Principles;
- Fare System Technology;
- Fare Structure;
- Fare Levels;
- Fare Types and Products;
- Access Control and Fare Evasion;
- Distribution Strategy;
- Data Requirements Policy; and
- Institutional Arrangements.

The Fare Policy is the main document among several that will describe the Fare System as a whole. It must however be read in conjunction with other governing documents such as the MFMA to avoid any possible conflict. The other documents that will be developed in due course are the following:

- **Concept of Operations:** A document describing the characteristics and principles of the proposed IRPTN system.
- **Fare System Business Rules:** Describes in detail all the procedures according to which the Automated Fare Collection System will operate, particularly those which govern the calculation of the Fares, the customer interface and the operation of the system.
- **Fare System Distribution Strategy**, setting out the network through which the Smartcards may be obtained and where value and products may be loaded onto them.
- **Annual Polokwane Public Transport Tariff Schedule:** Before the start of each municipal financial year, as part of the annual budget process, a report and schedule will be submitted to Council, after public comment has been sought, setting out the proposed Fares and charges for the public transport services administered by the Municipality.
- **A Fare Brochure** will be published and made available to passengers. This will provide factual information about the different Fares and products, how and where to obtain

Smartcards and load value or Travel Packages, minimum balance requirements, card costs, bank load fees, a passenger's obligations (e.g. to tap in and out), the penalties that will be deducted from the card for non-compliance, refund policy and the appeal processes where passengers believe a mistake has been made. It will also cover procedures for staff and passengers to follow in the event of irregular events, for example, if a card is lost during the journey; the procedures of Fare deduction that are followed when the system is off-line, e.g. due to power failures or system malfunction; and so on. The issuing bank's terms and conditions of relevance to passengers will also be covered in the Brochure. The Brochure will also set out Conditions of Carriage.

- By-law setting out Fare-related offences and penalties.

4 FARE POLICY PRINCIPLES AND OBJECTIVES

The guiding principles and considerations have been gathered from the legislative and policy environment as well as attempting to incorporate practical considerations. Drawing on the above policies and laws, the following objectives will be served by the Leeto la Polokwane's Fare Policy and Systems:

4.1 Objectives of the Fare Policy

The objectives for the Leeto La Polokwane Fare Policy are to achieve the following objectives:

- To set and structure Fares in such a way as to maximize ridership;
- To set Fares that are affordable to households in Polokwane;
- To treat all passengers fairly in the application of Fares;
- To generate adequate revenue to cover direct operating costs so that the Leeto La Polokwane remains sustainable for the economy of Polokwane, within the constraint of what passengers can afford and bearing in mind the low-density nature of Polokwane and the long travel distances that are an apartheid legacy;
- To reduce travel times through streamlined Fare collection and pre-board payment;
- To incentivise off-peak travel as part of the objective to manage travel demand;
- To minimise the inconvenience of transfers through a single, seamless Fare from the start of the journey to the final destination; and
- To operate and manage Fare collection independently of the public transport operators.

4.2 Objectives of the Fare System

The Fare System will be designed and implemented in such a way as to:

- Set equitable (fair) Fares, i.e. the Fare paid must be related to the value of the public transport service purchased (in terms of factors such as distance travelled, comfort, and safety, security and travel time).
- Make the Fare system understandable and convenient for passengers.
- Encourage passenger loyalty.
- Reduce the operating costs of fare collection and control through efficiencies.
- Enable the Leeto La Polokwane IRPTN and public transport to remain competitive with other modes of transport.
- Give priority to the prevention of Fare Evasion.

The **objectives** to obtain user acceptance should include the following:

- Understandable
 - What is fair and equitable may not be understandable and practical to implement
- Transparent fare increases
 - Fare increases should be transparent and regular. In an inflationary environment, users accept price increases provided it is fair and justified. For example, a fare increases in an environment where the fuel price and/or an exchange rate decreases can be perceived as unjustified.
- Concessionary fares
 - Concessionary fares should target specific user groups in such a way that it is easy to administer.
 - A principle that can be considered is that i) it must minimize the possibility of fraudulent transactions and
 - ii) it should not cost more to administer than the income generated. The more cumbersome the concessionary fares, the easier it might be to be defrauded from the Authority's point of view.
- Incentivize regular use

- Discounts on Multi Journey Tickets (MJT's). Weekly and monthly bundles are well known products that reward loyal users, and it's been used by public transport operators (rail & bus).
- User Affordability
 - Fare should be affordable to the user
 - Cross subsidization can be used as a tool to relieve the burden on some users
 - Balance between user affordability and financial sustainability of the system must be the aim

5 FINANCIAL SUSTAINABILITY

Financial sustainability refers to the relationship between total revenue and total cost that must be balanced annually within the budget. Total revenue refers to two main components; one is the subsidy budget and the fare revenue, the latter of which is directly dependent on the approved fare level, given a demand profile.

This goal refers to the total revenue that should balance the defined expenditures. The total cost coverage comprises of the fare structure (fare revenue) and the subsidy.

The cost coverage should be optimized which in turn will have a positive (decreasing) impact on the operational subsidy requirement.

The cost coverage can be maximized in 2 ways, namely to i) minimize total operating cost of the vehicle operating company and ii) that the fare structure optimizes revenue collection.

● Optimize Revenue Collection

This goal refers to the role of the Planning Authority in optimizing revenue collection. There are four components to this goal, i.e.:

- (v) The fare structure must be simplistic to the passenger
- (vi) Fare evasion must be minimized
- (vii) Revenue collection must be administrable to the Planning Authority and
- (viii) An integrated and interoperable fare payment system.

Apart from the affordability issue, the simplicity of the fare structure will go a long way in ensuring user acceptance with the added benefit that if it is perceived to be fair and understandable the users will be more inclined to pay for the service. The system should accurately process the transaction as users lose faith in the system if it is perceived to be inaccurate, unreliable and time consuming.

The evasion of fares and pilferage should, if possible be eradicated as far as possible with the Authority taking a zero-tolerance approach to this. Fare evasion refers to the ability either intended or unintentional of the user to evade fares. The intentional fare evader makes a premeditated conscious decision to avoid fares and that can be viewed as a criminal offence as the user is stealing from the service. The unintentional fare evader is someone that undertakes a longer trip that was intended and then pays to travel to a certain zone, but actually travels to a further zone.

Such unintentional actions could sometimes be attributed to a complicated fare structure. A closed tap-on, tap-off ticketing system of the BRT system will eliminate most of the potential fare evasion incidents.

6 PRICING PRINCIPLES

The pricing principle refers to the process of determining an equitable fare at which a specific BRT service can be priced.

The pricing principles should be based on the five elements, in the following order:

- Benchmarking the cost of the vehicle operator in terms of industry norms
- Covering all the direct operating cost as per the DoRA conditions (June 2011)
- Pricing the system to cover total cost, over and above the bus operator costs
- Determine the portion of the cost that can be recovered from the fare in relation to the subsidy requirements
- Benchmarking affordable fare levels given the socio-economic circumstances of the majority of the target market.

7 STRATEGIES

Fare strategies will be employed to give effect to the goals and objectives of the policy, and in this instance, the strategy employed can be found in the overall fare structure. The majority of the proposed strategies address more than one objective.

The fare regime described in this section must be unpacked during the next phase of the study in more detail and more importantly be tested in the appropriate model (transportation model for impact on demand and elasticity and the financial model for impact on income from fares).

The results of the fare regime and by implication the strategy will be documented in a separate report that is to follow this Fare Policy document.

7.1 Fare type

There are essentially three main categories of fare structure, namely a flat fare and a distance-base fare and zonal fare:

- A flat fare structure means that any journey made on the system is charged at the same price, regardless of the distance of the journey.
- A distance-based fare structure means that journeys of different lengths are charged at different prices, according to distance travelled fare.
- Zonal fares, the fare is flat within the zone regardless the distance travelled in that zone but increases as the passenger travels across zones.

7.2 Fare levels

The **fare level** refers to the amount of money charged to the passenger for using a public transport service.

From a purely financial point of view, the technical or economic fare would be the fare that allows payment of all costs and investments involved in the operation of a transport service, including a 'reasonable' profit to the operator. A crucial issue for consideration here is which costs are classified as costs of operation. It can be argued that the capital cost of the fixed infrastructure should be excluded (roadway etc.). The current government directive in this respect is that the fare revenue should cover the direct operating cost of the Operator, excluding the capital cost of the bus.

A further issue that needs to be considered is that even if more than one operator is contracted to provide part of the BRT service, the fares nevertheless need to be held at the same level for comparable services throughout the system. However, the costs and financial responsibilities of each contracted operator are unlikely to be precisely the same.

The passenger fare, on the other hand, paid by the passenger may be different from the technical or economic fare (for instance, it may be discounted).

The fares charged to passengers constitute operating revenue (i.e. the majority of revenue) and may be supplemented by additional revenues from advertising and rental of commercial space, for example.

If the fare levels decided on by the Planning Authority generate insufficient revenue to cover the cost of operation, then additional funding will need to be found to cover the operating shortfall. This usually takes the form of an operational subsidy paid by the Planning Authority and/or funding support from the other government spheres (PTOG).

The estimation of fares is an iterative process where fares, other income and subsidies are calculated until a balance with sufficient political support is achieved. The following steps illustrate a typical process:

- Determine the current fare levels;
- Calculate the technical or economic fare;
- List the fare policy objectives and other criteria that need to be taken into account in setting the fare levels;
- Analyse the elasticity of passenger demand (EMME Transportation model);
- Set appropriate fare levels; and
- Model the fare levels and adjust as necessary (Fare module of the Financial model)

Fares may also be ***differentiated*** by a number of criteria:

By service: a higher fare for a specific service may be motivated by the fact that this specific service offers a better quality or level of service, such as being faster, more frequent, better quality ride (seat capacity) and offering more safety.

By time period: different fares are charged depending on the demand during the time period when the service is used. For example: peak services versus off-peak services, weekdays versus weekend, high season versus off-season services.

By use: fares are related to the use of the services or to payments in advance - the more the system is used, the lower the trip price.

Also, there can typically be three product types:

One trip ticket: allows the passenger just one trip on the service or network. Its target user is the sporadic passenger and it is usually paid for in cash at the time of using the service. This one- or single trip fares are usually higher per trip than other tickets.

Multiple trip ticket: allows for a pre-paid set number of trips, such as 10 or 12 trips (weekly tickets), or 40-44 trips (monthly tickets).

It usually offers a reduced fare per trip as compared to a one-trip ticket and can be purchased from a number of vendors and/or ticket machines, thus lessening the time the passenger needs to spend on purchasing tickets. There are operational or logistical and some financial benefits to the operator in terms of cash flow from the advance fare collection of multiple trip tickets or AFC sales.

Period ticket: allows for the unlimited use of the service or transport system for identified users within a defined period, be it a week, a month or a year, for example.

The fare is usually discounted, and this type of ticket is an incentive for passenger's loyalty. It is often offered to scholars or the elderly.

Concessionary fares can also be offered, typically for two main reasons:

To increase passenger numbers or usage; and/or

To improve social equity by allowing identified groups of people increased access to the transport network.

Typically, concessionary fares are based on a particular market segment. This includes fares based on age, such as discounts for pre-school children, learners/students, and pensioners or those above a certain age. Concessionary fares for passengers with special needs are also common.

8 POLICY REVIEW AND UPDATING PROCESS

The Fare Policy will be reviewed from time to time to accommodate changes in the Fare Policy as the Leeto La Polokwane public transport system once the system has been in operation long enough to identify challenges. Polokwane Municipality will update this Fare Policy once a year and publish the updated version together with the associated tariffs each year for public comment. If there are significant changes to the system or a new mode is incorporated into the Transport and Fare System the implications of these circumstances will be incorporated into annual updates of the policy.

9 CONCLUSIONS AND RECOMMENDATIONS

The document provides for a purpose, vision, goal and objectives of the intended IRPTN Fare Policy.

It gives an indication of what the strategy and a very high-level description of what each strategy entails. It is not the intention of this document to provide the detailed strategies. This will be unpacked in detail and the financial implication of each strategy will be communicated to the decision makers to ensure that the financial impact of any proposed Fare Policy is fully understood by the decision makers.

It is recommended that FARE POLICY FOR THE IRPTN: All phases must be approved in principle to support the detailed analysis on the impact of the different strategies (i.e. the proposed fare structure).

The final recommendations are summarised as follows:

1. The Fare Policy set out in this document be approved as the initial Fare Policy that will guide the Fare Structure for the Initial Period.
2. The Fare Structure Set out in Annexure "A" of this Fare Policy be adopted for the period commencing on the launch of the Leeto la Polokwane, and be reviewed as and when required, to ensure the sustainability of the system.



POLOKWANE MUNICIPALITY

FARE STRUCTURE FOR LEETO LA POLOKWANE

Date of Approval by Council:

Date of Implementation

1 FARE STRUCTURE

The Leeto La Polokwane Fare Structure set out below is compatible with the Fares Policy objectives set out in the Fare Policy document and is to be applied to all contracted, road based public transport administered by Polokwane Municipality. Future adjustments to the Fare Structure must be developed and evaluated subject to the stated Fares Policy objectives.

The Fare Structure is described in terms of four basic elements:

- Fare Strategy
- Fare Technology
- Fare Levels
- Design Exceptions

For Polokwane Municipality the suggested method of Fare implementation is as follows:

- The Fare would be benchmarked against the fares charged by current mini-bus operators. A slight increase may however be applied as the Leeto La Polokwane is in principle offering more (from a passenger experience perspective) than a current mini-bus taxi or bus.
- The Polokwane system proceeds from the assumption that all passengers originating at a particular point would have the same destination. This implies that shorter trips would cost the same as the full assumed origin and destination for the majority of passengers.
- It is assumed that the loss of short trips will not have a significant effect on the ultimate level of Fares received, because the surveys undertaken during in 2016 and 2018 have indicated that the vast majority of passengers on any one route have essentially the same main origin and main destination.
- If assumed a Flat Fare of R 13.00 per trip is approved; a passenger leaving Seshego or the southern part of Moletjie in the morning, with a final destination of the CBD, would be charged R 13.00 for that trip, irrespective of where they first board (or leave) the bus, and a passenger leaving Flora Park and Westenburg in the morning, with a final destination of the CBD, would be charged R 8.00 for that trip.
- All buses would have to clearly identify what their final destination was, as that would indicate to all passengers what the applicable Fare for travelling on that bus was. As highlighted above, this would discourage short trips by the person who wishes to use the bus within Seshego alone, but with a limited bus fleet in the Interim Phase, all buses would in essence be limited stop / express buses, allowing limited transfer before reaching the CBD.

- In the evenings, for the commute back to their respective homes, clear identification of final destinations of a particular bus would be required in order to ensure passengers are aware of the applicable Fare for that particular route.

2 FARE TECHNOLOGY

2.1 Cash versus smart card

Currently cash is the predominant payment method for mini-bus taxi users. Cash collection by transaction, whether on a bus or at a station, results in a delay in respect of the amount of time taken to board the bus and also carries the associated risk which arises whenever large amounts of cash are accumulated in a place which is not necessarily designed to be a cash holding facility (e.g. a bus).

National Treasury and National Department of Transport have selected Polokwane Municipality to be one of the cities that are piloting the use of Account Based Ticketing System (ABT) as an inter-operable payment solutions. This means that payment is transacted using a chip and pin card, which card holds the information (either an amount of cash in an Electronic Purse, alternatively a recognisable Transit Product (e.g. a monthly ticket) which has been purchased from an authorised vendor).

The ABT system which recognises compatible debit and credit card payment cards, point of sale payment terminals and transaction processing networks. ABT uses cards which are known as smart cards, that contain embedded microprocessors that provide strong transaction security features and other applicable capabilities that are not possible with the traditional magnetic stripe cards. One of the key advantages is that these cards are essentially contactless, meaning that they do not need to be swiped to register the contents stored on the card, but rather the details are registered by coming into close proximity with an acceptable reader. It should be noted that for the purposes of loading value, contact is required by inserting the card in a bank terminal and entering the PIN.

In Leeto La Polokwane, users should be able to buy the travel cards from a wide range of locations. These can be specific vendors, possibly current retailers, banks or any other environment where the handing of cash is part of their current activities. This would encourage take-up of the service. Early engagement to ensure the support of potential retailers is essential to secure their buy in to the system.

Based on the proposal for a flat Fare structure, travel cards would need to be validated on boarding a bus or entering a station. The commuter would generally apply for the return journey during the evening. For the return journey from the CBD, on-board validation is most feasible from an

operational efficiency perspective due to space constraints. An audible or visual sign should be given to indicate whether the transaction has been successful. There could also be an additional warning provided if funds are running low as a way to prompt users to top up the card. In order to discourage users from being dishonest there may be penalties charged for non-payment of a Fare.

Apart from disallowing a passenger who has no funds available, on-board validation by an inspector can be useful to ensure compliance with the Fare rules. It would not be necessary for all buses to carry inspectors, but rather inspectors would be deployed on buses where theoretical Fare calculations are proving to be different to the actual collections.

Consideration may have to be given to electronic verification of passenger volumes. Turnstiles in buses are used elsewhere in the world but are extremely problematic for people with disabilities or people using baby pushchairs. Verification by electronic means (e.g. counters at the doors) have been shown to be effective for passenger number verification and subsequent reconciliation.

The adaption of a product as a method of Fare collection rather than cash is recommended for the long-term sustainability and ease of use taking into account all the considerations outlined above. Due recognition should however be given to the cost of both implementation and ongoing operation and maintenance. Only the essential features should be activated for the Interim Phase.

The introduction of the bank-based cards also results in extra Fare system costs. These include the cost of purchasing the Smartcard, and bank load fees each time value or a Fare product is loaded on the card (also referred to as top-up fees).

2.2 Concessions

While the cost associated with the introduction of concessions cannot be calculated at this time, using the primary reason of wishing to encourage certain travel patterns, the following concessions/discounts should be considered.

- By implication, all users pay the same Fare.
- Any children not requiring the use of their own seat may be transported free of charge. Thus only children under the age of 3 (three) years will be transported free of charge, one child per adult.
- No specific discount is proposed for persons with disabilities, as the universally acceptability requirements are such that the level of service provided is of equal standard to all passengers .

- In future, once the system has been in operation long enough to identify travel patterns, and it is financially viable to do so, taking into account the complexity of implementation, Fares may be discounted on Sundays and Public holidays, thereby allowing the use of the system for leisure activities as well.
- Consideration may in time be given for the discounting of all off-peak usage, but the initial recommendation would be to gather passengers information for several months following the implementation of the Interim Period, before such a decision is taken.
- To be eligible for a concession, the cards need to be personalized, to ensure that the passengers fall within a specific concessionary group.
- Loyalty programme and marketing cards activation campaigns

2.3 Purse and Product

Provision will also be made for specific products, including the following Multi Journey Tickets (MJT):

- Weekly tickets
- Monthly tickets

Both the above allow a reasonable discount for the early purchase of access for 7 days (in the case of a weekly ticket) or 28 to 31 days (in the event of a monthly ticket).

2.4 Annual and Irregular Fare Increases

Provision will be made for an annual escalation of the Fares charged. This increase should be set, as a minimum, at the level of the transport related consumer price index (CPI).

As public transport fees have in some cases been allowed to fall below actual annual increases in transport related expenditure, provision should also be made to increase the annual fees by more than the transport CPI. This will, to a certain extent, allow for the appraisal and inclusion of potential fuel increases during the following year, but in addition, will allow for the gradual increase in Fares to reflect the fact that the provision of public transport via Leeto La Polokwane delivers a standard and level of service that exceeds that of the mini-bus taxi and other bus services.

2.5 Initial Boarding Fares

The proposal for a Flat Fare based on trips will allow for the determination of a Fare per route. In principle, the significant transfer point for the first phase of operation will be the main station in the

CBD. In the Leeto la Polokwane's case, the Fare is not based on a boarding Fare, and thus in principle no provision needs to be made for transfers.

2.6 Single trip tickets

Provision will be made for passengers who are not regular travelers and would not normally be in possession of a Smartcard. This would include visitors to Polokwane.

- The AFC solution will allow for the issue of single trip tickets, whether via refundable smart card, electronically on the bus, or via a paper ticket system.
- To discourage regular use of something which is designed to be irregular, the Fare for a single trip ticket will be priced higher than that of a regular user. The pricing will not be exorbitant, but none the less it may be different.
- The recommendation would be to price single trip tickets at more than a regular Fare.
- These tickets may also be used to accommodate special events for non-regular users of the system. An example of this might be international supporters being transported to and from the stadium, as part of their sports tour.

2.7 Penalties to be imposed

The AFC system will not be required to actively calculate or impose penalties, as in principle, entry to the system will not be allowed without sufficient funds or product being loaded on the card.

Penalties for Fare Evasion can only be levied in terms of legislation, and without being definitive in this regard now, it is likely that Municipal By-Laws will have to be established to impose Fare Evasion Penalties.

Through the net contract the onus to try and limit Fare Evasion is on the VOC. The VOC should ensure that as a minimum drivers are trained to record incidents of Fare Evasion. The use of roving inspectors using hand held validators will seek to limit incidents of Fare Evasion. The latter will be an AFC operator function.

2.8 Other matters for noting

The hours of operation will be a function of passenger requirements, implemented using an operational plan, such plan being limited by the available fleet of vehicles. The optimal hours of operation will be determined by that operational plan which delivers the highest possible recovery of direct costs.

3 FARE LEVELS AND DISCOUNTED FARES

The Fare level is the amount of money charged for using a service. Fares that are too high for the target market will reduce and limit ridership, and in turn revenue. Fares that are very low will increase ridership but limit revenue. The objectives of the Municipality with respect to Leeto La Polokwane are therefore important in determining where the Fare level should be pitched.

Factors that have been considered in setting Fare levels are:

- Insofar as the competing minibus-taxi services will be withdrawn from the IRPTN routes, Fares should be pitched at similar levels to those of the replaced services, as a matter of fairness.
- The Fares need to be affordable otherwise many objectives of the IRPTN are defeated, such as growing public transport ridership.
- The national grant conditions of the DORA funding for the IRPTN require that direct operating costs are covered by Fare Revenue, or by Fare Revenue plus the Municipality's own resources. The extent to which the Municipality is able to subsidise the Fares is an important factor in setting Fares.
- Long-distance journeys caused by the legacy of apartheid settlement patterns require that the cost of such journeys be mitigated.

As such, the following factors have been taken into account in setting Fares for Leeto La Polokwane services:

- What the target market can afford to pay.
- The Fares of the competing services (bus and minibus-taxi) that may have been withdrawn from the routes.
- The quality of the service, and the direct operating cost of providing the service.
- Polokwane Municipality funding available to cover that portion of the service cost that is not covered by Fare Revenue.
- The objective to strongly support public transport and to attract new ridership.
- Additional Fare costs imposed by the SANRAL ABT cards on passengers and the Municipality, such as load fees, transaction charges, third-party vendor commissions, minimum balance requirements, and card purchase costs.
- Fairness to people travelling long distances due to apartheid settlement legacies through the setting of an affordable, capped, maximum Fare.

The proposed Fares for the Interim Phase are as set out in Annexure "A" attached hereto.

It is intended that Discounted Fares be made available as an option to all passengers buying Travel Packages, and also for off-peak travel by Standard Fare users once the system has been in

operation long enough to identify travel patterns during the Interim Phase. One of the Leeto la Polokwane's transport policies is to encourage off-peak trip making as a travel demand management measure. Setting Fares lower in the off-peak will greatly aid this. Many passengers may be able to make their trip in the off-peak rather than the peak, e.g. for shopping, visiting friends, administrative chores, etc. In the off-peak there is considerable system capacity that can generate revenue exceeding the marginal cost. The off-peak could be defined as between 9:00 and 15:00 and after 18:00 on weekdays, and on weekends and public holidays.

Notwithstanding the above, implementation of the Discounted Fares during the Interim Phase might not be feasible as the system will need to operate long enough to identify travel patterns first. Discounted Fares may be considered in future, depending on various factors as identified in this document.

4 SANRAL-ISSUED CARD FEES

There are fees and costs related to the use of Smartcards, ie ABT, including a load fee payable to the bank when value or Travel Packages are loaded, as well as the cost of the card medium itself. Cash load fees shall be for the travelers account, with the Municipality absorbing the cost of transit loads.

Regarding the cost of the card medium, it is intended that to charge the card R45 for cost be commuters acquiring their first Smartcard, in an area where the relevant services are being introduced and for a defined period, as long as the user pays for a minimum amount of value or a Travel Package to be loaded on their first card. This will be defined in the Fare System Business Rules. A registration system will be introduced requiring proof of identification and to keep records of first card recipients. Replacement cards will be provided for a fee that covers the cost of the card and associated administration.

Penalties for improper use of the system (e.g. not tapping in or out) will be necessary to make the system function properly. A requirement that passengers maintain a minimum balance (such as an amount equivalent to the maximum Fare) will also be necessary. If the minimum required balance is set at below the maximum possible Fare, and a journey exceeds the distance covered by the minimum balance, the amount owed will need to be deducted upon the next tap-in by the user. How these penalties and charges will be applied will be described in the Fare System Business Rules but will be very well communicated to passengers to avoid dissatisfaction.

To deal with all these issues, the marketing and communication around the AFC system in the Leeto La Polokwane will ensure that passengers are fully aware of the various charges and penalties, the minimum balance requirement, the advantages of buying Travel Packages rather

than loading small amounts into the Electronic Purse, and of the cost of the card if the first Smartcard has to be replaced. A Fare Brochure for passengers has been proposed earlier in the document to explain these issues, as well as give all the facts and options about what can be loaded on the Smartcard.

5 FARE TYPES AND TRAVEL PACKAGES

The LLP CiPurse issued Smartcards will have an Electronic Purse, into which cash can be loaded. This can be used for the pay-as-you-go Standard Fares. In addition, a range of Travel Packages may be defined by the Municipality which can be loaded on the card..

Travel Packages are integrally related to Fare Policy as their price will incentivise or discourage particular ways of using the system.

The Fare types and Travel Packages will be reviewed on an ongoing basis. For the Interim Phase, however, it is intended that the pay-as-you-go in the form of stored value in the Electronic Purse portion of the Smartcard be implemented. Standard Fares are charged if the purse is used.

Once the Interim Phase has been operating long enough to inform the ideal packages and feasibility of such packages (financial and the system's ability to effect changes without extensive costs), Travel Package option based on points rather than cash value that gives a discount for bulk purchase as well as an additional discount for off-peak use may be implemented. However this will not be restricted to a specific time period or route. The package can be bought for a particular price that determines the number of points and thus the amount of travel. While the package will still attract load fees by the banking partner, these are absorbed in the package price, and because of bulk purchase are spread over many trips and covered by the discount. The package will not restrict passengers to a particular origin and destination and so mimics the pay-as-you-go concept but at a discount.

A single and return ticket will also be available for passengers who do not wish to purchase an ABT Smartcard. This will be charged as a Flat Fare and the cheapest practical ticket or Payment Medium will be selected for this option so as not to make it unaffordable for the occasional user. The Fare will not be less than the Maximum Fare on the system.

Complimentary passes: The Municipality may apply Fare payment exemptions to certain people (e.g. people who need to travel on the system for inspection purposes, service delivery, security etc., or people receiving complimentary passes for marketing purposes). The eligibility for these will be set out annually in the Tariff Report and also described in the Fare System Business Rules.

6 ACCESS CONTROL AND FARE EVASION

Fare Evasion is a factor in all public transport systems and needs to be minimised as far as possible.

In the proposed Fare System, passengers will be required to begin any journey by presenting the card or payment device to a validator (Smartcard reader) at a Station Fare Gate (if available), or in the bus when boarding. The buses will have AFC validator machines where the card must be tapped to record entry on a bus. With respect to future Leeto La Polokwane phases to come, stations may have Station Fare Gates, however this will be subject to affordability and necessity.

The Fare gates at the BRT station entry and exit points will provide very effective barriers to Fare Evasion on the trunk buses. Fare Evasion is easier at kerb-side bus stops where passengers board feeder or complementary buses as there is not a physical gate as such. Effective measures will be implemented to address this, which may include on-bus camera detection of Fare Evaders (if financially and practically feasible) and roving Fare inspectors with portable ticket validators to check that passengers have tagged in.

Section 90(1)(k) of the NLTA states that a person is guilty of an offence if, where the person is conveyed as a passenger in the course of public transport, he or she fails to pay the Fare due for the journey when payment is requested by the driver or conductor.

The bylaws will be amended if necessary to introduce penalties for Fare Evasion that are sufficient to deter passengers from evading payment, including enabling criminal prosecution and fines. The responsibilities of the bus companies and their drivers in regard to managing Fare Evasion at kerb-side entry and exit on the buses will be set out in their contracts with the Contracting Authority.

7 BUSINESS RULES

The strategic considerations and applicable legislation can be met, alternatively adhered to, by the introduction of an ABT compliant smart card (or travel card). This collection of Fares will be managed by an Automated Fare Collection System, comprising both hardware and software elements. These elements should include sufficient inbuilt flexibility to manage potential change in the future.

The recommended Fare Structure is a Flat Fare system, which by using routes as its base, will allow different (albeit flat) Fares to be charged for different routes.

The key business rules that need to be accommodated are summarised as follows:

- Fare medium is an ABT complaint smart card providing purse and product functionality.

- Provision must be made for at least two products, namely the weekly and the monthly product. Once the system matures, and when other Phases are implemented, and subject the financial feasibility and no implementation complexity to the system, consideration may be given to a point based third product, alternatively “pay-as-you-go” with frequent user discount.
- A single trip solution is required, which may be paper based.
- All Fares are validated on board a vehicle. In future phases, Fares may be capable of being validated at a station in the CBD, where in station validation would have been installed. In station validation would require a closed station in order to limit potential Fare Evasion.
- There is no requirement for a tap out process at the end of the journey.
- Audible / visual warnings for no-cash or product, alternatively low cash or product are requested.
- A system to provide a passenger count would assist with the identification of Fare Evasion patterns, such that these areas can be the focus of verification by inspectors.
- Hand held validators will be required by inspectors, should the introduction of inspectors not materially adversely affect operational costs.
- Different Fares need to be chargeable on weekdays, Saturdays, Sundays and public holidays.
- Transfer provision is not required for the first implementation stage, but may be required in later years as more stages are implemented.
- All equipment should be capable of upgrading without significant infrastructure alteration, to accommodate potential changes in the future.

8 CHANGE PROCESS

Annual adjustments shall be made to Fare levels considering system cost recovery and affordability. Projected increases in vehicle operating cost rates, in terms of the escalation provisions in the contracts with Vehicle Operating Companies, will be used as the basis for increases in tariffs which can be adjusted by Council decision in terms of affordability. If adjusted downwards from the levels set out in Annexure “A”, alternative sources of funding must have been secured.

Fares may be adjusted upwards of the projected VOC annual escalation if it is found that the level of comparable Fares for other road based public transport applicable to the relevant year is higher than for contracted road-based public transport services after the increase calculated using the VOC escalation, and/or if adjustment is required for sustainability of the system. This is to off-set sub-economic Fares as per the VOC contract, where applicable. The analysis of comparable Fares will therefore not be possible until new Fares for these services have been announced for a particular year. The analysis of these Fares and the outcome thereof will need to be incorporated, if required, into the new associated tariffs for a particular financial year taking cognisance of the due budget approval processes.

Adjustments to or changes in Fare levels during a particular financial year may be made by Leeto La Polokwane based on the pre-approved Fare levels. When making adjustments to Fares during a particular financial year, the Municipality will consider significant changes in fuel price.

Amendment to Fare levels will be done after consultation with the VOC. The VOC understands and accept that the determination of Fare levels is the prerogative of the Municipality.

9 DATA REQUIREMENTS POLICY

An important advantage of the AFC system is the information it is able to generate. Data can be collected and analysed about the way in which passengers use the system, and used in planning and monitoring so that the services can be improved. The national regulations on AFC systems require public transport data to be collected through the AFC system concurrently with the payment or redemption transactions, and for the data to be owned by the relevant government body. They require that data be collected in a database from which can be extracted suitable data for the purposes of planning, monitoring, subsidy management and related operational purposes and must include data per transaction on location, Fare and passenger.

Minimum data and information outputs will be the subject of the AFC tender documentation. In meeting the requirements of the national regulations, the minimum information to be generated by the AFC system include the following, but this will be defined in detail in the system specification:

- Total number of Smartcards issued, per TVM or other distribution channels, and cancelled.
- Total number of passenger tap-ins per bus stop and station over the day (10- minute intervals).
- Trip length information, by time of day and by point of tap-in.
- Origin-destination information, by time of day.
- Take-up of different Fare products and concessionary Fares.
- Downtime of the central system and of each component of the AFC system.

10 POLICY IMPLEMENTATION PLAN

An implementation plan has been developed for this Fares Policy to ensure that a systematic approach is taken to the introduction of the policy and, in turn, to secure effective working practices. The implementation plan is outlined in Appendix B.

11 CONCLUSION AND RECOMMENDATIONS

This Fare Structure is presented for Council approval.

It is recommended that:

A Flat Fare structure be implemented for the Leeto La Polokwane system for an interim period, which is benchmarked against the current fares charged by the taxi industry. Pursuant to the launch the Municipality will monitor the financial implications of the Flat Fare, undertake further work in order to have a cost-efficient system that takes into account the purchasing capacity of the users.

ANNEXURE "A" TO THE FARE STRUCTURE – FARE REGIME

All trips will be based on a Flat Fare

A passenger leaving Seshego or the southern part of Moletjie at any time, with a final destination of the CBD, would be charged R 13.00 for that trip, irrespective of where they first board (or leave) the bus.

A passenger leaving Flora Park and Westerberg at any time, with a final destination of the CBD, would be charged R 8.00 for that trip.

The same Fare shall apply with respect to return trips.

A flat rate of R45 would be charge on the first issue of the ABT card and R60 would be charged for replacement of lost or damaged card.

Description	Price
Seshego to CBD	R 13
Flora Park to CBD	R 8
Westerberg to CBD	R 8
ABT Card	R 45
Replacement of ABT Card	R 60



FUNDING & RESERVES POLICY

2023/2024

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FUNDING AND RESERVES POLICY

1. INTRODUCTION AND OBJECTIVE

The Council sets as objective a long term financially sustainable municipality with acceptable levels of service delivery to the community.

This policy aims to set standards and guidelines towards ensuring financial viability over both the short and long term and includes funding as well as reserves requirements.

2. SECTION A : FUNDING POLICY

2.1 LEGISLATIVE REQUIREMENTS

In terms of Sections 18 and 19 of the Municipal Finance Management Act (Act No. 56 of 2003) (MFMA), an annual budget may only be funded from:

- Realistically anticipated revenues to be collected;
- Cash backed accumulated funds from previous years' surpluses not committed for other purposes, and
- Borrowed funds, but only for capital projects

Furthermore, spending on a capital project may only be commenced once the funding sources have been considered, are available and have not been committed for other purposes.

The requirements of the MFMA are clear in that the budget must be cashfunded, i.e. cash receipts inclusive of prior cash surpluses must equal or be more than cash paid.

In determining whether the budget is actually cash funded and in addition ensuring long term financial sustainability, the municipality will use analytical processes, including those specified by National Treasury from time to time.

2.2 STANDARD OF CARE

Each functionary in the budgeting and accounting process must do so with judgment and care with the primary objective of ensuring that the objectives of this policy are achieved.

2.3 STATEMENT OF INTENT

The municipality will not pass a budget which is not cash-funded or where any of the indicators as listed in this document are negative, unless acceptable reasons can be provided for non-compliance and provided that the requirements of the MFMA must at all times be adhered to.

2.4 CASH MANAGEMENT

Cash must be managed in terms of the municipality's Cash Management and Investment Policy.

2.5 LIABILITY MANAGEMENT

Debt must be managed in terms of the municipality's Borrowing Policy, together with any requirements in this policy.

2.6 FUNDING THE OPERATING BUDGET

2.6.1 INTRODUCTION

The Municipality's objective is that the user of municipal resources must pay for such usage in the period in which it will occur.

The municipality recognises the plight of the poor, and in line with national and provincial objectives, commits itself to subsidising services to the poor. This may necessitate cross-subsidisation in some tariffs to be calculated in the budget process.

2.6.2 GENERAL PRINCIPLE WHEN COMPILING THE OPERATING BUDGET

The following specific principles apply when compiling the budget:

- (a) The budget must be cash-funded, i.e. revenue and expenditure projections must be realistic and the provision for impairment of receivables must be calculated on proven recovery rates;
- (b) Growth parameters must be realistic and be based on historic patterns adjusted for current reliable information;
- (c) Tariff adjustments must be fair, taking into consideration general inflation indicators as well as the geographic region's ability to pay;
- (d) Revenue from Government Grants and Subsidies must be in accordance with the amounts promulgated in the Division of Revenue Act, proven provincial transfers and any possible transfers to or from other municipalities.

For the purpose of the Cash flow budget any National or Provincial grants that have been re-appropriated for roll-over purposes must be excluded from the calculation and be included in changes in Cash and Cash Equivalents and Payables.

Within the budget grants recognised as revenue must equal the total expected expenditure from grants inclusive of capital expenditure and VAT, as per directives given in various MFMA Circulars.

(e) Projected revenue from service charges must be reflected as net (i.e. all billing less revenue foregone, including free basic services).

(f) Projected revenue from property rates must include all rates to be levied.

For the purpose of the Cash Flow Budget all rebates and discounts must be deducted from the projected revenue.

(g) Only charges in fair values related to cash may be included in the Cash Flow Budget. Changes to unamortized discount must be included in the Operating Budget.

(h) Employee related costs include contributions to non-current and current employee benefits. It is acknowledged that the non-current benefits requirements are well above the initial cash capabilities of the municipality. It is therefore determined that provision for the short term portion of employee benefits, as well as an operating surplus calculated at 5% of the prior year balance of the long-term benefits, be included in the operating budget to build sufficient cash for these requirements. The cash portion of the employee benefits must be accounted for in an 'Employer Benefits Reserve'.

(i) Depreciation must be fully budgeted for in the operating budget.

(j) Contributions to provisions (non-current and current) do not form part of the cash flow. It is necessary to provide for an increase in cash resources in order to comply with the conditions of the provision at the time when it is needed.

2.7 FUNDING THE CAPITAL BUDGET

2.7.1 INTRODUCTION

The Municipality's objective is to maintain, through proper maintenance and replacement measures, existing levels of service and to improve and implement services which are neglected or non-existent.

In order to achieve this objective the municipality must annually, within financial means, budget for the replacement of redundant assets as well as new assets.

2.7.2 FUNDING SOURCES FOR CAPITAL EXPENDITURE

The capital budget can be funded by way of own cash, grants, public contributions as well as external loans.

Cash

The capital budget or portions thereof may also be funded from surplus cash. The allocations of the funding sources from own contributions will be determined during the budget process.

Grants (Including Public Contributions)

Grants for capital expenditure have become a common practice, especially in order to extend service delivery to previously disadvantaged areas. While such grants are welcomed, care should also be taken that unusual grant funding do not place an unreasonable burden on the residents for future maintenance costs which may be higher than their ability to pay.

The accounting officer will annually evaluate the long term effect of unusual capital grants on future tariffs, and if deemed necessary, report on such to Council.

Depreciation charges on assets financed from grants and donations must not have a negative effect on tariffs charged to the users of such assets. The Accounting Officer will put such accounting measures in place as to comply with this requirement as far as possible.

External Loans

The Municipality may only raise loans in accordance with its Borrowing Policy.

The Accounting Officer must also put such accounting measures in place to ensure that no unspent portions of loans raised must be included in the cash surplus for the year.

2.8 FUNDING COMPLIANCE MEASUREMENT

2.8.1 INTRODUCTION

The Municipality must ensure that the annual budget or any subsequent adjustments budget complies with the requirements of the MFMA and this policy. For this purpose a set of indicators must be used as part of the budget process and be submitted with the budget. These indicators include all the indicators as recommended by National Treasury as well as any additional indicators detailed in this policy.

If any of the indicators are negative during the compilation or approval process of the budget, the budget may not be approved until all the indicators provide a positive return, unless those negative indicators can be reasonably explained and any future budget projections address the turn-around of these indicators to within acceptable levels.

2.8.2 CASH AND CASH EQUIVALENTS AND INVESTMENTS

A positive Cash and Cash Equivalents position should be maintained throughout the year.

2.8.3 CASH PLUS INVESTMENTS LESS APPLICATION OF FUNDS

The overall cash position of the municipality must be sufficient to include:

- unspent conditional grants; o unspent conditional public contributions;
- unspent borrowings; o VAT due to SARS; o secured investments;
- the cash portion of statutory funds such as the Housing Development Fund; o other wording capital requirements; and
- the cash position must be sufficient to back reserves as approved by the municipality and those portions of provisions as indicated elsewhere in this policy.

INDICATORS

2.8.4 MONTHLY AVERAGE PAYMENT COVERED BY CASH AND CASH EQUIVALENTS ('CASH COVERAGE')

This indicator shows the level of risk should the municipality experience financial stress.

2.8.5 SURPLUS / DEFICIT EXCLUDING DEPRECIATION OFFSETS

It is probable that the operating budget including depreciation charges on assets funded by grants and public contributions, as well as on revalued assets, will result in a deficit.

As determined elsewhere in this policy it is not the intention that residents be burdened with tariff increases to provide for such depreciation charges. In order to ensure a 'balanced' budget, the cash position must be determined.

Should a budget result in a deficit cash position, the budget will be deemed unfunded and must be revised.

2.8.6 PROPERTY RATES / SERVICE CHARGE REVENUE PERCENTAGE INCREASE LESS MACRO INFLATION TARGET

The intention of this indicator is to ensure that tariff increases are in line with macro-economic targets, but also to ensure that revenue increases for the expected growth in the geographic area are realistically calculated.

2.8.7 CASH COLLECTION % RATE

The object of the indicator is to establish whether the projected cash to be collected is realistic and complies with section 18 of the MFMA.

The collection rate for calculating the provision for impairment of receivables must be based on past and present experience. Past experience refers to the collection rates of the prior years and present experience refers to the collection rate of the current financial year as from 01 July.

It is not permissible to project a collection rate higher than the current rate. Any improvement in collection rates during the budget year may be appropriated in an Adjustments Budget.

2.8.8 DEBT IMPAIRMENT EXPENSE AS A PERCENTAGE OF BILLABLE REVENUE

This indicator provides information as to whether the contribution to the provision for impairment of receivables is adequate. In theory it should be equal to the difference between 100% and the cash collection rate, but other factors such as past performance can have an influence on it. Any difference must be motivated in the budget report.

Reconvened

2.8.9 BORROWING AS A PERCENTAGE OF CAPITAL EXPENDITURE (EXCLUDING GRANTS AND CONTRIBUTIONS)

This indicator provides information as to compliance with the MFMA in determining borrowing needs. The Accounting Officer must ensure compliance with the Municipality's Liability Management.

2.8.10 GRANT REVENUE AS A PERCENTAGE OF GRANTS AVAILABLE

The percentage attained should never be less than 100% and the recognition of expected unspent grants at the current year-end as revenue in the next financial year must be substantiated in a report.

2.8.11 CONSUMER DEBTORS CHANGE (CURRENT AND NON-CURRENT)

The object of the indicator is to determine whether budgeted reductions in outstanding debtors are realistic. Any unacceptably high increase in either current or non-current debtors' balances should be investigated and reported.

2.8.12 REPAIRS AND MAINTENANCE EXPENDITURE LEVEL

Property Plant and Equipment should be maintained properly at all times in order to ensure sustainable service delivery. The budget should allocate sufficient resources to maintain assets and care should be exercised not to allow a declining maintenance program in order to fund other less important expenditure requirements. Similarly, if the maintenance requirements become excessive, it could indicate that a capital renewal strategy should be implemented or reviewed.

2.8.13 ASSET RENEWAL / REHABILITATION EXPENDITURE LEVEL

This indicator supports further the indicator for repairs and maintenance. The Accounting Officer must, as part of the capital budget, indicate whether each project is a new asset or a replacement / renewal asset in order to determine whether the renewal program is sufficient or needs revision.

3. SECTION B : RESERVES POLICY

3.1 INTRODUCTION

Fund accounting historically formed the major component of municipal finance in the IMFO standards.

After the change to General Recognised Accounting Practices (GRAP), fund accounting is no longer allowed.

The municipality, however, recognises the importance of providing to the municipality itself, as well as its creditors, financiers, staff, and general public a measure of protection for future losses, as well as providing the necessary cash resources for future capital replacements and other current and non-current liabilities.

This policy therefore aims to provide for a measure of protection by creating certain reserves.

3.2 LEGAL REQUIREMENTS

There are no specific legal requirements for the creation of reserves, except for the Housing Development Fund. The GRAP Standards themselves do not provide for reserves.

3.3 TYPES OF RESERVES

Reserves can be classified into two main categories being 'cash funded reserves' and 'non-cash funded reserves'.

3.3.1 CASH FUNDED RESERVES

In order to provide for sufficient cash resources for future expenditure, the municipality hereby approves the establishment of the following reserves:

(a) Employee benefits reserve

The aim of this reserve is to ensure sufficient cash resources are available for the future payment of employee benefits. The contributions to the reserve must be made in accordance with the directives set in this Funding Policy.

(b) Non-current provisions reserve

The aim of this reserve is to ensure sufficient cash resources are available for the future payment of non-current provisions. The contributions to the reserve must be made in accordance with the directives set in this Funding Policy.

(c) Other statutory reserves

It may be necessary to create reserves prescribed by law, such as the Housing Development Fund. The Accounting Officer must create such reserves according to the directives in the relevant laws.

3.3.2 NON-CASH FUNDED RESERVES

On occasion it is necessary to create non-cash funded reserves. The Accounting Officer must create any reserves prescribed by the accounting standards, such as the Revaluation Reserve, if required.

3.4 ACCOUNTING FOR RESERVES

3.4.1 REVALUATION RESERVE

The accounting for the Revaluation Reserve must be done in accordance with the requirements of GRAP 17.

3.4.2 OTHER RESERVES

The accounting for all other reserves must be processed through the Statement of Financial Performance. The required transfer to or from the reserves must be processed in the Statement of Net Assets to or from the accumulated surplus. It is a condition of GRAP and this policy that no transactions may be directly appropriated against these reserves.

4. SECTION C : REVIEW OF THE POLICY

This policy takes effect from 1 July 2023 and will be reviewed annually during the budgetary process of the Municipality.



INDIGENT AND SOCIAL SUPPORT POLICY

2023/2024

PREAMBLE

Whereas section 152 of the Constitution of the Republic of South Africa requires the Local government to ensure the provision of services in a sustainable manner, and whereas section 97 of the Municipal Systems Act prescribes that such policy must provide for 'provision for Indigent debtors that is consistent with its rates and tariff policies and any national policy on indigents'.

Now therefore the Municipal Council of the Municipality of Polokwane adopts the Indigent Policy as set out in this document.

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1. DEFINITIONS

For the purpose of this policy, unless the context indicates otherwise, any word or expression to which a meaning has been attached in the Act shall bear the same meaning and means: -

Authorized representative	The person or instance legally appointed by the Council to act or to fulfil a duty on its behalf.
Basic service	The amount or level of any municipal service that is necessary to ensure human dignity and a reasonable quality of life and which, if not provided, could endanger public health or safety of the environment. For the purpose of this Policy basic services will be restricted to electricity, refuse, sewerage, water and any other rebates or exemptions as approved by Council.
Chief Financial Officer	An officer of the municipality appointed as the Head of the Budget and Treasury Directorate and includes any person acting in such position
Council or Municipal Council	A municipal council referred to in section 18 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) and for purposes of this policy, the municipal council of the Municipality of Polokwane.
Customer	Any occupier of any property to which the Municipality has agreed to supply services or already supplies services to, or if there is no occupier, then the owner of the property.
Defaulter	A person who owes money in respect of a municipal account after the due date for payment has expired.
Household	A Property and all its occupants.
Interest	A levy with the same legal priority as service fees and calculated on all amounts in arrears at a standard rate as approved by Council.
Municipal account	The proper and formal notification by means of a statement of account, to persons liable for monies levied and indicating the net accumulated balance of the account, specifying charges levied by the Municipality.
The Act	The Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) as amended from time to time.
Indigent	A poor / needy household unable to make monetary contribution towards basic services and qualifies in accordance to this policy.
Indigent Levy	A fixed charge payable by qualifying Indigent households levied on a monthly basis.
Subsidy	The financial relief granted to qualifying indigent households

Pensioner	refers to a person who is 60 years of age and older in receipt of a total monthly income from all sources (including the income of the spouse of the owner) not exceeding an amount to be determined by the Council annually;
Rural Indigent	Rural household with unmetered unquantifiable services which can be estimated based on household stats from Statssa and estimated services rendered per household. Self-targeting will be used

2. OBJECTIVES

The objectives of this Policy are to:-

- Provide a framework within which the Municipality can exercise its executive and legislative authority with regard to the implementation of financial aid to indigent and poor households in respect of their municipal account;
- Determine the criteria for qualification of Indigent households;
- Ensure that the criteria is applied correctly and fairly to all applicants;

3. PRINCIPLES

- The administrative integrity of the Municipality must be maintained at all costs. Council is responsible for the adoption of the policy, while it is the responsibility of the Municipal Manager to ensure the execution of this policy;
- Applicants must complete an official application form, which is to be submitted together with the supporting documents as specified in this policy, where applicable;
- The municipality may at its own discretion convert all conventional meters to prepaid services.

4. CRITERIA FOR INDIGENT HOUSEHOLDS

To qualify as 'Indigent household, a household must comply with the following criteria:-

- The total household income may not exceed the sum of two times the amount of state funded social grants plus two child grants currently as determined by the National Treasury of RSA from time to time.
- The applicant must be a permanent resident of the property.
- The applicant must be a South African citizen.
- The applicant who owns more than one property will only be granted Indigent assistance on the property of primary occupation. Polokwane Municipality reserves the right to reverse indigent benefits of an additional property should there be evidence that the applicant has applied for indigent assistance on additional properties.
- The applicant may not necessarily be the owner of the property but could also be the occupier including a child headed family.
- The Municipality reserves the right to consolidate separate accounts of one property in instances where the owner of the property is deceased.
- The property should be used for residential purposes

5. CRITERIA FOR PENSIONERS

The aim of this rebate is to alleviate the burden on pensioners earning below the approved threshold as per the tariff schedule. Pensioners may receive a reduction and a rebate of an amount as determined by Council during the annual budget.

Subject to the criteria set out in below:

- Pensioners may be granted a rebate on their Primary Property, from the date the applicant qualifies.
- The applicant must meet the following criteria:
- The applicant must be a south African citizen

- where couples are married in community of property and the property is registered in both their names, the age of the eldest will be the qualifying factor;
- not be in receipt of an indigent rebate;
- A rebate will only be granted in respect of a property on which only one dwelling is erected and such dwelling be occupied by the applicant and his/her dependants.
- Combined household income must be below the threshold set by council
- if the owner has retired at an earlier age for medical reasons proof thereof must be submitted;
- The total income household should not exceed two times the indigent threshold

6. SUBSIDY

The subsidies below will be funded from the Equitable share contribution received from National Treasury. The subsidies will only be granted to qualifying households to the extent that the above-mentioned funds are available for allocation.

a) The qualifying Indigent households may receive the following subsidy per month.

- 100% rebate of the basic charges for electricity per month
- 100% rebate of the availability charge for sewerage per month
- 100% rebates on sewer connection charge per month.
- 100% rebate of the basic charge for refuse removal per month
- 100% rebate of refuse charge per month
- 100% rebate on property rates
- 100kwh electricity consumption subsidy per month (cumulative on Pre-paid)
- 50kWh on Eskom supply Areas
- 6kl Water consumption subsidy per month (cumulative on Pre-paid)

b) Other Rural Benefits/subsidy

- Basic water
- Other alternative energy
- Basic refuse removal
- Basic sanitation

The rural indigent may be costed and quantified in order to account for the cost incurred to grant household access to average basic services on unmetered services.

c) Pensioner Subsidy

- 80% rebate on property rates

Exemption may be granted for connection or deposit fees to qualifying indigents or poor household subject to approval by the Chief Financial Officer or Delegate.

7. APPLICATION FOR A SUBSIDY

Only the owner or occupier of the property may apply for the subsidy.

The following documents must be submitted with the application form:-

- Certified copy of the applicant's South African Identity Document.
- Proof of income of the household (e.g. a letter from employer/ salary advice/ proof of pension/ bank statement)

- 3 Months latest bank statement
- Any other proof or confirmation/ evidencing the qualification as indigent
- Letter of Authority in case of deceased person's estate from the magistrate or Master of the High Court where necessary
- Marriage certificate for married applicants
- Sworn affidavits that gross household income is less than the threshold set by council and that the information supplied is true and all income is declared;
- The applicant must complete the sworn statement that forms part of the application form; and
- Should the applicant be unable to apply in person, due to medical reasons, his / her application may be certified by a Commissioner of Oaths, or a community worker.
- The municipality may consider self-targeting to indigent and approach such to register if they are receiving measurable services.

8. PUBLICATION OF NAMES OF QUALIFYING APPLICANTS

The Municipality may publish or make available the register of the applicants receiving subsidies in terms of this policy for inspection and objection within the legislative framework

9. FALSE INFORMATION

A person who provides false information will be disqualified and be denied further participation in the subsidy scheme. In addition, the beneficiary will be held liable for the payment of any incorrect subsidies already granted and legal action, civil or criminal may be instituted against the guilty party/parties.

10. INFORMATION AUDIT/ VERIFICATION

The Municipality reserves the right to send officials and / or representatives of the Municipality to the applicant address at any reasonable time, with the aim of carrying out a local verification of the accuracy of the information provided by the applicant(s) and to collect more information. The applicant must provide access to the auditor in line with section 101 of the Municipal System Act

Such audit will be conducted on a continuous basis as and when is required.

- a) Verification Site Visit

The Municipality may utilise the services of a service provider to perform an on-site verification.

- b) Verification external scan

An external scan may be conducted with UIF, SARS, Department of Social Development, Retail and Credit Bureau amongst others to confirm the credibility of the applicant to qualify as an indigent

- c) Municipality may cancel the application or suspend subsidy after 3 unsuccessful attempts of site verification

11. DURATION OF SUBSIDY

The duration of the indigent and pensioner's subsidy will be from date of the approval limited to 5 year linked to the term of the council

The municipality may require the indigent beneficiary to renew their indigent status periodically as and when required.

All application will be finalized within 60 business days from the date of application provided that all the requirement as outlined in policy are met and the customer is available for verification

12. TERMINATION OF INDIGENT SUBSIDY

Municipality may terminate the indigent subsidy

- a) If the municipality obtains information that indicates that the circumstances of the beneficiary has changed to such an extent that he / she no longer qualifies for the subsidy, the Municipality reserves the right to suspend the subsidy and recover the subsidy provided to a period not exceeding 24 months or earlier
- b) Upon change of ownership of the property
- c) When the household no longer meet the criteria as outlined in the policy

13. AMOUNT IN ARREARS

Beneficiaries with municipal accounts in arrears at the time of the application (approval) for a subsidy, may have such arrear amounts written off upon approval depending on availability of budget/funds.

An indigent debt will be written off from time to time as recommended by Council

14. REGISTER

The register may contain the name of the applicant, the name of the registered owner of the property, the identity number of the applicant, the contact details, the suburb, stand number, sub-division, street address, ward number and application date.

This Indigent register will be updated on monthly basis as and when applications are received.

15. COMPLAINT/APEAL MANAGEMENT AND DISPUTE RESOLUTION

Complaint or dispute management will be managed by the Revenue Executive committee established by the Revenue Manager.

The Revenue Executive Committee will comprise only of senior revenue officials not limited to The Revenue Manager, Revenue Assistant managers, Senior Accountant and Accountants.

The Revenue Executive Committee must meet at least once per month. The Indigent Committee must consider each complaint; assess it in terms of this policy and any other information which members may have in respect of the applicant.

The applicant may lodge formal appeal in terms of section 62 of Municipal System Act if not satisfied with the decision of the Revenue Executive Committee

16. INDIGENT LEVY

An Indigent levy will be charged to the account of all approved indigents in accordance with the approved schedule of tariffs.

17. SHORT TITLE

This policy shall be called the Indigent and social support Policy of the Polokwane Municipality.

18. IMPLEMENTATION AND REVIEW OF POLICY

This policy shall be implemented on 1st July 2023 and shall be reviewed on an annual basis to ensure that is in line with the municipality's strategic objectives and with legislation.



INVENTORY MANAGEMENT POLICY

2023/2024

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Section	Description
1	Objective of Inventory Management Policy
2	Inventory Management
3	Status Quo of the System used to record Inventory movement
4.	Access to Stores
5	Procedures and Internal Control Measures
6	Review of Stock Levels
7	Purchase Requisition for Stock Items
8	Expediting of Orders
9	Receiving and Issuing of Stock Materials
10	Coding of Stock Items
11	Damaged Goods
12	Stores and Warehouse Management
13	Safeguarding of Inventory
14	Vendor Performance
15	Reporting

1. Objectives of Inventory Management Policy

- ❖ Implement appropriate internal controls and effective inventory management system to ensure that goods placed in **stores are** secured and only used for the intended purposes.
- ❖ Determining and setting of inventory levels that includes minimum and maximum **stock levels** and lead times whenever goods are placed in stock.
- ❖ Monitoring and review of **service provider's** performance to ensure compliance with specifications and contract conditions.

2. Inventory Management

- ❖ Inventory Management provides for an effective system in order for the setting of inventory levels, placing of requisition for order, receiving and distribution of goods, inventory management, expediting orders, vendor performances, maintenance and contract management.

3. Status Quo of the System used to record Inventory movement.

- ❖ There is only one centralized **stores** whereby all stock items are **categorised** according to sections, e.g. cleaning materials, protective clothing, stationery, refreshments, electrical, water & sanitation, plumbing & building materials, etc.

4. Access to Stores

- ❖ The central stores should be operated as a closed store, whereby, suppliers and end – user department are excluded from stores area except on a specially approved and escorted basis.

5. Procedures and Internal control measures.

5.1 Stock Levels

- ❖ The following should be determined to maintain optimum stock levels:
 - a. Minimum, maximum and re- order levels
 - b. Slow moving or obsolete stock

5.2 Stock Level Maintenance:

- ❖ Monitoring and maintaining of stock levels and creating of stock requisitions to ensure the availability of stock at all times:
 - The stock controller or delegated official on **weekly basis** to print out a report of stock items outside minimum and maximum levels.
 - The report informs the stock controller of the items that reached minimum for re-ordering.
 - The stock controller or delegated official will then do physical verification and then electronically generate requisitions on the system to enable the Chief Buyer/SCM practitioners to invite quotations for the acquisition of stock materials or alternatively to utilise long term contract awarded.

6. Review of stock levels

- ❖ In order to manage the stores operations effectively, Strategic Business units should continually review their stock holding based on the information such as number of stock issues, levels of service achieved, total value of stock held and stock turnover.
- ❖ Once yearly the stock level reviews are conducted with Strategic Business Units to maintain accurate minimum, maximum and re-order levels and to ensure the availability of stock/materials at all times for the end-users to reach their set goals or targets.
- ❖ Redundant and obsolete stock should be identified and cleared regularly by the strategic business units.

7. Purchase requisition for stock items

- ❖ All purchase requisition for stock replenishment must be approved by the Assistant Manager: Logistics or delegated official prior to the acquisition.

8. Expediting of orders

- ❖ The Buyer will be required to monitor and expedite outstanding purchased orders.
- ❖ If the delivery conditions reflected on the purchase order from are not complied with, it should be followed up with the supplier immediately.
- ❖ The Buyer should send the reminder correspondences to the suppliers based on the reminder levels that are set in the purchased order and such correspondence entails amongst:

- Reminder to the supplier of the pending delivery, delivery period, quality and quantity
 - Promises made by the supplier
 - The impact of failure to deliver on time
- ❖ The Buyer must report to the stock controller about the outstanding orders that were not delivered as per agreed delivery dates with the supplier on weekly bases.
 - ❖ The stock controller / Buyer based on the information at hand and analysis thereof refer the report of the non performing suppliers to the contract management section for action to be taken or to the Assistant manager logistics.

9. Receiving and issuing of stock materials

9.1 Receiving of stock

- ❖ All orders placed, but still to be delivered are kept in a file cupboard in the receiving section, must be updated daily with new orders placed.
- ❖ Follow –ups should be done on all orders issued and the comments should be recorded on the order register.
- ❖ All the orders issued should be delivered within 14 days' failure to do so the service provider should be reported to contract management so that the order will be cancelled and the second lowest be called to deliver the goods.
- ❖ Stock items which could not be delivered within 14 days because of the manufacturing process their orders will be treated as an exceptional.
- ❖ All the invoices received for the stock items should be recorded in the invoice register for monitoring purposes.
- ❖ When any item is received at Municipal stores the following procedure must be followed:
 - An official order must exist on the financial system for the indicated delivery and the items to be delivered must correspond with the items on the official order.
 - The delivery note, original tax invoice and statement must accompany the delivery.
 - The receiving storekeeper should do the verification and inspection of what was received against what was ordered – order number, price, quantity and specification correspond to the same information on the delivery note, original tax invoice and statement, and if not all of the above-mentioned is not in place, the items are not allowed to be accepted.
 - During the verification and inspection damaged stock if found, will then communicate with the service provider for return of the items for credit or replacement and a copy of all relevant documentations are attached for reference.
 - After signing of the delivery note, original tax invoice and statement, the responsible official must make sure that the bin location as appearing on the order for each product must be written on the cartoon(s) containing the relevant item for shelving or packing.
 - The receiving storekeeper after receiving of a signed delivery note or invoice, he/she then update the stock received on the system.
 - After updating of the stock, the receiving storekeeper or delegated official should verify the receipt on the system and shelf before they prepare orders, invoices and delivery notes for approval and must be forwarded to the creditors to effect payments, and do filing for record keeping.

- No stock should be received without an official purchased order unless on exceptional cases and must be communicated to the Stock Controller, Assistant Manager: Logistics and the Buyer.
- All the stock items received immediately after inspection, verification and capturing of orders are packed onto the shelves according to the bin location and must be correctly numbered as per stock item numbers or stock catalogue code.

9.2 Issuing of stock

9.1.1 System Requisition

- ❖ No issuing of stores items or commencement of the process may take place without properly captured online requisition.
- ❖ Online processing of requisitions is done by the Strategic Business Units official's delegated responsibility for creation of the requisitions and the requisition number is allocated by the system.
- ❖ The SBU Manager or an official delegated the authority will then approve the requisition and after approval the items requested are allocated for collection.
- ❖ The official responsible for collection of materials will then submit a requisition number the issuing section for collection.
- ❖ Online requisition should be collected within 48 hours' failure to do so the requisition will be cancelled on the third day.
- ❖ The stock items should be issued on FIFO basis.
- ❖ Online issuing of requisitions is done daily by the issuing section and printout of requisition which has an issue, vote number, description and quantity.
- ❖ When issuing the official responsible will then check the correctness of the quantity of the items requested, the description as per request and the official issued and received the materials must sign the requisition.
- ❖ The signed requisitions after issuing are filed for record keeping and audit purposes.

9.1.2 Offline Requisitions

- ❖ During standby, power failure, system problem and when the network is down manual requesting of stock should be done manually and immediately when the system is up and running, the issuing official must capture all manual requisitions to update the stock on the system.
- ❖ All offline requisitions should be captured within 48hours after the system is up and running.
- ❖ All offline requisitions should be numbered and recorded on the register of offline requests.
- ❖ The copies of the online requisitions must be attached to the manual requisitions.
- ❖ At the end of each working day the Stock controller or delegated official must check the manual requisition file to ensure that all manual issues have been processed or captured timely and maintain proper record keeping system for inventory.

10. Coding of Stock Items

- ❖ All stock items are to be classified in terms of a unique identifying item number and description.

11. Damaged Goods

- ❖ All damaged goods should not be received from the suppliers must be returned to the supplier for credit or replacement.
- ❖ Damaged goods which are notified during the daily or quarterly stock take should be recorded in the damaged goods register and be reported.

12. Stores and warehousing management

- ❖ Quarterly stock count and Annual stock taking/counting are conducted to ensure that discrepancies between the physical and the stock figure reflected on the system are reconciled immediately and corrected timely.
- ❖ Inventory count will be conducted on a quarterly and annual basis to maintain effective and efficient inventory management system. The stock take will take place on the last day the quarter and last month the financial year.
- ❖ Stock items which do not form part of the inventory will only be included in the inventory list upon the approval of a formal memorandum by the Director.
- ❖ The inventory will be recognised at cost or net realisable value.
- ❖ The Office of the Auditor General and internal audit forms part of annual stock taking.

12.1 Procedure for stock taking

- (a) The stock controller together with the senior storekeeper confirms that the following are in place at the stores prior to the start of the count:
- before counting of a specific area commences, the stock controller of the stores must ensure that all internal requisitions, return to store, standby requisitions and orders (receipt) have been processed on the financial system. this is to ensure that the correct quantities are counted and verified against the financial system list printed for counting.
 - if any of the outstanding purchased orders had been delivered before the stock take, the goods receipt must be processed before the stock take process commences.
 - if any of the outstanding purchased orders had been delivered before the stock take cannot be captured on the system for some reason, copies of the invoices must be recorded and attached on the physical inventory document next to the item to be reconciled together with the counted stock.
 - if any of the outstanding purchased orders are delivered during the stock take, must be placed in a designated area and be marked. no receipts are permitted to be captured on the system during stock take.
 - in case where stores do have items not kept as stock but are kept for sbu, s, these items must be in a designated area clearly marked.

- all redundant and obsolete stock that has been removed from bins stores and is stored in a designated area in the store together with a list identifying all items in a location to be marked for obsolete and redundant stock, if this items had been deleted from the inventory lists (financial system) but not yet taken to the scrap yard at disposal area. all items where possible must be in boxes and sealed with the signatures of the officials who counted obsolete and redundant items and must be clearly marked in the area. where items are still in the bins must be clearly marked as the bins, the bins must be clearly marked as obsolete /redundant stock.
- in cases were items already had been identified as obsolete and redundant stock, but not been removed from the registers (financial system), these items must remain in their bin locations and be counted as part of the annual stock take.
- all items must be in correct bins and that the description on the corresponds with the items in the bins.

(b) the stock controller responsible for the stores will ensure the following are in place before the official stock take:

- that there is enough manpower (officials) for the stock take consisting of two officials per team.
- that the logistics management of stores to notify all heads of sections and council's external auditors of the stock take date.
- black pens and stickers for stock counts (no pencil figures will be accepted) to be issued to each stock counter team before counting.
- if there is any possibility of overtime, the stock controller must ensure authorization for overtime is approved before the stock take.

(c) during the stock take the following procedures must be adhered to and the stock controller will be responsible for all processes.

- Counting teams be listed and sign an attendance register and each team will consist of two officials.
- Each counting team will receive a count list printed from financial system on the day the stock take commences for the section they are responsible for that is numbered against the officials' names on the list. E.g. Section 01 must be numbered on the list as 1 against the first team – List 2, the second team - List 3 etc.
- All counting teams must start simultaneously with the first count.
- All quantities counted must be written in the space provided next to the item on the financial system list in ball point pen.
- Each page counted must be signed by both officials responsible for counting on the list as well as the date of the count.
- The Stock controller will do spot check counts and will write the figures in red pen on the list in his /her possession and sign against each count. The Stock controller will check his counts against the counted items by the teams as control to ensure correct counts. The Stock controller must on a continuous basis ensure that all procedures and processes set out in this procedure are strictly adhered to and where deviations are identified to be rectified immediately.
- The Stock controller will be responsible for the stock take and must continually be aware of all problems during the count.
- If the stock count takes place over a few days all stock count lists will be kept by the Stock controller at the end of each counting day.

- (d) During /after the first count had been done, the Stock controller must ensure a discrepancy list are generated for second count and the recount must be done by different counting team that did the first count of the specific section location.
- (e) After the second count the figures must again be compared with the fist count and the differences report.
- (f) If the second count corresponds with the system, then the second count is accepted as correct.
- If the second count differs from the system but correspond with the first count, the counted figures are accepted as correct and indicated as surplus or shortage.
 - If the second count and the first count differ from the system, the items must be indicated on a new count list for a third count.
- (g) If the third count must be done, the stock controller with the senior storekeeper and storekeeper will do it. The third count must be done according to the same procedure as stated above.
- (h) The third count will again be compared with the differences report and the first two counts.
- If the third count corresponds with the system, the count is accepted as correct.
 - If the third count corresponds with either of the first two counts, the corresponding figures counted will be accepted as correct and the difference between the counted figure and the system figure must be shown as a surplus or a shortage.
 - If the third count differences still occurs the item must be investigated further to identify the problem until a proper solution for the continuous discrepancies are found.
- (i) The final list of all counts (1, 2 and 3) of all surpluses and shortages must be signed by the Senior storekeeper, Storekeeper of the stores and Auditors as confirmation of all parties involved that the figures counted are correct and is the final figures counted, be handed to Chief Financial Officer.
- The final list of surpluses and shortages will not be left in the possession of any party involved in the count for further investigations.
 - The Senior Storekeeper and Storekeeper Can ask for copies of the list direct after the final count.
 - The Stock Controller will after finalizing of the count, take all counting lists, all differences reports, attendance registers with the final stock take list and file all documentation in the file.
- (j) After the stock take a report of such surpluses and shortages has to be generated and be submitted to council for adjustment of the surpluses and shortages or for further steps to be taken, if necessary and/ or authorise stock as redundant or obsolete.

13. Safeguarding of Inventory

- ❖ Inventory shall at all times be safeguarded and kept in a secured area.

- ❖ Only authorised official will have access to stores and no person other than logistics personnel or any person designated by the Chief Financial Officer, may have control over the administration of inventory.
- ❖ All the inventory items shall be adequately insured against loss and damage.
- ❖ All theft on inventory items shall be reported to the South African Police Services and Insurance Company.

14. Vendor Performance Management

- ❖ Unsatisfactory performance shall be communicated by the Buyer to suppliers in writing compelling the supplier to perform according to the order or the SLA and thus to rectify or to restrain from unacceptable actions.
- ❖ Directives regarding action in such cases should appear in the general conditions.
- ❖ If the supplier continue with non- performance the Buyer should refer the matter to contract management section for them to terminate the contract or order.

15. Reporting

- ❖ Stock controller or delegated official should provide a monthly report, which must include information relating to:
 - Monthly reconciliation
- ❖ On a quarterly basis provide a report on stock taking conducted for the quarter, which must include Surpluses, shortages, damaged and stolen items.

16. IMPLEMENTATION AND REVIEW OF POLICY

This policy shall be implemented on 1st July 2023 and shall be reviewed on an annual basis to ensure that is in line with the municipality's strategic objectives and with legislation.



LEAVE POLICY

2023-2024

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1. PURPOSE:

The purpose of the policy is to regulate leave matters of employees of the Municipality of Polokwane (the Municipality).

2. OBJECTIVES OF THE POLICY:

To ensure that employees know their entitlement with regard to the allocation of leave, the responsibility to apply for leave in the prescribed manner(s) and for good governance of leave in Polokwane Municipality.

3. SCOPE OF THE POLICY:

This Leave Policy will apply to all Employees regulated under the South African Local Government Bargaining Council.

Leave for the Municipal Manager and Managers reporting directly to the Municipal Manager as contemplated in terms of Section 56 and 57 of the Local Government: Municipal Systems Act, 2000 (Act32 of 2000) as amended shall be regulated by Government Gazette No 37245 - Local Government: Municipal Systems Act, 2000 (Act32 of 2000): Local Government: regulations on Appointment and conditions of employment of Senior Managers.

4. DEFINITIONS:

“Annual leave cycle”	means the period of twelve (12) month’s employment with the same employer immediately following an employee’s commencement of employment or following the completion of that employee’s existing leave cycle.
“BCEA”	Basic Conditions of Employment Act, 1997 (Act 75 of 1997) as amended from time to time.
“Calendar Year”	starts on 1 st January and ends on 31 st December annually.
“Employee”	any person, who works for Polokwane Municipality and who receives any remuneration and any other person who in any manner assists in carrying on or conducting the business of the employer excluding an independent contractor.

“Employer”	refers to Polokwane Municipality
“Leave”	is considered as time off / away from the workplace where the employee is not able to avail him/herself to executing duties and tasks as normally done by the employee.
“Leave year”	refers to a period of continuous service of 12 months and such leave year normally should start on the date of the appointment of the employee. (See also elaboration on “year of service” further down.)
“Medical practitioner”	means a medical practitioner, dentist or traditional healer registered in terms of legislation.
“Year of service”	is the period of 12 months’ continuous service from the date of appointment to the next date of appointment, and this date may be extended with any periods of absence of 20 working days or longer in any leave year.
“SALGBC”	means the South African Local Government Bargaining Council;
“Special leave”	means leave in addition to normal leave
“the Municipality”	refers to Polokwane Municipality
“Working day”	means any day on which an employee is normally required to work according to the service requirement applicable to the employee’s post and as agreed to in the SALGBC

5. LEGISLATIVE FRAMEWORK

The obligation on an Employer to grant leave is regulated by, amongst others:

- Labour Relations Act, 1995 (Act 66 of 1995) as amended from time to time
- Basic Conditions of Employment Act, 1997 (Act 75 of 1997) as amended from time to time:
 - Chapter Three (3) (Sections 19 – 27) of the Basic Conditions of Employment Act, Act 75 of 1997 (as amended) [Where the BCEA is considered a minimum act, and collective agreements can resolve on matters that are more favorable than the BCEA, but never less favorable than the BCEA.]
- Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) as amended from time to time
- National and Divisional Collective Agreements, as amended from time to time, concluded in the South African Local Government Bargaining Council (SALGBC)
- Employment Contracts in terms of Proclamation R.805 dated 01 August 2006, as amended from time to time, of the Municipal Manager and Directors directly accountable to the Municipal Manager
- Municipality's System of Delegations, as amended from time to time
- Any other legislation that directly or by implication regulates leave.

6. TYPES OF LEAVE COVERED BY THE LEAVE POLICY:

The Leave Policy will regulate:

- Annual Leave
- Sick Leave
- Family Responsibility Leave
- Maternity, Adoption and Leave
- Parental Leave
- Special leave for injury on duty cases and occupational diseases
- Sick leave without pay
- Special Leave
- Leave for purposes of time off in lieu of overtime
- Additional leave for Long Service Recognition
- Leave without pay/Unpaid Leave

The Leave Policy does *not* regulate:

- Time off / leave to attend to Organisational Rights Matters

- Time off / leave to attend to Seminars / Conferences / Meetings or similar matters.

7. PRINCIPLES:

7.1. Granting and Cancellation of Leave of Absence:

- 7.1.1. Leave of absence shall be subjected to the Municipality's approval in terms of its Systems of Delegation.
- 7.1.2. The BCEA (s20) (2) rules that an employer "must grant an employee at least 21 consecutive days' annual leave on full remuneration in respect of each leave cycle." It is therefore a right to each employee to be allocated leave. However, there are more forms of leave than only annual leave, and collective agreements and other policies will regulate additional forms of leave. The amount of leave granted in the municipal sphere is also more than what the act prescribes and can include (but is not limited to) types of leave as mentioned above; it also includes Additional Sick Leave for Long Service Recognition Leave.
- 7.1.3. Notwithstanding the provisions of any law, SALGBC agreement or policy of the Municipality, the Municipality may at any time cancel, postpone or interrupt leave of absence, other than sick leave, which has been granted to an employee should it be deemed necessary in the Municipality's interest to do so, and such an employee shall be compensated by the Municipality for irrecoverable expenses or commitments incurred by him / her / before he / she had been notified of the cancellation, postponement or interruption.
- 7.1.4. Should an employee whose leave of absence is interrupted travel in order to resume duty, the Municipality shall pay his / her expenses for the forward and return journey and he / she be regarded as being on duty while travelling.
- 7.1.5. Cancellation, postponement or interruption of leave of absence shall be confirmed in writing.
- 7.1.6. Should the Municipality refuse an employee's application for leave of absence, or cancel, postpone or interrupt such leave register and the employee shall be credited with such leave over and above the maximum determined in terms of the provision of any law, SALGBC agreement or policy of the Municipality and be permitted to take it within 12(twelve) months after refusal, cancellation, postponement or interruption.

- 7.1.7. An employee shall not go off duty or absent him / herself from duty without prior permission unless he / she is prevailed by sudden illness or owing to other circumstances acceptable to the Municipality from remaining on duty or reporting for duty.
- 7.1.8. Except in the case of sick leave, the period from the date on which an application for leave is received until the date on which the leave begins shall not be shorter than the period of leave applied for, provided that a shorter period may under exceptional circumstances be allowed by the Municipal Manager or relevant Director / Manager.
- 7.1.9. When an employee applies for any form of special leave, the employee must attach documentary proof for the reason that the leave is applied for.
- 7.1.10. All types of leave which require supporting documentation will be converted to annual leave and/or unpaid leave in instances where such proof is not timeously submitted by an employee.
- 7.1.11. Approvers are expected to approve leave applications timeously, leave not approved timeously will be escalated to Human Resources after 5 days whereby the ESS Administrator will approve on their behalf.
- 7.1.12. If an approver has reason not to approve an employee's leave application, they must decline/disapprove the application timeously and not leave it hanging in the inbox as the ESS Administrator will approve it after the 5-day escalation; this action is taken in an endeavor to have accurate leave balances at the end of every month.

7.2. Granting of other types of leave as per Chapter Three of the BCEA:

- Sick Leave (s22)
- Maternity Leave (s25)
- Family Responsibility Leave (s27)

7.3. Leave Registers:

- 7.3.1. Leave is a liability for Municipalities, and therefore proper management of leave will ensure that any risks / liabilities for both the employer and employees are reduced to a minimum or prevented.
- 7.3.2. All leave granted, taken, encashed, forfeited and all actions around leave of an employee shall be recorded in the official leave register (*electronic format - ESS or manual- employee leave files*) of the employer and such leave register shall be under the control of the Manager: Human Resources.
- 7.3.3. An employee is entitled to inspect his/her leave record at all reasonable times during office hours (GG 16047, Par16.1)

7.3.4. All leave must be applied for in a format or way of application as approved by the employer (electronic format and hard copy application only if there are technical difficulties with the Employee Self Service System)

7.4. Leave counting for purposes of leave allocation:

7.4.1. Absence on unpaid leave that amounts to 20 working days or more in any year of service shall not be regarded as service for purposes of leave allocation [and salary increment(s)]. (Extract from previous Collective Agreement, GG16047, 28/10/1994).

7.4.2. The impact of the above is that 20 working days or more unpaid leave [which amounts to one working month] will extend any allocation period for leave liability with the equal amount of days for which unpaid leave was granted in a year of service.

7.5. Application for Leave:

7.5.1. An employee shall apply for leave in the format required by the employer (*electronic medium and on hard copy only in instances where there are technical problems with the Employee Self Service System*).

7.5.2. The employer shall not unreasonably withhold approval / granting of leave.

7.5.3. All forms of leave will be applied for in advance, and in exceptional cases (*sick leave and other crisis situations*), sick leave may be completed as soon as is practical during or after the period of absence.

7.5.4. Leave will be applied for specific periods – no open ended leave applications may be considered.

8. ANNUAL LEAVE:

8.1. An employer shall grant an employee the following annual leave:

- Twenty-four (24) working days for (5) day worker, provided that the leave for an employee that works less than a 5-day week shall be calculated on a pro rata basis; and
- Twenty-seven (27) working days for a six (6) day worker

8.2. An employer should ensure that the employee has sufficient leave days available to cover the days of leave which are applied for.

8.3. An employer must grant annual leave not later than six months after the end of the annual leave cycle.

8.4. An employee is required to take annual leave as follows:

- A five-(5) day worker shall take a minimum of sixteen (16) working days leave; and
 - A six (6) day worker shall take a minimum of nineteen (19) working days leave.
- 8.5. If an employee to whom annual leave has been granted is certified hospital or bed bound by a registered medical practitioner or dentist, or a traditional healer registered with a recognized professional council in terms of legislation due to illness after his vacation leave has commenced, that part of the vacation leave during which he/she was thus certified hospital or bed bound shall be converted into sick leave on submission of the prescribed certificate by such medical practitioner or dentist, or registered with a recognized professional council in terms of legislation.
- 8.6. If due to illness, an employee is unable to take vacation leave already deducted he/she shall be credited with an equal number of vacation leave days.
- 8.7. An employee must take annual leave not later than six months after the end of the annual leave cycle.
- 8.8. Employees have a right to take annual vacation leave, but the employer also has the right to indicate if the taking of leave may impact on operations. A reasonable compromise should be reached where leave should be taken in times that suit both the employee and the employer.
- 8.9. If (due to operational reasons) an employee cannot take vacation leave, then the vacation leave can be extended for a further 4 months.
- 8.10. Annual leave shall only be accumulated to a maximum of forty-eight (48) working days.
- 8.11. Any leave in excess of forty-eight (48) working days may be encashed should the employee be unable to take such leave, despite applying and because the employer refused to grant him such leave, as a result of the employer's operational requirements. If despite being afforded an opportunity to take leave, an employee fails, refuses or neglects to take the remaining leave due to him during this period, such leave shall fall away.
- 8.12. Inclusive of its conditions as contained in the Main Collective Agreement and employee should be entitled to encash ten (10) days leave per financial year.
- 8.13. Within six months of the leave cycle, an employee may not have more than 48 days' annual leave to his credit.

8.14. In the event of the termination of service, an employee shall be paid his leave entitlement in terms of this agreement, calculated in terms of the relevant provisions of the Basic Conditions of Employment Act 75 of 1997 as amended.

9. SICK LEAVE:

9.1. With effect from the new sick leave cycle, an employer shall grant an employee eighty (80) days' sick leave in a three (3) year leave cycle, provided that in respect of new appointments an employee may not take more than 30 days' sick leave in the first year of employment.

9.2. Sick leave shall be granted only in connection with an employee's absence from duty owing to illness, indisposition or injury.

9.3. In the case of nervous disorders, insomnia, debility or a similar less well-defined illness or indisposition, sick leave shall only be granted only if the municipality is satisfied that the employee's state of health:

- renders him/her unfit for work; and
- does not arise from his/her failure to make use of vacation leave.

9.4. The employee shall be required to submit a medical certificate from a registered medical practitioner or any other person who is certified to diagnose and treat patients and who is registered with a professions council established by an Act of Parliament, if more than two (2) consecutive days are taken as sick leave, provided that the employer may request a sick leave certificate for every day of sick leave where there is evidence of abuse of sick leave.

9.5. An employee must at all times endeavor to attach medical certificates to sick leave applications with specific reference to sick leave for periods longer than two working days.

9.6. Sick leave on full pay and/or half pay in respect of which the afore mentioned certificate has not been submitted, may be granted for a maximum of twelve (12) working days during any calendar year of service and in respect of any further absence, vacation leave and/or leave without pay shall be granted.

9.7. If an employee must be absent from work for a longer period, a pro-forma certificate should be obtained from the doctor (e.g. before an operation / medical procedure) which will indicate the period of absence *even before* the sick leave is taken.

9.8. Leave applications shall also be completed and doctor's notes attached, even if an employee is using vacation or unpaid leave for purposes of sick leave (e.g. when sick leave has been depleted.)

- 9.9. When vacation or unpaid leave is used for purposes of sick leave, then this must be done with the employee's knowledge.
- 9.10. The employer is not required to pay an employee if an employee is absent on more than two occasions during an eight-week period, and on request by the employer, does not produce a medical certificate stating that the employee was unable to work for the duration of the employee's absence on account of sickness or injury.
- 9.11. Polokwane municipality may at any time require an employee to submit himself/herself to an examination by a registered medical practitioner or dentist appointed by the employer and the cost of such examination shall be borne by the municipality.
- 9.12. The employer may, on the recommendation of a registered medical practitioner or dentist, or a traditional healer registered with a recognized professional council in terms of legislation, compel an employee who, in the Employer's opinion, is so indisposed that he/she cannot perform his/her duties properly, to take sick leave.
- 9.13. An Employee is entitled to additional sick leave as provided for in the Collective Agreement on Conditions of Service for the Limpopo Division; provided that the maximum period of sick leave to which an employee is entitled has been granted to him/her and owing to reasons of health he/she is not able to resume duty.
- 9.14. Sick leave shall not be granted to employees whose ill health has been caused by illegal activities.
- 9.15. An employee may not during any period of sick leave approved in terms of these conditions, resume service without the approval of a registered medical practitioner.
- 9.16. An employee who is absent from work due to illness must take all reasonable steps to notify the employer, director, manager or supervisor as soon as possible.

10. FAMILY RESPONSIBILITY LEAVE:

- 10.1. Family Responsibility leave applies to an employee who has been in employment with an employer for longer than four (4) months.
- 10.2. An employer, upon receipt of reasonable proof, shall grant an employee during each annual leave cycle at the request of an employee, a total of

five (5) working days paid leave, which the employee is entitled to take, either when:

- 10.2.1. The employee's child is born;
- 10.2.2. The employee's child is sick;
- 10.2.3. The employee's spouse or life partner is sick;
- 10.2.4. In the event of death of:
 - 10.2.4.1. The employee's spouse or life partner; or
 - 10.2.4.2. The employee's parent, adoptive parent, parents-in-law, Grandparent, child, adopted child, grand child or sibling.

11. MATERNITY, ADOPTION AND SURROGACY LEAVE:

- 11.1. An employee including an employee adopting a child under three (3) months, shall be entitled to receive three (3) months paid maternity or adoption leave with no limit to the number of confinements or adoptions. This leave provision shall also apply to an employee whose child is still-born.
- 11.2. When a child from zero (0) to four (4) years is adopted, adoption leave will be granted to an adopting employee. An employee is entitled to receive three (3) months paid adoption leave after the legal adoption procedure.
- 11.3. When a child older than four (4) years is adopted, adoption leave will be granted to an adopting employee. An employee is entitled to receive three (3) weeks paid adoption leave after the legal adoption procedure.
- 11.4. In case of Surrogacy a partner that, as per the Surrogacy Agreement, has been assigned to perform the role of the birthmother (receiving parent) shall be entitled to paid maternity leave of three (3) months.
- 11.5. In events referred to in 11.2, 11.3, and 11.4 above the child's birth certificate and adoption order or Surrogacy Agreement must be submitted to the Employer.
- 11.6. When a female employee applies for maternity leave, a doctor's note will be attached to the application indicating the expected date of delivery.
- 11.7. An employee who goes off from duty for maternity leave will complete all documentation before the start of the maternity leave.
- 11.8. Maternity leave may commence four (4) weeks before confinement.
- 11.9. Once maternity leave has commenced an employee may not return back to work within before the expected date of delivery and six weeks

after the date of delivery, unless the employee so applies in writing and her application is supported by a doctor who certifies that she is in good health and may return to work.

- 11.10. To qualify for paid maternity/adoption/surrogacy leave, an employee must have one (1) year's continuous service with the employer.
- 11.11. An employee who does not qualify for paid maternity leave must apply for unpaid Maternity leave and then claim benefits from the Department of Labour (Unemployment Insurance Fund / UIF). The payment of benefits will be determined by the Department of Labour (and not by the employer.)
- 11.12. A copy of the legal adoption approval forms should be attached to the application for leave for purposes of adoption.

12. PARENTAL LEAVE

- 12.1. An employee who is a parent of a child, is entitled to at least ten consecutive days' parental leave.
- 12.2. An employee may commence parental leave on –
 - 12.2.1. The day that the child is born; or
 - 12.2.2. The date –
 - (i) That the adoption order is granted; or
 - (ii) That a child is placed in the care of a prospective adoptive parent by a competent court, pending the finalization of an adoption order in respect of that child, whichever date occurs first.
- 12.3. An employee must inform an employer in writing, unless the employee is unable to do so, of the date on which the employee intends to –
 - 12.3.1. Commence parental leave
 - 12.3.2. Return to work after parental leave
- 12.4. Notification in terms of subsection (12.3) must be given –
 - 12.4.1. At least one month before the –
 - (i) Employee's child is expected to be born; or
 - (ii) Date referred in subsection (12.2.2.); or
 - 12.4.2. If it is not reasonably practicable, as soon as it is reasonably practicable.
- 12.5. The payment of parental benefits will be determined by the Minister, subject to the provisions of the Unemployment Insurance Act, 2001 (Act No 63 of 2001).
- 12.6. This type of leave will be classified as Unpaid Leave for purposes of Leave Administration in the municipality; as the benefits can be claimed from the Department of Labour (Unemployment Insurance Fund / UIF); the payment of benefits will be determined by the Department of Labour (and not by the Municipality.)

- 12.7. An employee is not entitled to benefits unless he or she was in employment, whether as a contributor or not, for at least 13 weeks before the date of application for parental benefits.

13. SPECIAL LEAVE FOR INJURY ON DUTY CASES AND OCCUPATIONAL DISEASES:

- 13.1. An employee who is absent from duty due to an injury arising out of his/her duties and occurring in the course thereof or owing to an illness contracted in the course of and as a result of his/her, shall be granted special leave on full pay for the period during which he/she is to perform his/her duties.
- 13.2. If the case falls within the ambit of the Compensation for Occupational Injuries and Diseases Act, 1993(Act 130 of 1993), the amount payable to him/her in terms of an Act by means of periodic payments of his/her monthly earnings, shall be paid over to the municipality, provided that the Employer has already advanced the amount to the employee.
- 13.3. Special sick leave may only be granted, if the Employer was notified of an accident or disease as required in terms of sections 38 and 68 of the Compensation for Occupational Injuries and Diseases (Act 130 of 1993) and that a satisfactory medical certificate from a registered medical practitioner is submitted to the Employer.
- 13.4. "Remuneration" as applicable in this paragraph (clause 10 of this policy) includes all forms of remuneration as envisaged in the Compensation of Occupational Injuries Act (Act 130 of 1993) and subject to all provisions of the Act.
- 13.5. Special sick leave may only be granted if the injury on duty has been approved by the Compensation Commissioner (Act 130 of 1993) in respect of 12.1. and 12.2. above.
- 13.6. If the period of special sick leave in terms of clause 12.3. above exceeds 365 calendar days the employer may take any decision it deems appropriate in line with "ill health" and/or incapacity provisions of the Labour Relations Act.

14. SICK LEAVE WITHOUT PAY

- 14.1. An employee to whom the maximum period of full and half pay sick leave has been granted, may be granted sick leave without pay for not more than 250 working days in any cycle if the employer is satisfied that such an employee is not permanently incapacitated to resume his/her

duties: provided where sick leave without pay exceeds 40 consecutive days, the employee must be examined by a registered medical practitioner appointed by the employer. The cost of such examination shall be borne by Polokwane Municipality.

15. SPECIAL LEAVE:

When an employee applies for leave for study purposes, the employee must attach documentary proof for the reason that the leave is applied for.

15.1. Study Leave:

15.1.1. Where an employee applies for leave for exam purposes, an exam roster in the name of the employee should be attached to the application (not a copy of the general notice which was displayed at the tertiary institution – the general notice where the employee's individual name does not appear, does not prove that the employee has examination approval. The exam roster should explicitly mention the name of the employee.)

15.1.2. Study leave shall be granted to an employee on the basis of one (1) paid study leave for each day that an employee writes an examination plus two (2) days per paper for preparation for the examination in order to qualify for a formal qualification.

15.2. Leave of absence for obligatory training courses

15.2.1. The fields of study must be relevant to the Local Government undertaking in accordance with the municipality's policy.

15.2.2. An employee attending a work-related training or training course shall be deemed to be on duty.

15.3. Additional leave for Post Graduate Studies:

15.3.1. Special leave for a dissertation or thesis will be granted with full pay to a maximum of five (5) working days leave per qualification or for research.

15.4. Attending of classes during office hours:

15.4.1. An employee who studies part-time or by means of correspondence in a field applicable to the employer and who, as a result of his/her studies, is required to be absent from his/her place of work, will be granted vacation leave and special leave on a 50:50 basis for the time he/she is released from duty, subject to the exigencies of the service.

15.4.2. If he/she does not have leave to his/her credit, unpaid leave will be granted.

15.5. Leave for Writing Tests

15.5.1. The Municipality acknowledges that during the duration of obtaining a qualification employees are expected to write tests, in the middle of study terms, therefore Study leave shall be granted to an employee on the basis of one (1) paid study leave for each day that an employee writes a test.

15.5.2. Where an employee applies for leave for test purposes, a Timetable in the name of the employee should be attached to the application (not a copy of the general notice which was displayed at the tertiary institution – the general notice where the employee's individual name does not appear, does not prove that the employee has been scheduled to write a test. The Test Timetable should explicitly mention the name of the employee.)

15.6. Leave for attending Graduation Ceremonies

15.6.1. The Municipality also acknowledges that upon completion of a qualification employees are invited to graduation ceremonies, therefore Study leave shall be granted to an employee on the basis of one (1) paid special leave for each day that an employee attends a graduation ceremony.

15.6.2. Where an employee applies for leave to attend a graduation ceremony, an invitation in the name of the employee should be attached to the application (not a copy of the general notice which was displayed at the tertiary institution – the general notice where the employee's individual name does not appear, does not prove that the employee has been scheduled to attend a graduation ceremony. The invitation should explicitly mention the name of the employee.)

15.7. To attend a court of tribunal

15.7.1. On receipt of written subpoena, notice of set down or any similar notice an employee who is subpoenaed/called to attend a Court of Law or a Tribunal or any other similar forum as a witness shall be granted paid special leave that day.

15.7.2. In executing the provision of the above named clause subpoenaed employees shall inform their line Managers a day before to leave their work stations.

15.7.3. Any employee who is arrested and appears in court as a result of charges laid by his Employer and who is later acquitted shall be granted paid leave for the period of incarceration.

15.7.4. An employee who is incarcerated but not convicted for a period of twelve(12) months shall be granted unpaid leave in his/her position for the said period.

15.8. Sports, arts and culture events

An employee who is selected by recognized amateur or professional sports, art and culture association, which association may qualify for special leave provided that such association be recognized by NOCSA

or the Council of Sport of South Africa and the Council for Art and Culture.

15.9. Quarantine and isolation under medical instructions

Where a registered Medical Practitioner has placed an employee under quarantine/ in isolation in terms of the Public Health Act, 1977 (Act 63 of 1977) or any Regulations in force there under, such an employee shall be granted paid special leave, provided that the medical certificate has been submitted.

15.10. Application for Special Leave

15.10.1. Operational requirements must be taken into consideration

15.10.2. Supporting documents must be provided with the application

15.10.3. Application for special leave, must be approved by the Municipal Manager or his delegate and shall be considered in a bona fide manner; and shall not be unreasonably refused.

16. SPECIAL LEAVE FOR ADHOC INSTANCES:

Special leave with full pay may be granted to an employee when the employee:

16.1. After the Council has given permission the employee may become a member of the reserve police, performs police duties in terms of Sec 48 of the South African Police Act, 1995 (Act 68 of 1995).

16.2. Partake in a bonafide sport activity at provincial and higher level in which case the special leave will not exceed three (3) working days per event and these three (3) days may include travelling time.

16.3. Special leave on full pay will be granted to an employee who has been arrested or has to appear in court on a criminal charge and is later acquitted or has the charges withdrawn.

16.4. Gives evidence in a court case after a subpoena and/or summons has been served on him/her.

17. LEAVE FOR PURPOSES OF TIME OFF IN LIEU OF OVERTIME

17.1. Leave for purposes of time off in lieu of overtime may be granted where an employee worked overtime without any compensation; provided that such overtime is authorised in terms of the Municipality's System of Delegation.

- 17.2. Overtime worked as provided for in paragraph 16.1 shall be captured on an overtime schedule, specifying the date, hours of overtime worked and hours taken, which schedule must be signed by the employee and his/her supervisor.
- 17.3. Application for leave for purposes of time off in lieu of overtime shall be submitted as provided for in paragraph 7.5. Such applications must be accompanied by the schedule referred to in paragraph 16.2.
- 17.4. Where an employee is allocated special leave as payment for overtime worked, then the special leave should be allocated to the employee after converting the hours to overtime values in line with the Municipality's Overtime Policy.
- 17.5. Leave in lieu of overtime cannot be encashed and shall be forfeited if not taken within the calendar year which the employee became entitled to the leave, it shall be forfeited on the last day of such calendar year.

18. ADDITIONAL LEAVE FOR LONG SERVICE RECOGNITION

- 18.1. An employee who was appointed after 1 July 1986 shall qualify for the following additional leave as recognition for long service at the same employer, which shall be only on the date on which the various periods of continuous service have been completed;

After:

10 years of service – 10 working days

15 years of service – 20 working days

20 years of service – 30 working days

25 years of service – 30 working days

30 years of service – 30 working days

35 years of service – 30 working days

40 years of service – 30 working days

45 years of service – 30 working days

- 18.2. The long service recognition leave may be wholly or partially converted to payment on the date on which the employee qualifies for it or at any stage thereafter subject to budget provisions.
- 18.3. When an employee terminates services, long service recognition leave balance does not form part of the overhead maximum of 48 days leave that may be paid out as per the Main Agreement.
- 18.4. Long Service recognition will be pro-rated for employees on termination of service.

19. LEAVE WITHOUT PAY/UNPAID LEAVE

Leave without pay as approved by the Municipal Manager or his delegate, which approval shall not be unreasonably withheld, shall be subject to the following conditions:

- 19.1. Leave without pay shall be granted when all available vacation and/or sick leave has been exhausted. Leave without pay shall also be granted if an employee took leave without his/her Manager's approval even if the employee has accumulated leave days available.
- 19.2. For the period of leave without pay the Employer shall continue to make Employer's contribution only to the employee's Group life insurance scheme, pension and medical aid fund provided that the employee shall be liable for his own contributions to the said funds, as well as payments in terms of a Collective Agreement.
- 19.3. An employee may apply for unpaid leave on the same format that other types of leave are applied for; the reasons for the unpaid leave must be provided on the application.
- 19.4. Unpaid leave more than 20 working days in a leave cycle extends the allocation date for new leave accruals; [Example: Where an employee is appointed on 1st of February, but the employee was absent without payment for the period middle April to middle May for a period of 20 working days, then the employee's date of allocation will be moved to March annually. The service year in this instance will thus run from beginning February to end February the next year, which may sound like a 13-month employment period, but it is not as the employee was absent without pay for one month.]
- 19.5. Unpaid leave must be captured on an employee's leave record and must also be informed to the payroll to ensure that the necessary adjustments to salary payment(s) are made.

20. UNAUTHORISED ABSENCE FROM DUTY

- 20.1. Unauthorised absence from duty shall, without prejudice to the rights of the employer with regard to disciplinary measures against an employee, be deemed to be special leave without payment, unless the Municipality decides otherwise.

21. RESUMPTION OF DUTY BEFORE LEAVE HAS EXPIRED

21.1. Except with the Municipality's approval in terms of delegated authority, an employee shall not resume duties before the leave granted to him/her has expired.

22. LEAVE OF ABSENCE GRANTED IN EXCESS

22.1. When more paid leave of absence that has been granted to an employee inadvertently but in good faith, and been taken by him / her, the leave granted in excess may be deducted from leave which may accrue to him / her or the value thereof may be claimed from him / her, whichever the employee may prefer.

23. TERMINATION OF PERMANENT SERVICE AND RE-EMPLOYMENT

23.1. If a permanent employee whose service is terminated for any reason whatsoever is re-employed, such re-employment shall for leave purposes be regarded as a new appointment.

24. IMPLEMENTATION OF THE POLICY

This policy will be implemented and effective once approved by Council.

25. COMMUNICATION

This policy will be communicated to all Municipal employees using the full range of communication methods available to the municipality.

26. POLICY REVIEW

This policy will be reviewed annually and revised as necessary.

27. PENALTIES

Non-compliance to any of the stipulations contained in this policy will be regarded as misconduct, which will be dealt with in terms of the Disciplinary Code.

28. IMPLEMENTATION AND REVIEW OF POLICY

This policy shall be implemented on 1st July 2023 and shall be reviewed on an annual basis to ensure that is in line with the municipality's strategic objectives and with legislation.



**ORGANISATIONAL AND EMPLOYEE
PERFORMANCE MANAGEMENT
POLICY**

2023/2024

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GLOSSARY OF TERMS

Term	Definition
Assessment:	The measurement of data by means of a scoring process to assess if targets were reached. The term assessment is used within this policy as synonymous to review and appraisal.
Baseline:	Estimate current level or measure of a situation.
Core Competency Requirements (CCR):	Refer to behaviors and skills that are considered core to achieving the key performance areas and ultimately the strategic objectives and key performance areas of the Municipality. It is the culmination of a specific unique set of skills that provide a structured guide enabling the identification, evaluation and development of behaviors in individual employees. These include the values of the organization.
Dispute:	A disagreement that an employee has elected to resolve in terms of applicable legislation and collective agreements (i.e. the 'formal' dispute resolution procedure).
Employee:	A person employed by a Municipality. This includes all managers defined in Section 57(1) (a) (b) of the Municipal Systems Act, No 32 of 2000, employees in the full-time employment and fixed term contract employees in the employment of the City of Polokwane.
Employee Performance Management:	The human resource management process concerned with ensuring the best performance of individuals in an organization to ensure organizational performance. It involves an understanding of what needs to be achieved and then managing and developing people in a way that enables the achievement of Municipal objectives.

Term	Definition
Individual Performance Scorecard:	A Performance Plan/ Scorecard reflects the performance expectations of an incumbent for a specific year and sets out the outcomes and outputs against which performance is expected together with the standard of delivery, reflected as targets.
Key Performance Area (KPA):	A broad area of performance for which the incumbent will be held responsible. It is one of the elements to be reflected in the Performance Scorecard.
Key Performance Indicator (KPI):	Can essentially be described as the performance dimension that is considered key in measuring performance. KPIs refer to programmes, projects or tasks to be undertaken by an employee within a specific time period. It should be defined in respect of each KPA and should be seen as measurable outputs.
Logic Model	A logic model is a tool used to evaluate the effectiveness of a programme/ project. Logic models are usually a graphical depiction of the logical relationships between the resources, activities, outputs and outcomes of a programme/project.
Monitoring and Evaluation	Refers to processes of monitoring a program and evaluating the impact it has on the target population in order to assess the success and gaps in program implementation.
Organizational Performance Management:	Organizational performance management entails the development of priorities aligned to the Municipal strategy inclusive of the development of strategic goals (ultimate outcomes) strategic objectives (intermediate outcomes), strategies/interventions (direct outcomes), projects (outputs), activities/processes (ward plans), performance indicators, baselines and targets. It aims to define and direct performance at an organizational level towards achieving annual targets.
Performance Input:	Resource consumed in business activities and processes, such as money, labour, time, equipment, etc. - measures economy and efficiency.
Performance Management System:	According to S38 of Act 32 of 2000 a Performance Management System must be established by a Municipality to commensurate with its resources, best suited to its circumstances and is in line with the

Term	Definition
	priorities, objectives (outcomes), indicators and targets contained in its Integrated Development Plan (IDP). Its design should direct the behavior of Municipal employees towards achieving the organization's mandate as stipulated in its IDP.
Performance Output:	A description of the level of activity or effort that will be provided over a period of time or by a specific date, including a description of the characteristics and attributes (e.g., timelines) established as standards in the course of conducting the activity or effort.
Target:	Is a standard to which a KPI must be achieved and should be reflected in terms of measures such as time, quality and quantity.
Panel and 180-Degree Assessment:	Refers to a top-down and bottom-up appraisal and feedback system where the performance of an incumbent is assessed by him/herself and his/her peer/s and/or manager/s.
Performance Agreement:	Explains what the employee's responsibilities are in terms of the performance management system.
Personal Development Plan:	A plan that is developed to show what training and development activities are required for each employee.
Rating:	The classification or ranking of something based on a comparative assessment of the quality and standard of performance.
Results/Outcomes Based Management	Is a management approach by which an organization ensures that its processes, products and services contribute to the achievement of clearly stated articulated results/outcomes in its strategy.
Weighting	An indicator of the relative importance of a metric with respect to the other metrics within the same objective.

SECTION A: ORGANIZATIONAL PERFORMANCE

1. INTRODUCTION

The 2001 Municipal Planning and Performance Management Regulations stipulates that a municipality's Performance Management System (PMS) must entail a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the roles of the different role- players.

In line with the said legal requirement this framework is a policy document that will set out the requirements that the Polokwane Municipality's PMS will need to fulfill, the principles that informed its development and subsequent implementation, the preferred performance model of the Municipality, the process by which the system will work, the delegation of responsibilities for different roles in the process and a plan for the implementation of the system.

2. THE LEGISLATIVE FRAMEWORK FOR PERFORMANCE MANAGEMENT

The major PMS policy instruments is the 1998 White Paper on Local Government supported by the Batho Pele principles, which policies was given legal stature through the adoption of the Municipal Systems Act in 2000 (Act 32 of 2000). The said Act requires all municipalities to:

- Develop a performance management system.
- Set targets and monitor and review the performance of the Municipality based on indicators linked to their Integrated Development Plan (IDP).
- Publish an annual performance report on performance of the Municipality forming part of its annual report as per the Municipal Finance Management Act (MFMA).
- Incorporate and report on a set of general (sometimes also referred to as national)

indicators prescribed by the Minister responsible for local government

- Conduct, on a continuous basis, an internal audit of all performance measures
- Have their annual performance report audited by the Auditor-General
- Involve the community in setting indicators and targets and reviewing municipal performance.

The Minister responsible for local government published the Municipal Planning and Performance Management Regulations (2001) in terms of the Municipal Systems Act setting out in detail the requirements for a municipal PMS. The Regulations also contain the general indicators prescribed by the Minister responsible for local government. In 2006 the Minister published a further set of Regulations dealing with Performance Management for Municipal Managers and Managers Directly Accountable to Municipal Managers.

It is also important to note that the MFMA contains various important provisions related to municipal performance management. It requires municipalities to annually adopt a Service Delivery and Budget Implementation Plan (SDBIP) with service delivery targets and performance indicators. Whilst considering and approving the annual budget the Municipality must also set measurable performance targets for each revenue source and vote. The Municipality must lastly compile an annual report, which must include a performance report compiled in terms of the Systems Act. In terms of a circular issued by National Treasury provision is also made for the compilation on an annual basis of departmental SDBIPs.

3. PERFORMANCE MANAGEMENT AND MEASURES AT VARIOUS LEVELS

Performance management can be applied to various levels within any organization. The legislative framework as set out above provides for performance management at various levels in a municipality including organizational (sometimes also referred to as municipal, corporate or strategic) level, departmental (also referred to as services, operational or section/team level) and lastly, individual level.

At organizational level the five-year IDP of a municipality forms the basis for performance management, whilst at operational level the annual SDBIP forms the basis. The IDP is a long-term plan and by its nature the performance measures associated with it will have a long-term

focus, measuring whether a municipality is achieving its IDP objectives. A SDBIP (both for the municipality as a whole and that of a department) is more short-term in nature and the measures set in terms of the SDBIP, reviewing the progress made with implementing the current budget and achieving annual service delivery targets.

The measures set for the Municipality at organizational level is captured in an organizational scorecard structured in terms of the preferred performance management model of the Municipality.

By cascading performance measures from organizational to departmental level, both the IDP and the SDBIP, forms the link to individual performance management. This ensures that performance management at the various levels relate to one another which is a requirement of the 2001 Municipal Planning and Performance Regulations. The MFMA specifically requires that the annual performance agreements of managers must be linked to the SDBIP of a municipality and the measurable performance objectives approved with the budget.

4. OBJECTIVES OF THE PERFORMANCE MANAGEMENT SYSTEM

As indicated in the previous chapter the Municipality's PMS is the primary mechanism to monitor, review and improve the implementation of its IDP and to gauge the progress made in achieving the objectives as set out in the IDP.

In doing so, it should fulfill the following functions:

- ***Facilitate increased accountability***
The performance management system should provide a mechanism for ensuring increased accountability between the local community, politicians, the Municipal Council and the municipal management team.
- ***Facilitate learning and improvement***
The PMS should facilitate learning in order to enable the Municipality to improve delivery.
- ***Provide early warning signals***

It is important that the system ensure decision-makers are timeously informed of performance related risks, so that they can facilitate intervention, if necessary.

- ***Facilitate decision-making***

The performance management system should provide appropriate management information that will allow efficient, effective and informed decision-making, particularly on the allocation of resources.

The functions listed above are not exhaustive, but sum arise the intended benefits of the system. These intended functions should be used to evaluate and review the performance management system on a regular basis (see chapter 9).

5. PRINCIPLES GOVERNING THE PMS OF POLOKWANE MUNICIPALITY

The following principles guided the process of developing a performance management system for the Polokwane Municipality:

- *Simplicity* so as to facilitate implementation given any current capacity constraints,
- *Politically acceptable* to all political role players,
- *Administratively managed* in terms of its day-to-day implementation,
- *Implementable* within any current resource constraints,
- *Transparency and accountability* both in terms of developing and implementing the system,
- *Efficient and sustainable* in terms of the ongoing implementation and use of the system,
- *Public participation* in terms of granting citizens their constitutional right to participate in the process,
- *Integration* of the PMS with the other management processes within the Municipality,
- *Objectivity* based on credible information and lastly,
- *Reliability* of the information provided on the progress in achieving the objectives as set out in its IDP.

6. PREFERRED PERFORMANCE MANAGEMENT MODEL FOR POLOKWANE MUNICIPALITY

A performance management model can be defined as the grouping together of performance indicators, sometimes based on the type of indicator, into logical categories or groups (often called perspectives), as a means to enhance the ability of an organization to manage and analyze its performance. As such a model provides a common framework for what aspects of performance is going to be measured and managed. It further ensures that a balanced set of measures are employed that are not relying on only one facet of performance and therefore not presenting a holistic assessment of the performance of an organization.

A number of performance models are available and any of them could be applied by the Municipality. The available models include the Municipal Scorecard, Balanced Scorecard and the Key Performance Area Model. The Municipality has chosen the Key Performance model. In the said model all indicators are grouped together as per the National Key Performance Areas as per the Municipal Systems Act that is aligned to Polokwane IDP. The said Model therefore enables the Municipality to assess its performance based on the national and its own local key performance areas. With regards to the national key performance areas the Polokwane Municipality added two of their own namely environmental management and social development as they felt that these two areas were not adequately covered by the national key performance areas.

7. THE PROCESS OF MANAGING PERFORMANCE

The annual process of managing performance at organizational level in the Polokwane Municipality involves the steps as set out in the diagram below:



The following table spells out in more detail the role of all relevant role players in the above steps:

Stakeholders	Performance Planning	Measurement and Analysis	Performance Reporting and Reviews
<i>Citizens and Communities</i>	<ul style="list-style-type: none"> • Be consulted on needs • Develop the long term vision for the area • Influence the identification of priorities • Influence the 		Be given the opportunity to review municipal performance and suggest new indicators and targets

Stakeholders	Performance Planning	Measurement and Analysis	Performance Reporting and Reviews
	<p>choice of indicators and setting of targets</p>		
<i>Council</i>	<ul style="list-style-type: none"> • Facilitate the development of a long-term vision. • Develop strategies to achieve vision • Identify priorities • Adopt indicators and set targets 		<p>Review municipal performance annually</p>
<i>Mayoral Committee, Portfolio Committee and the IDP Steering Committee</i>	<ul style="list-style-type: none"> • Play the leading role in giving strategic direction and developing strategies and policies for the organization • Manage the development of an IDP • Approve and adopt indicators and set targets • Communicate the plan to other 		<p>Conduct the major reviews of municipal performance, determining where goals had or had not been met, what the causal reasons were and to adopt response strategies</p>

Stakeholders	Performance Planning	Measurement and Analysis	Performance Reporting and Reviews
	stakeholders		
<i>Municipal Manager and Directors (Senior Managers)</i>	Assist the Executive Committee in <ul style="list-style-type: none"> • providing strategic direction and developing strategies and policies for the organization • Manage the development of the IDP • Ensure that the plan is integrated • Identify and propose indicators and targets • Communicate the plan to other stakeholders 	<ul style="list-style-type: none"> • Regularly monitor the implementation of the IDP, identifying risks early • Ensure that regular monitoring (measurement, analysis and reporting) is happening in the organization • Intervene in performance problems on a daily operational basis 	<ul style="list-style-type: none"> • Conduct regular reviews of performance • Ensure that performance reviews at the political level are organized • Ensure the availability of information • Propose response strategies to the Executive Committee
<i>SBU Managers</i>	<ul style="list-style-type: none"> • Develop service plans for integration with other sectors within the 	<ul style="list-style-type: none"> • Measure performance according to agreed indicators, analyze and 	<ul style="list-style-type: none"> • Conduct reviews of service performance against plan

Stakeholders	Performance Planning	Measurement and Analysis	Performance Reporting and Reviews
	strategy of the organization	report regularly <ul style="list-style-type: none"> • Manage implementation and intervene where necessary • Inform decision-makers of risks to service delivery timeously 	before other reviews

The balance of this chapter looks at each of the steps in more detail and how they will unfold in the process of managing performance in the Municipality. Although the steps and what follow relates mainly to performance management at organizational level, the principles and approaches are also applied to performance management at departmental level.

Performance Planning

The performance of Polokwane Municipality is to be managed in terms of its IDP and the process of compiling an IDP and the annual review thereof therefore constitutes the process of planning for performance. It should be noted that the last component of the cycle is that of performance review and the outcome of such a review process must inform the next cycle of IDP compilation/review by focusing the planning processes on those areas in which the Municipality has under-performed.

Performance Monitoring

Performance monitoring is an ongoing process by which the Manager accountable for a specific indicator as set out in the organizational scorecard (and a service delivery target contained in a SDBIP) continuously monitors current performance against targets set. The aim of the monitoring

process is to take appropriate and immediate interim (or preliminary) action where the indication is that a target is not going to be met by the time that the formal process of performance measurement, analysis, reporting and review is due

In the instance of Polokwane Municipality organisational performance is monitored on quarterly basis to the Mayoral Committee. Performance monitoring requires that in between the said formal cycle of performance measurement appropriate action be taken should it become evident that a specific performance target is not going to be met. At least on a monthly basis Senior Managers and SBU Managers needs to track performance trends against targets for those indicators that lie within their area of accountability of their respective Departments as a means to early on identify performance related problems and take appropriate remedial action.

Further each SBU Manager must delegate to the direct line official the responsibility to monitor the performance for his/her sector. Such line officials are best placed given their understanding of their sector monitor on a regular basis whether targets are being met currently or will be met in future, what the contributing factors are to the level of performance and what interim remedial action needs to be undertaken.

Performance Measurement

Performance measurement refers to the formal process of collecting and capturing performance data to enable reporting to take place for each key performance indicator and against the target set for such indicator. Polokwane Municipality have automated performance monitoring of the organisational scorecard (SDBIP), SBU Managers are given specific access to the reporting system. The SBU Managers are responsible for reporting on each indicator and the senior managers for the respective directorates are accountable for the overall monitoring of their directorate performance.

The SBU Managers will, when performance measurement is due, have to collect and collate the necessary performance data or information and capture the result against the target for the period

concerned on the organizational scorecard and relevant SDBIP scorecard and report the result to the automated performance reporting system.

Performance Analysis

Performance analysis involves the process of making sense of measurements. It requires interpretation of the measurements as conducted in terms of the previous step to determine whether targets have been met and exceeded and to project whether future targets will be met or not. Where targets have not been met performance analysis requires that the reasons therefore should be examined and corrective action recommended. Where targets have been met or exceeded, the key factors that resulted in such success should be documented and shared so as to ensure organizational learning.

In practice the aforementioned entails that SBU Managers and Senior Managers are responsible for each indicator will have to, after capturing the performance data against targets on the organizational or departmental scorecards, analyze the underlying reasons why a target has/has not been met and capture a summary of his/her findings on the scorecard. The SBU Manager will thereafter have to compile a draft recommendation in terms of the corrective action proposed in instances where a target has not been achieved and also capture this on the relevant scorecard. Provision has been made on the reporting format of the organizational and SDBIP scorecards to capture both the 'reason for the performance challenges (in other words the results of the analysis undertaken) and the 'corrective action' proposed.

The organizational and SDBIP scorecards as completed must then be submitted to a formal meeting of the senior management team for further analysis and consideration of the draft recommendations as captured by the relevant Managers. This level of analysis should examine performance across the organization in terms of all its priorities with the aim to reveal and capture whether any broader organizational factors are limiting the ability to meet any performance targets in addition those aspects already captured by the relevant SBU Manager.

The analysis of the organizational and SDBIP scorecards by senior management should also ensure that quality performance reports are submitted to the Mayoral Committee through the Portfolio Committee Governance and Administration; and that adequate response strategies are proposed in cases of poor performance. Only once senior management has considered the

scorecards, agreed to the analyses undertaken and captured therein and have reached consensus on the corrective action as proposed, can the organizational and SDBIP scorecards be submitted to the Mayoral Committee for consideration and review.

Performance Reporting and Review

The next two steps in the process of performance management namely that of performance reporting and performance review will be dealt with at the same time. This section is further divided into three sections dealing with the requirements for in-year versus annual reporting and reviews respectively and lastly a summary is provided of the various reporting requirements.

In-year Performance Reporting and Review

The submission of the scorecards to the Mayoral Committee for consideration and review of the performance of the Municipality as a whole is the next step in the process. The first such report is a major milestone in the implementation of PMS and it marks the beginning of what should become a regular event namely using the performance report as a tool to review the Municipality's performance and to make important political and management decisions on how to improve.

The organizational and SDBIP scorecards be submitted to the Mayoral Committee for consideration and review on a quarterly basis. ***The reporting should therefore take place in October (or the period July to end of September - quarter 1 of the financial year), January (for the period October to the end of December - quarter 2), April (for the period January to the end of March - quarter 3) and July (for the period April to the end of June - quarter 4).***

The review in January will coincide with the mid-year performance assessment as per section 72 of the MFMA. The said section determines that the accounting officer must by 25 January of each year assess the performance of the municipality and report to the Council on inter alia its service delivery performance during the first half of the financial year and the service delivery targets and performance indicators as set out in its SDBIP.

Performance review is the process where the management of Polokwane Municipality, after the performance of the municipality have been measured and reported, reviews the results and decide on appropriate action. The Mayoral Committee in reviewing the municipal scorecards submitted to it will have to ensure that targets committed to in the scorecard have been met, where they have not, that satisfactory and sufficient reasons have been provided by senior

management and that the corrective action being proposed are sufficient to address the reasons for poor performance. If satisfied with the corrective action as proposed this must be adopted as formal resolutions of Council.

Annual Performance Reporting and Review

On an annual basis a comprehensive report on the performance of Polokwane Municipality needs to be compiled. The requirements for the compilation, consideration and review of such an annual report are set out in chapter 12 of the MFMA. In summary it requires that:

- All municipalities for each financial year compile an annual report
- The annual report be tabled within seven months after end of the financial year
- The annual report immediately after it has been tabled and made public and that the local community be invited to submit representations thereon
- The municipal Council consider the annual report within nine months after the end of the financial year and adopt an oversight report containing the council's comments on the annual report
- The oversight report as adopted be made public
- The annual report as tabled and the Council's oversight report be forwarded to the Auditor-General, the Provincial Treasury and the department responsible for local government in the Province
- The annual report as tabled and the Council's oversight report be submitted to the Provincial legislature.

The oversight report to be adopted provides the opportunity for full Council to review the performance of the Municipality. The requirement that the annual report once tabled and the oversight report be made public similarly provides the mechanism for the general public to review the performance of the Municipality. It is however proposed that in an effort to assist the public in the process and subject to the availability of funding, a user- friendly citizens' report be produced in addition to the annual report for public consumption. The citizens' report should be a simple, easily readable and attractive document that translates the annual report for public consumption.

Annually a public hearing (MPAC hearing on the annual report) that involve the citizens of Polokwane Municipality must be held. The hearing must review the municipal performance over

and above the legal requirements of the Municipal Systems Act and the MFMA. Such a campaign could involve all or any combination of the following methodologies:

- Various forms of media including radio, newspapers and billboards should be used to convey the annual report.
- The public should be invited to submit comments on the annual report via telephone, fax and email.
- Public hearings could be held in a variety of locations to obtain input of the annual report.
- Making use of existing structures such as ward and/or development committees to disseminate the annual report and invite comments.
- Hosting a number of public meetings and road shows where the annual report could be discussed and input invited.
- Posting the annual report on the council website and inviting input

Lastly, the performance report of Polokwane Municipality is only one element of the annual report and to ensure that the outcome thereof timeously inform the next cycle of performance planning in terms of an IDP compilation/review process, the annual performance report be compiled and completed as soon after the end of a financial year as possible but ideally not later than two months after financial-year end.

Summary of Various Performance Reporting Requirements

The following table, derived from both the legislative framework for performance management and this PMS Policy, summarizes for ease of reference and understanding the various performance reporting deadlines as it applies to Polokwane Municipality:

Report	Frequency	Submitted for consideration and/or review to	Remarks
SDBIPs	Quarterly	Mayoral Committee	See MFMA Circular 13 of National Treasury for further information
Monthly budget statements	Monthly	Executive Mayor (in consultation)	See sections 71 and 54

Report	Frequency	Submitted for consideration and/or review to	Remarks
		with Mayoral Committee)	of the MFMA
Organizational Scorecard (Quarterly Institutional Performance Report)	Quarterly	Mayoral Committee	This PMS Policy (see section 7.5.1 above)
Performance report	Annually	Council	See section 46 of the Municipal Systems Act as amended. Said report to form part of the annual report (see 7 below)
Annual report	Annually	Council	See chapter 12 of the MFMA

8. THE AUDITING OF PERFORMANCE MEASURES

The role of Internal Audit In -terms of Performance Management

The MFMA requires that Polokwane Municipality must establish Internal Audit section which service could be outsourced depending on its resources and specific requirements. Section 45 of the Municipal Systems Act stipulates that the results of the Municipality's performance measures must be audited by the said internal audit section as part of the internal auditing process and annually by the Auditor-General.

The Municipal Planning and Performance Management Regulations of 2001 stipulates that Internal Audit section must on a continuous basis audit all performance and the auditing must include an assessment of the following:

- (i) The *functionality* of the municipality's performance management system.
- (ii) Whether the municipality's performance management system *complies* with the Act.
- (iii) The extent to which the municipality's performance measurements are *reliable* in measuring the performance of municipalities by making indicators.

Each of the aforementioned aspects will now be looked at briefly.

- **Functionality**

To function could be defined as a proper or expected activity or duty or to perform or operate as expected (Chambers Handy Dictionary). This could also be applied to the operation of any system such a PMS. The internal Audit section must therefore on a regular basis audit whether the PMS of Polokwane Municipality is functioning as developed and described in this Policy.

- **Compliance**

To comply can be defined as to act in the way that someone else has commanded or wished (Chambers Handy Dictionary). In this respect it is clear that the legislature wishes to ensure that the Polokwane Municipality's PMS complies strictly with the requirements of the Systems Act, Regulations and the MFMA. This compliance check would require that the Municipality's Internal Audit Unit, at least on an annual basis, verifies that the Municipality's PMS complies with the said legal requirements.

- **Reliability**

To rely could be defined as to trust or depend (upon) with confidence. Reliability in the context of PMS refers to the extent to which any performance measures reported upon could be seen as being reliable, e.g. if the performance target was to build 500 houses and it is reported that the target has been met or exceeded, it must be established whether the information is factually correct or only an estimation or even worse, purposeful misrepresentation. Undertaking a reliability audit will entail the continuous verification of performance measures and targets reported upon. This will require that Polokwane Municipality place a proper

information management system (electronically or otherwise) so that the internal audit section is able to access information regularly and to verify its correctness.

The Polokwane Municipality's Internal Auditors must submit quarterly reports on the audits undertaken to the Municipal Manager and the Audit Committee.

Audit Committee

The MFMA and the Municipal Planning and Performance Management Regulations require that the municipal council establish an audit committee consisting of a minimum of three members, where the majority of members are not employees of Polokwane municipality. No Councilor may be a member of an audit committee. Council shall also appoint a chairperson who is not an employee.

The Regulations gives municipalities the option to establish a separate performance audit committee whereas the MFMA provides only for a single audit committee. The operation of this audit committee when dealing with performance management is governed by section 14 (2-3) of the Regulations which require that the audit committee must:

- review the quarterly reports submitted to it by the internal audit unit.
- review the municipality's PMS and make recommendations in this regard to the Council of the Municipality.
- at least twice during a financial year submit an audit report to the municipal Council.

In order to fulfill their function a performance audit committee may, according to the MFMA and the Regulations,

- Communicate directly with the council, municipal manager or the internal; and external auditors of the municipality concerned;
- Access any municipal records containing information that is needed to perform its duties or exercise its powers;
- Request any relevant person to attend any of its meetings, and, if necessary, to provide information requested by the committee; and
- Investigate any matter it deems necessary for the performance of its duties and the exercise of its powers.

The council of Polokwane Municipality has an Audit Committee, which performs the audit function of performance. The audit committee has been established in terms of the MFMA and is in line with the provisions of the Local Government: Planning and Performance Regulations of 2001.

Performance Investigations

The Audit Committee should also be able to commission in-depth performance investigations where there is either continued poor performance, a lack of reliability in the information being provided or on a random ad-hoc basis. The performance investigations should assess:

- The reliability of reported information
- The extent of performance gaps from targets
- The reasons for performance gaps
- Corrective action and improvement strategies

While the Internal Audit unit may be used to conduct these investigations, it is preferable that external service providers, who are experts in the area to be investigated, should be used. Clear terms of reference will need to be adopted by the Council for each such investigation.

9. GENERAL ISSUES RELATING TO PERFORMANCE MANAGEMENT

The following is some general issues related to performance management that needs to be taken into consideration in implementing the PMS of Polokwane Municipality:

Annual Review of the Performance Management System

One of the functions of the audit committee is to on at least an annual basis, review the PMS of the Municipality. It is envisaged that after the full cycle of the annual review and reporting is complete and the audit committee has met as required; the Internal Audit unit will compile a comprehensive assessment/review report on whether the Municipality's PMS meets the system objectives and principles as set out in this Policy and whether the system complies with the Systems Act, PMS Regulations and the MFMA. This report then needs to be considered by the

audit committee and any recommendations on amendments or improvements to be made to the PMS, submitted to Council for consideration.

The Municipal Systems Act requires the Municipality also annually evaluate its PMS. The review undertaken by the audit committee and its recommendations could serve as input into this wider municipal review of the PMS and it is proposed that after the full cycle of the annual review is complete; the Municipal Manager will initiate an evaluation report, taking into account the input provided by departments. The report will then be discussed by the Executive Management and finally submitted to the Committees for discussion and approval.

Integrating PMS with the Council's Existing Management Cycle

International best practice indicates that PMS stand the best chance to succeed if it is integrated with the current management cycle of the Municipality. The purpose of such a cycle would be to guide the integration of important processes such as the strategic planning or development process in terms of the IDP methodology, the annual budget process and the formal process of evaluating and assessing Council's performance in terms of the approved PMS.

Institutional Arrangements

The implementation of the PMS in terms of this Policy would require co-ordination and it is recommended that at organizational level this be the task of the Manager PMS responsible for the PMS function in the municipality. This doesn't mean that it is the responsibility of the PMS Manager to measure, analyze and report on performance but only to ensure that this happens and that material collated and available for analyses and review as per this Policy on behalf of the Municipal Manager.

At an individual level the responsibility for co-ordination, administration and record keeping should be the responsibility of the Manager responsible for human resource management.

The Municipality also needs to ensure that its internal audit section is capacitated to deal with the additional responsibilities it has in terms of performance management over and above its traditional financial audit responsibilities.

10. STANDARD OPERATING PROCEDURE

Policies and procedures describe the generalized view of a job without getting into the major specifics, and often remain the same within a department or across the municipality as a whole. These often govern who does what on the job. Standard operating procedures get down to specifics of how a task is to be accomplished. SOPs work to fulfill policy and procedures.

SOPs look more toward standardized ways to get work done, while policies and procedures allow more room for a worker to improvise. Because of this, policies and procedures create more likelihood of a standardized product or service, but SOPs insure that a product or service comes out the same way every time. In order for Polokwane Municipality to ensure that performance management is standard, a Performance Management Standard Operating Procedure must be developed and implemented across all the directorates. The SOP will be signed off by the accounting officer and will be reviewed on regularly basis and also when there a material changes in the performance management environment of the municipality.

11. TECHNICAL INDICATOR DESCRIPTION MANUAL

Polokwane Municipality must develop the Technical Indicator Description Manual for each indicator that appears in the institutional/municipal scored as captured in the Top-Layer Service Delivery and Implementation Plan. The purpose of the Technical Indicator Description Manual is to explain how the collection, calculation and interpretation of the data of each indicator is to be done. The Technical Indicator Description Manual must be aligned to the Top-Layer SDBIP and must have same indicator reference number and should reflect the financial year that the indicators are applicable to be measured.

The table below reflects the format of the Technical Indicator Description Manual:

Indicator Number/SDB IP Number	Indicator Title	Short Definition	Purpose of the Indicator	Source/collection of data	Method of calculation	Data limitation	Type of Indicator	Reporting Cycle	Indicator Responsible Person/Directorate
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12. INFORMATION TECHNOLOGY TOOLS FOR PERFORMANCE MANAGEMENT (AUTOMATED PERFORMANCE MANAGEMENT SYSTEM)

Technology is being used in almost every organization to accomplish specific tasks. Technology has changed the way we work and it simplifies the way employees accomplish specific tasks at work. Every year new technology is integrated in different workplaces with a great aim of improving working processes, systems and procedures. Recently, there are noticeable developments in the performance management environment in the form of automation. Polokwane Municipality took advantage of the IT development in the PMS environment. The municipality has automated PMS in 2016 from manual. Performance monitoring, measuring and evaluation is now done using automation. Automation is able to capture performance information, store performance information, review performance information and generate performance reports. Currently, Polokwane Municipality is utilizing the Lebelela Performance Management System supplied by the Institute for Performance Management company. The system description is provided and supplied by the service provider. The Lebelela Performance Management System complies the Polokwane Municipality's IT Policies relating to IT Systems.

13. CONCLUSION

In conclusion it must be emphasized that there are no definitive solutions to managing municipal performance. The process of implementing a performance management system must be seen as a learning process, where the Municipality must continuously improve the way the system works to fulfill the objectives of the system and address the emerging challenges from a constantly changing environment.

SECTION B: INDIVIDUAL PERFORMANCE

14. PREAMBLE

The implementation of an Organizational Performance Management System necessitates the inclusion of an Employee Performance Management System, so as to ensure that strategic goals (ultimate outcomes) and strategic objectives (intermediate outcomes) of the organization are interpreted and delivered by employees.

The Organizational and Employee Performance Management Policy is applicable to all employees of the City of Polokwane. The legislative environment requires the filtering down of the Performance Management System to employee levels lower than the Municipal Manager and Managers directly accountable to the Municipal Manager. Legislation does not, however, prescribe performance management practices at lower levels. In terms of section 67 of the Municipal Systems Act no 32 of 2000, a municipality, in accordance with applicable law and subject to any applicable collective agreement, must develop and adopt appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration, including (d) the monitoring, measuring and evaluating of performance of staff.

Varied responsibilities and contractual arrangements with individual employees' present obstacles to promoting a unified performance management culture. For this reason the Policy aims to align all performance management practices. Where required, distinction is made between the application of the Policy for Top Management and other Municipal employees. The PMS Policy integrates various legislative and also unique Municipal Management requirements, inclusive of:

- ❖ Labour Relations Act, No 66 of 1995.
- ❖ The Constitution, Act No 108 of 1996.
- ❖ White Paper on New Employment Policy in the Public Sector, 1997.
- ❖ Local Government: Municipal Structures Act No 117 of 1998.
- ❖ Local Government: Municipal Systems Act 32 of 2000; Local Government: Municipal Systems Amendment Act 2003 and Local Government Municipal Systems Amendment Bill, 2010.

- ❖ Municipal Planning and Performance Management Regulations and Guidelines, Notice 7146 of 2001.
- ❖ Local Government: Municipal Finance Management Act No 53 of 2003 and MFMA Regulation 493 of 2007.
- ❖ Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, Regulation 805 of 2006.
- ❖ Government Wide Monitoring and Evaluation Framework.
- ❖ 12 Outcomes of Government with specific emphasis on Outcome 8 and 9.
- ❖ Performance and Delivery Agreements.

15. PURPOSE

The Municipal Systems Act, 32 of 2000 and the Performance Management Regulations of 2001 and 2006 stipulate that Municipalities should develop Performance Management Systems to confirm the intention, implementation, monitoring and review of its Integrated Development Plan's priorities. Alignment between organizational and employee performance management is imperative to ensure the above.

- The purpose of the City of Polokwane Organizational and Employee Performance Management Policy is to regulate the effective implementation of the performance management requirements for employees of the Municipality based on legislative requirements.
- It provides for a mechanism by which management shall give direction regarding the achievement of organizational goals (ultimate outcomes) and objectives (intermediate outcomes).
- It is derived from the Performance Management Framework (2011) of the City of Polokwane – aimed at incorporating organizational and employee performance management. The Policy thus outlines how Polokwane Municipality responds to the requirement of Chapter 6 of the Municipal Systems Act.

16. THE EXPECTED OUTCOME OF THE POLICY

The expected outcome of the application of the Organizational and Employee Performance Management Policy is that:

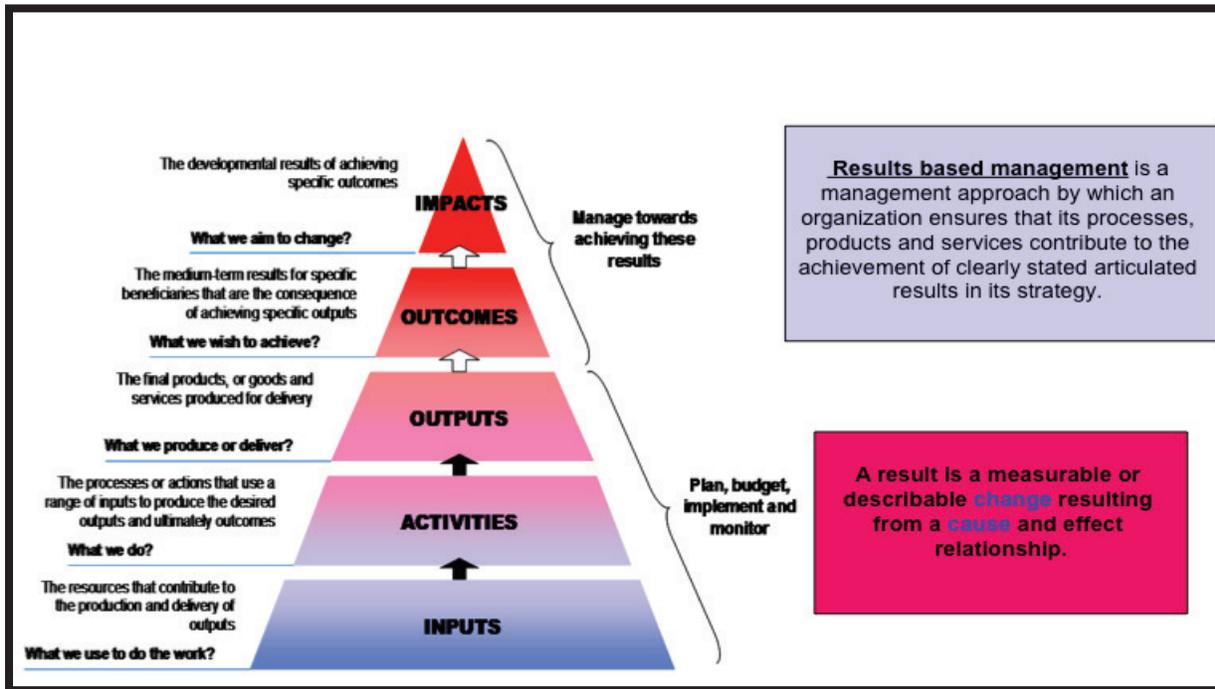
- ✓ The Integrated Development Plan (IDP) will be interpreted in the Organizational, Departmental, Strategic Business Unit Scorecards;
- ✓ Employees of the Municipality will collectively execute their obligation towards the community as expressed in the Integrated Development Plan (IDP) and Organizational, Departmental and Strategic Business Unit Scorecards resulting in the development of Individual Performance Plans/Scorecards annually as interpreted in the Service Delivery Budget Implementation Plan (SDBIP) and Lower Service Delivery Budget Implementation Plan (LSDBIP); and
- ✓ Employees will gain an understanding of how they can contribute towards the attainment of the vision, mission, priorities, strategic goals (ultimate outcomes) and objectives (intermediate outcomes), key performance areas and key performance indicators of the Municipality.

With the above in mind the Policy focuses on describing in broad terms:

- ✓ How employee performance management activities should be planned
- ✓ How cascading to all levels will promote accountability and improved individual employee performance
- ✓ How to collect process and report on performance information.
- ✓ How employees must be actively involved in the management of their own performance in an accountable manner
- ✓ How incentives and rewards should be structured
- ✓ How to take practical steps to improve on performance on the basis of information obtained

City of Polokwane has adopted Results/Outcomes Based Management as their planning methodology aligned to Government Wide Monitoring and Evaluation Framework. The methodology utilizes the logic model to articulate the results to be achieved. The model promotes cascading of performance at all levels. See Figure 1 below:

Figure 1: The Logic Model



17. SCOPE OF APPLICATION

This policy is applicable to all employees of Polokwane Municipality. More specifically, this policy shall be applicable to following categories of employees:

- ✓ Employees referred to in the Municipal Systems Act as Section 57 Employees i.e. the Municipal Manager and the managers reporting directly to the Municipal Manager;
- ✓ Employees who are permanent employees of the Municipality and fall within the ambit of the Local Government Collective Bargaining Council; and
- ✓ Employees who are employed by the Municipality on fixed term contracts and fall outside of the Local Government Collective Bargaining Council.

18. OBLIGATIONS OF THE EMPLOYER

The employer shall:

- ✓ Create an enabling environment to facilitate effective performance by the employee.
- ✓ Provide access to skills development and capacity building opportunities.
- ✓ Work collaboratively with the Employee to solve problems and generate solutions to common problems that may impact on the performance of the employee.
- ✓ On the request of the employee delegate such powers reasonably required by the Employee to enable him/her to meet the performance objectives and targets established in terms of this agreement.

19. DEFINITION OF EMPLOYEE PERFORMANCE MANAGEMENT

Employee Performance Management may be defined as the process of creating a work environment in which employees are enabled to perform to the best of their abilities, so as to ensure the achievement of organizational goals (ultimate outcomes) and objectives (intermediate outcomes). It is a continuous process of clarifying job responsibilities, priorities and performance expectations to ensure optimum performance. It is one of the key processes that, when effectively carried out, helps employees understand their contribution towards organizational performance achievements.

Employee performance management therefore culminates in a methodology of cascading and integration between organizational, departmental, business unit and employee performance. It includes clarifying expectations, setting outputs and targets, providing feedback and evaluating results. Employee performance management involves a planned process that provides the opportunity for both the manager/supervisor and employee to identify, focus on and review the intended contributions towards the achievement of the mission and strategic goals (ultimate outcomes) of the organization. It establishes a shared understanding about what is to be achieved and how it is to be achieved. It is an approach to manage people to increase the probability of achieving success.

20. OBJECTIVES OF THE ORGANISATIONAL AND EMPLOYEE PERFORMANCE MANAGEMENT SYSTEM

The overall objective of implementing and sustaining effective employee performance management is to build human capital at strategic and operational levels throughout the Municipality. To achieve this objective an Organizational and Employee Performance Management System is implemented to provide administrative simplicity, maintain mutual respect between managers and employees, and add value to day-to-day communication about performance and development issues.

More specifically, the Organizational and Employee Performance Management System focuses on:

- ✓ Ensuring compliance with legislative requirements in terms of performance management.
- ✓ Translating Municipal strategies into individual performance priorities.
- ✓ Aid in the assessment of employee performance against objectives whilst considering the utilization of resources.
- ✓ Allowing employees to become more actively involved in achieving organizational goals (ultimate outcomes) and be accountable for their own performance by instilling a performance-oriented culture.
- ✓ Drive organizational values, culture and desired leadership behavior through rewarding these elements.
- ✓ Promote a clear work ethic, customer orientation and a culture of professionalism, accountability and delivery.
- ✓ Build human capital at strategic and operational levels throughout the City of Polokwane in line with the mission of the Municipality.

21. PRINCIPLES OF THE ORGANISATIONAL AND EMPLOYEE PERFORMANCE MANAGEMENT SYSTEM

The Performance Management System is founded on the following sound and proven principles:

- ✓ Simplicity
- ✓ Legislative Acceptance
- ✓ Implement ability
- ✓ Transparency and accountability
- ✓ Efficiency and sustainability
- ✓ Community participation
- ✓ Integration
- ✓ Objectivity

22. KEY ROLE-PLAYERS

Various political and administrative structures impact on employee performance. A brief description of the roles of these structures is provided below.

Table 1: Key Role-Players in the Employee Performance Management Process

Role Player	Role
Executive Mayor	The Executive Mayor may assign the management of performance (organizational and employee) to the Municipal Manager. The Mayor is responsible for dispute resolution regarding performance management matters (nature of performance agreement and performance evaluation) of the Municipal Manager and Managers directly accountable to the Municipal Manager.
Municipal Manager	It is the responsibility of the Municipal Manager to ensure the effective and efficient design, development and implementation of an Organizational and Employee Performance Management System. The Municipal Manager will accept overall accountability for service delivery of the agreed performance indicators as stipulated in the IDP and SDBIP of the organization, and will be accountable to the Executive Mayor at agreed intervals. In addition, the Municipal Manager is responsible for ensuring proper monitoring, assessment and review of the Organizational and Employee Performance Management System. The Municipal Manager will delegate responsibility and accountability to Directors and Managers.

Role Player	Role
Directors	<p>Directors are responsible for the effective coordination of employee performance by developing objectives and indicators with employees in such a way that continuous improvement is encouraged. They should enter into the Performance Plans with employees and the delegation process shall be cascaded down to all levels within each Department.</p> <p>Directors are further responsible for using the performance management process to monitor and coach employees; including providing continuous feedback and assessment. Based on assessments, managers are responsible for managing poor performance and recognize and reward good performance.</p>
Individual Employees	<p>Roles and responsibilities of individual employees within the performance management framework include:</p> <ul style="list-style-type: none"> ✓ Taking responsibility for the standard of his/her own performance by improving output quality ✓ Developing and implementing action plans so that set objectives can be achieved ✓ Asking their manager for information, help or advice to assist them in meeting set targets ✓ Making suggestions on how they can improve their performance ✓ Keeping their manager informed about any problems that will negatively affect the achievement of set targets ✓ Keeping their manager informed about how well they are doing in relation to their objectives
Human Resources	<p>The Human Resource Department is to provide guidelines, advice and instruments and will manage quality control of employee performance management efforts. They are also responsible for informing the Municipal Manager on required procedures and structures.</p>
Strategic Planning, Monitoring & Evaluation	<p>The Strategic Planning, Monitoring & Evaluation oversees and provides guidance on the development and implementation of the Municipal Organizational and Employee Performance Management System.</p>

Role Player	Role
	<p>Strategic Planning, Monitoring & Evaluation is the custodian of Performance Management on behalf of Senior Management and has to work closely with the Human Resources Unit which must:</p> <ul style="list-style-type: none"> ✓ Conducting follow-up and evaluation studies within the Municipality including attitude surveys to assess the effectiveness of the Employee Performance Management System ✓ Testing staff morale ✓ Ensuring change management is instilled ✓ Based on the findings, make recommendations to senior management to improve the overall Performance Management System <p>Strategic Planning, Monitoring & Evaluation will further ensure cohesion and alignment between its activities and that of other role-players involved in the employee performance management process and will work closely with the Human Resources Unit.</p>
<p>Assessment/ Evaluation Panel and Moderator</p>	<p>Assessment/Evaluation panels are involved in the assessment of employees' performance. Section 27(4)(d) of Regulation 805 provides details on the Assessment/Evaluation panels to conduct the assessment of the Municipal Manager and Managers directly accountable to the Municipal Manager.</p> <p>Assessment/Evaluation panels comprising of the manager of an employee, a peer and employees reporting to the employee, are to be created in cases where employees on other management levels are assessed.</p> <p>A 180° assessment process is to be followed for all other employees, implying the involvement of the employee and his/her direct manager in the assessment process.</p> <p>The Assessment/Evaluation Panel is chaired by the Moderator who is responsible for moderating the assessment process. The Moderator is also responsible for resolving any disagreements that may arise between managers and incumbents. Together with the rest of the Assessment/Evaluation Panel,</p>

Role Player	Role
	<p>moderators are responsible for recommending appropriate rewards and incentive schemes for excellent performance.</p>
<p>Internal Audit</p>	<p>Internal Audit is responsible for conducting an independent evaluation of performance assessments. To this effect Internal Audit members may sit in during a number of employee assessments as an observing member to validate the information included in employee Portfolio of Evidence (PoE). Due to the scope of assessments to be conducted, the Internal Audit may not be able to attend all employee assessments, but should attend a dedicated number per level.</p> <p>The Internal Audit is responsible for reviewing performance evidence and quality assurance. They should also actively participate in the final review sessions and approval of incentives with the Performance Audit and Remuneration Committee.</p>
<p>Performance Audit and Remuneration Committee</p>	<p>The aim of the Performance Audit and Remuneration Committee is to evaluate and conduct an overall audit of all performance appraisals that were conducted within the Municipality.</p> <p>This includes reviewing the appraisals per manager, level and division to ensure cohesion and the application of similar standards throughout the performance appraisal process.</p> <p>The Performance Audit and Remuneration Committee is a critical body to ensure that confidence can be created in the effectiveness and equity of the Organizational and Employee Performance Management System. This committee is responsible to:</p> <ul style="list-style-type: none"> ✓ Ensure that all legislative and regulatory requirements regarding performance management are fulfilled ✓ Review and ensure the application of organizational performance management policy and strategies aligned to employee strategies and policies ✓ Review the performance of the organization as a whole

Role Player	Role
	<ul style="list-style-type: none"> ✓ Review the performance of the Municipal Manager and direct reports to provide validity to the review process ✓ Review and ensure the application of organizational remuneration policies and strategies ✓ Ensure the payment of fair, competitive and appropriately structured remuneration ✓ Have oversight over the remuneration policies and practices of the organization ✓ Review the findings of the Internal Audit Committee based on documentation made available by this Committee ✓ Approve recommendations of performance bonuses as stipulated by Assessment/Evaluation Panels for the Municipal Manager and Managers directly accountable to the Municipal Manager and to give those through to Council for approval ✓ Review and recommend financial and formal non-financial performance incentives to other employees and provide a report on the matter to the Executive Management for review and approval ✓ Review the performance reward scheme of the Municipality on an annual basis
Audit and Performance Audit Committee	Provide Independent audit on legal compliance. Audit of municipal performance and communicate directly with the Council, Municipal Manager as well as internal and external auditors
Municipal Public Accounts Committee (MPAC)	The role is to provide oversight over the activities of Council as the Municipal Council is vested with both legislative and executive authority. Oversight and accountability helps to ensure that the executive implements programmes and plans in a way consistent with policy, legislation and the dictates of the Constitution.

23. ORGANISATIONAL VS EMPLOYEE PERFORMANCE MANAGEMENT SYSTEM

Human Resources are necessary to ensure that effective services are provided within Municipalities. The organization is therefore in need of effective human resource management practices that can ensure the appropriate deployment, support and accountability of Municipal employees.

Within the Municipal organizational structure the SDBIP and LSDBIP give effect to the annual implementation of the IDP and budget of the Municipality. In developing a credible SDBIP and LSDBIP the Municipality has adopted the Logical Model. During the IDP Strategies Phase, the Municipality develops Organizational, Departmental and Business Units Scorecards which are translated into the SDBIP and LSDBIP. These planning documents provide the bridge between community needs and what must be delivered by Council and Administration through individual performance that must support the vision, mission, goals and objectives of the organization.

In the context of the above, effective employee performance management requires the alignment of employee activities to organizational strategies. The focus should be on results (inputs, activities, outputs) as the preferred approach to employee performance management, as it enables employee efforts to be linked to organizational goals and objectives.

Organizational performance management is divided into four phases, namely:

- ✓ planning/review,
- ✓ monitoring,
- ✓ reporting and
- ✓ Evaluation.

For employee performance management to be aligned to organizational performance management and the process plan, the same phases apply. The application of these phases in line with organizational performance management phases is displayed in the below table.

A cyclical process is followed to ensure effective and efficient employee performance management. A summary of these phases is provided below.

Table 2: Employee Performance Management Phases

Phases	Explanation
<p>Planning/Review:</p>	<p>It encompasses the compilation of Performance Agreements inclusive of Performance and Personal Development Plans.</p> <p>Employee Performance Plans inclusive of the Performance Scorecard should relate back to Municipal goals (Ultimate Outcomes) and objectives Intermediate Outcomes). These planning documents should be used to design the Performance Plan (Performance Scorecard) of Municipal employees. For each individual employee their individual Performance Plans are informed by the priorities and targets set for their managers and their own tasks and accountabilities. This process allows for cascading strategies down to the level of each individual Employee Performance Plan.</p>
<p>Monitoring and Assessment:</p>	<p>This phase relates to the assessment of performance and periodic review of progress to achieve set targets. Employee performance monitoring encompasses a continuous review of the levels and standards of activities performed by an employee.</p> <p>The process of assessment is used to measure performance via data through scoring to determine if targets were met. Performance is therefore assessed against the achievement or non-achievement of targets. Assessment of performance requires employees and managers to look at inputs (resources, financial perspective), activities/processes (functions, service standards perspective), outputs (results, service delivery perspective) and outcomes (impact, customer satisfaction, and growth, quality of life) to determine the impact that an employee made towards the achievement of Municipal service delivery.</p> <p>During the assessment process an overall rating is calculated by using the applicable assessment-rating calculator. The rating is used to</p>

Phases	Explanation
	determine future actions, i.e. under-performance may result in additional coaching/training or disciplinary action, whilst exemplary performance may result in incentives as a reward for excellence.
Reporting and Coaching:	<p>Reporting on findings of the assessment process occurs in this phase. Based on findings, a coaching and/or disciplinary action plan is to be put in place to ensure improvement of performance – where necessary.</p> <p>Coaching/mentoring can be used to change behavior or actions so as to ensure that targets are achieved against set standards. Coaching may be conducted to help an employee to meet or exceed the standards of expected performance. Coaching is a crucial part of the continuous tracking and improving of performance, and provides guidance, feedback and reinforcement of the key results and competencies expected of an employee.</p>
Evaluation and Reward:	<p>Evaluation of the employee performance management process is essential to ensure the validity and reliability of the performance management process. In other words, the purpose of evaluation is to critically evaluate past actions, build on areas of value, eliminate non value adding processes, and use the information gained to make informed decisions to realign employee and organizational goals and objectives. Without continuous evaluation there can be no improvement and development.</p> <p>Annual performance evaluations also involve the provision of rewards in cases where performance exceeded expectations.</p>

Activities within the Employee Performance Management Programme have been divided to collate with the organizational performance management phases. Detail on how these activities are to be executed to ensure effective and efficient employee performance management are provided in more detail throughout the rest of this Policy document.

24. PLANNING AND REVIEW

The planning phase is the first in the performance management cycle and occurs in June of each year. This is a consultative process during which an employee and his/her manager jointly draft the performance agreement/plan based on the goals (ultimate outcomes) and objectives (intermediate outcomes) set out in the IDP and SDBIP of the Municipality.

The process of planning relates to the establishment of performance contracts, performance agreements and performance plans to be used to measure the performance of individual employees. These documents should be linked to the Organizational, Departmental and Business Units Scorecards, IDP, SDBIP and LSDBIP of the Municipality based on the employee level.

25. PERFORMANCE CONTRACTS

Regulation 805 of 2006 states that the Performance Contract of the Municipal Manager and Managers directly accountable to the Municipal Manager is fixed for a specific term of employment not exceeding a period ending two years after the election of the next Council of the Municipality. The Contract must provide for a commencement date as well as a termination date. The Contract should make provision for the cancellation of the contract in case of non-performance compliance or due to medical incapacity.

All contracts are subject to the terms of conditions stipulated in Section 55 of the Municipal Systems Act (2000) as well as all related stipulations within the Municipal Finance Management Act (MFMA) (2003). In addition to the above, employment in terms of the Employment Contract is subject to:

- ✓ The signing of a separate Performance Agreement within ninety (90) calendar days after assumption of duty and annually within one month after the commencement of the new financial year.
- ✓ The submission of original or certified copies of academic and professional qualifications and proof of previous employment.
- ✓ The signing of the code of conduct as stipulated in Schedule 2 of the Municipal Systems Act.

- ✓ The disclosure of all financial interest on the date of assumption of duty and annually within one month after commencement of the financial year (June).

The signing of Performance Contracts is not applicable to other employees in the employment of the City of Polokwane.

26. PERFORMANCE AGREEMENTS

Applicable to the Municipal Manager and Managers directly accountable to the Municipal Manager, Chapter 3 of Regulation 805 provides specific detail on the Performance Agreements for Municipal Managers and Managers directly accountable to Municipal Managers. In addition the Municipal Systems Act (MSA), Section 57 (1)(b) and (2)(a) states that Performance Agreements of the applicable managers are concluded annually and within one month after the beginning of the new financial year.

According to Sections 23(2) and 25(1) (2) of Regulation 805, the Performance Agreement must include performance objectives and targets appropriate to their respective area of responsibility and aligned to the SDBIP. Performance Agreements are to be used as the basis for assessing whether the employee has met the performance expectations applicable to his/her job. The Performance Agreement should therefore include detail on monitoring and measurement requirements against set targeted outputs. Performance assessments should specify objectives and targets defined and agreed upon, and be used as the basis for assessing whether the Municipal Manager or Manager directly accountable to the Municipal Manager has met the performance expectation applicable to his/her job. Annexure to the Performance Agreement should include a Performance Plan as well as a Personal Development Plan.

The contents of the Performance Agreement of the Municipal Manager and Managers directly accountable to the Municipal Manager must be made available to the public in accordance with Section 75 of the MFMA and Section 57 of the MSA. The respective Employment Contract and the Performance Agreement must be submitted by the Municipal Manager to the MEC (Section 4(c) of Regulation 805) responsible for Local Government in the relevant Province as well as the National Minister responsible for Local Government within fourteen (14) days after concluding the Employment Contract and the Performance Agreement.

27. PERFORMANCE PLANS

An effective and efficient Organizational and Employee Performance Management System requires the development and agreement of similar documents and actions as those of the Municipal Manager and Managers directly accountable to the Municipal Manager with the main difference relating to the signing of a Performance Contract and Performance Agreement as legislatively required. A Performance Plan must therefore be completed for each Municipal employee.

The aim of a Performance Plan is to set out specific accountabilities that the Municipal employee will be responsible for. In the case of the Municipal Manager and Managers directly accountable to the Municipal Manager the Performance Plan forms an annexure to the Performance Agreement. In the case of other employees within the Municipality a similar Performance Plan is to be compiled so as to ensure cascading of Municipal goals (ultimate outcomes) and objectives (intermediate outcomes) to individual employee levels. The Performance Plan must be conducted within a reasonable time after an employee has been appointed and thereafter within one month after the beginning of the financial year of the Municipality.

The Performance Plan of the Municipal Manager forms the basis of Performance Plans for the next reporting level. The Performance Plans of respective managers are to be used to compile Performance Plans of employees reporting to them. Objectives and targets must be identified, discussed and agreed with each individual employee.

The criteria upon which the performance of the Municipal Manager and Managers directly accountable to the Municipal Manager should be assessed consist of two components carrying a weighting of 80:20. Eighty percent (80%) is to be allocated to the Key Performance Areas (KPA's) and twenty percent (20%) to the Core Competency Requirements (CCRs) including Municipal Values. Each area of assessment must be weighted and contribute a specific part to the total score.

Similar components are used to assess the performance of other employees. In the case of other employees, the weighting should be adapted to 70:30 for employees up to level seven and 60:40 for levels eight and lower where the allocated weighting for KPA's is 70%/60% and CCRs

30%/40%. This criterion split is determined by the core focus of an employee's job in relation to the delivery on performance objectives.

28. PERFORMANCE SCORECARD AS PART OF THE PERFORMANCE PLAN

The development of a scorecard included in the Performance Plan is required to set specific accountabilities and standards upon which performance is to be executed and assessed. Information included in the scorecard of the Performance Plan should align to organizational goals (ultimate outcomes), objectives (intermediate outcomes), indicators and targets.

An example of such a scorecard is provided below.

Table 3: Performance Plan / Scorecard Example

Performance Scorecard								
Employee Name: Employee Number:								
Job Title: Directorate/Department:								
Manager: Date (Financial Year):								
Position Purpose:								
Achievement of KPA's – 80%/70%/60% of total Score								
KPA	Weight	KPI	Weight	Baseline	Target	Evidence	Rating	Notes
	100		100					
Achievement of CCRs – 20%/30%/40% of total Score								
Description					Weighting		Total	Notes
					100			
Employee Signature:					Manager Signature:		Date:	
By signing this Performance Scorecard the manager and employee indicates their full understanding of, and agreement with the contents of this scorecard.								

The identification of KPAs and associated KPIs to be incorporated in the scorecard of the Performance Plan is a joint process between the employee and his/her manager. The dual identification of KPAs and KPIs are required to ensure alignment between organizational and employee performance management. Each employee's KPAs and KPIs must reflect critical organizational targets that fall within their manager's span of control and responsibility. Each

employee must assume responsibility for those organizational KPAs and KPIs which fall within his/her span of control.

Once identified, it is the responsibility of each employee to draft his/her initial scorecard. This responsibility is assigned to each employee to ensure that they feel empowered by the Performance Management System as they are in control of their own performance plan and expectations. Employees will therefore buy into, agree with and understand the content of the Performance Plan. To be effective Performance Plans must be simple and manageable.

KPAs of an employee should be categorized from most to least important, based on those that have the most strategic importance in each year's annual performance cycle. Those KPAs that are most critical from a strategic perspective must be singled out. Of all the KPAs on the scorecard only between two and four should be seen as strategically important and should be identified as such. Higher weightings should be assigned to these.

KPAs must thus be prioritized from most to least important with the highest weighting allocated to the most important KPAs. During the allocation of weighting the sum of all KPAs with associated KPIs on each individual Performance Scorecard must be 100 points. It is recommended that the minimum weighting per KPA be 10 and the maximum 50. The purpose of the weighting is to show employees what the key focus areas are in the work that they must complete.

To ensure that KPAs and KPIs result in a clear understanding of what is required of each employee, the scorecard included in the Performance plan must provide information related to the following:

- ✓ Specify how much work must be completed within a certain period of time
- ✓ Describe how well the work must be done, specifying the accuracy, precision, appearance or effectiveness of the work
- ✓ Determine by when or within what period the work is to be completed
- ✓ Address the outcome (direct, intermediate, ultimate) to be obtained
- ✓ Describe the requirements, policy, procedure or rule for accomplishing the work

To achieve the above, it is recommended that KPIs be formulated according to the SMART Principles:

- Specific:** Must be stated clearly and unambiguously
- Measurable:** Must be quantifiable and measurable
Must specify a standard of output required
Must be valid and reliable and measure what is intended to be measured
- Achievable:** Should be challenging but realistic so as to motivate an employee
Shall be simple and easy to communicate to the relevant employee
- Relevant:** Should be aligned to the overall goals and objectives of the Municipality and the Directorate/Department
Should reflect the employee's position, the responsibility attached to the position and the extent of their experience
- Timeous:** Must be linked to time frames

Every employee should know what exactly constitutes a 100% (fully effective) performance, clearly specifying quantifiable measures. In order to measure performance, it is important that baselines be allocated to KPAs and KPIs in the scorecard. Baselines are previous measurements of achievements against KPAs or KPIs and provide an opportunity to track whether employee performance has improved over time. Whereas the baseline could be the first measure that was taken of the KPA or KPI, the employee and manager could agree on a different measure if the initial measure was found to be less effective than intended.

Measurement of performance also requires the setting of targets that indicate the standard which each KPI must comply with. The target date stipulates the time frame in which the KPI must be achieved. Targets may be derived from baselines and should be informed by long-term and annual business plans. The various performance targets and standards agreed upon should be made clear.

During the year evidence must be collected as proof of employee performance. Such evidence should be collected and presented in the form of a Portfolio of Evidence (PoE). This PoE is required to ensure fair review of employee performance and eliminate allegations of management bias. Evidence to be submitted is agreed upon at the same time that the KPAs, KPIs and targets are set.

In the case of the Municipal Manager and Managers directly accountable to the Municipal Manager, evidence should be confirmed by an independent third party. In terms of other employees, a set of standards must be compiled, that submitted evidence should comply with.

Such standards may include that evidence:

- ✓ Unambiguously reflects the achievement/non-achievement of a KPI
- ✓ Clearly reflects the facts
- ✓ Be concise and to the point

In terms of the CCRs, it should make up 20% of the total score in the case of the Municipal Manager and Managers directly accountable to the Municipal Manager, or 30%/40% of other employee scores. CCRs that are deemed to be most critical for the employee's specific job should be selected and agreed upon between the employee and his/her manager. Selected CCRs must be chosen with due regard to the proficiency level of each employee including whether the employee is living the values of the Municipality.

Below is a table indicating the Core Competency Requirements for the Municipal Manager and Managers directly accountable to the Municipal Manager. The weightings allocated to each competency will be specified in the individual's Performance Agreement. The table below indicates the three competencies considered to be compulsory for the Municipal Manager.

Table 4: Core Competency Requirements for the Municipal Manager and Managers directly accountable to the Municipal Manager

Core competency requirements for Municipal Manager and Managers Directly Accountable to the Municipal Manager		
Core Managerial and Occupational Competencies:	Indicate Choice	Weight
Core Managerial Competencies:		
Strategic Capabilities and Leadership		
Programme and Project Management		
Financial Management	Compulsory	
Change Management		
Knowledge Management		
Service Delivery Innovation		
Problem Solving and Analysis		
People Management and Empowerment	Compulsory	

Client Orientation and Customer Focus	Compulsory	
Communication		
Living the Values of the Municipality		
Core Occupational Competencies:		
Competence in Self -Management		
Interpretation of and implementation within the legislative and national policy frameworks		
Knowledge of developmental local government		
Knowledge of Performance Management and Reporting		
Knowledge of global and South African specific political, social and economic contexts		
Competence in policy conceptualisation, analysis and implementation		
Knowledge of more than one functional municipal field/ discipline		
Skills in mediation		
Skills in Governance		
Competence as required by other national line sector departments		
Exceptional and dynamic creativity to improve the functioning of the municipality		
Total		100%

According to the SALGA Performance Management Policy and Procedure three competencies are of particular importance and should be included in the Performance Plan of every employee.

These are:

- ✓ Customer service
- ✓ Service delivery
- ✓ Teamwork competencies

Once the scorecard is completed, the manager and employee should sign off the Performance Plan, inclusive of the Performance Scorecard. This signing signifies an understanding of the performance expectations and an agreement of the work to be done towards the achievement of performance expectations. Only signed off performance agreements/plans may be assessed. In term of the finalization of Performance Plans, the final alignment of the process for employees other than the Municipal Manager and Managers directly accountable to the Municipal Manager should be the end of July.

29. PERSONAL DEVELOPMENT PLANS

Regulation 805 of 2006 clearly indicates that a Personal Development Plan must be developed for the Municipal Manager and Managers directly accountable to the Municipal Manager and must serve as an Annexure to the annual Performance Agreement. In line with this requirement and to ensure alignment within the Employee Performance Management System, a Personal Development Plan must also be developed for each employee in the employment of the Municipality and be attached to the Performance Plan of each employee.

The Skills Development Act, No 97 of 1998 requires of each employer to submit the Annual Workplace Skills plan (WSP). This necessitates the development of employee personal development plans to identify and address developmental gaps. The identification of outcome-based competencies that must be implemented to complement IDP implementation should guide the individuals to determine specific training or skills needed for effective project implementation. These skills should be catered for via formal and informal training, coaching and mentoring. Identified training and development areas must comply with skills identified in the skills audit conducted, and aligned to the areas of training and development required by each individual employee. Personal Development Plans are to be submitted for incorporation into the Skills Development Plan of the Municipality to be submitted to the Department of Labour.

Individual learning plans will systematize the Municipality's approach to training and development by ensuring that all employees' training is carefully planned. In addition to the above, Personal Development Plans should be used to:

- ✓ Provide a structure for assessing the skill needs of employees against organizational Priorities
- ✓ Assist managers and employees at all Municipal levels to identify competencies needed for current positions
- ✓ Help employees to plan and achieve their career goals
- ✓ Increase motivation of employees and their commitment to the organization

An example of a Personal Development Plan is provided.

Table 5: Personal Development Plan

Personal Development Plan								
Employee Name:			Employee Number:					
Job Title:			Directorate/Department:					
Manager:			Date (Financial Year):					
Skills Gap	Skills Outcome Expected	Suggested Development/ Training Activities	Mode of Delivery	Suggested Time Frames	Opportunity for Application	Feedback on Outcomes achieved and Date	End of Period Sign off of Review and Assessment	Further Development activities required
Employee Signature:			Manager Signature:			Date:		
To Personal File:			To HR:					

Personal Development Plans must be completed at the commencement of the new financial year and submitted for sign off with the Performance Agreement/Performance Plans. All Development Plans will be formulated and finalized with the guidance and assistance of the Human Resource Department to ensure that all training and development activities are aligned and supportive of the Workplace Skills Plan.

30. MID-YEAR REVIEW

The adjustment process focuses specifically on the review of the Annual Budget and SDBIP. The adjustment takes place after the mid-year review and approval of adjustments by Council. Once adjusted, the Performance Plans of the Municipal Manager, Managers accountable to the Municipal Manager and all other employees should be reviewed and adapted according to the KPA and KPI changes made to the SDBIP and budget. This adjustment is required to ensure that employee Performance Plans remain aligned with the objectives and targets set for the Municipality.

Any amendments must be reflected on the amended Performance Plan. Employees will be assessed during the fourth quarter on the amended Plan. Records of the amended scorecards must be signed off and saved centrally.

31. PERFORMANCE MONITORING AND ASSESSMENT

Monitoring is the key to any successful Performance Management System because it provides information that can be compared to initial targets so as to determine the current performance state. Monitoring on a regular basis helps to ensure that the goals and targets set in the planning phase are pursued. Monitoring takes place throughout the year and implies consistently measuring performance and providing on-going feedback to employees on their progress toward reaching their targets. This implies that data on performance outputs is to be gathered and assessed to determine current performance and areas of excellence/improvement required.

32. DATA MANAGEMENT AND PORTFOLIO OF EVIDENCE DEVELOPMENT

The purpose of data management within the monitoring phase is to manage and supply data to be used during the assessment process of an employee's performance. Relevant data must be stored in such a way that it is secure but also easily retrievable. When collecting data, the following should be taken into consideration:

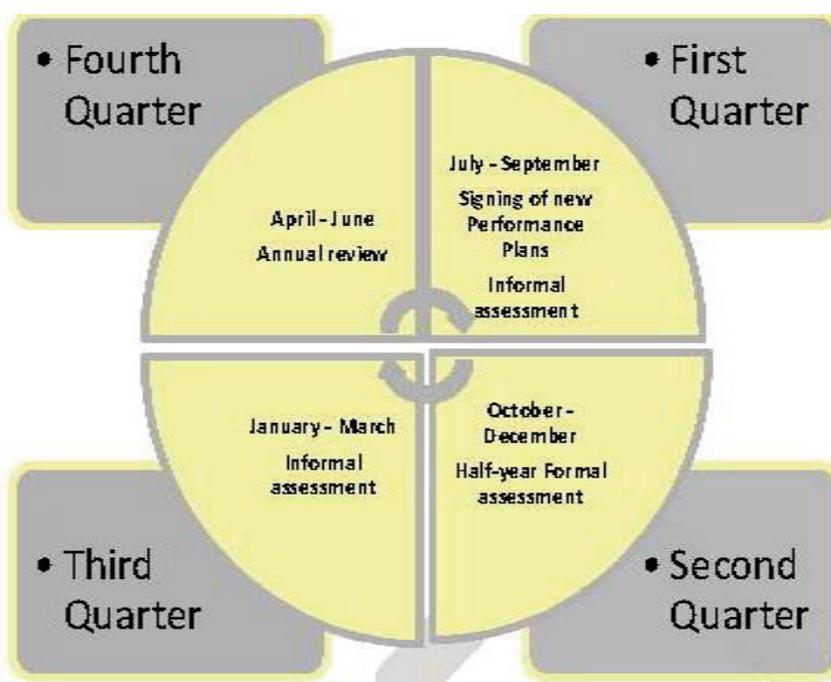
- ✓ Determine the data to be collected for each performance element, the source of the data and whether to collect all the data or just a sample (already clearly defined in the Performance Plan of each employee);
- ✓ Determine when to collect the data (frequency); and
- ✓ Review existing data and create feedback tables/graphs where necessary or applicable.

Data stored for future retrieval and use should include financial data, project data, process data and human resource data. All data should ultimately be presented in an integrated form to provide proof of employee performance. A Portfolio of Evidence (PoE) per employee should be compiled, based on available data to indicate the performance of that employee against set indicators or measurable activities. PoE's should be validated to ensure its accuracy. The PoE's of the Municipal Manager and Managers directly accountable to the Municipal Manager and all other employees PoE's should be validated by Internal Audit.

33. SCHEDULE PERFORMANCE ASSESSMENTS

According to Section 28 of Regulation 805 the performance of employees must be reviewed during specific periods, with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory. The performance assessments conducted during the second and fourth quarters should be formal. The following diagram provides a summary of performance schedules within the City of Polokwane:

Figure 2: Performance Schedules



The second quarter formal assessment will be conducted to assess the relevance of the objectives as well as the employee's performance against the objectives and KPAs. The second-quarter performance score shall be used accumulatively to determine the link to financial and non-financial rewards at the end of the financial year. A formal final review shall be conducted after the end of the financial year. The performance scores of both formal assessments will be used to determine the link to rewards.

Assessments in the first and third quarter may be verbal if the performance is satisfactory. Records must be kept of the mid-year and annual assessment meetings. Such records may be used:

- ✓ To refer to agreed action plans
- ✓ In the management of poor performance process
- ✓ For easy reference in respect to changes/amendments to Performance Plans

34. PERFORMANCE ASSESSMENTS

Assessment is the measurement of data through a scoring process to determine if targets were met. Performance is assessed against the achievement or non-achievement of targets. Assessment involves assessing whether targets and standards have been met. Performance assessment must give a true reflection of the achievement of results as outlined in the Performance Plan.

Based on the contracted standards of performance and relative weightings, performance assessment entails:

- ✓ A description of the contracted standards and an agreement on actual results achieved
- ✓ Rating of performance and allocation of values, e.g. points
- ✓ Agreement on the weighted scores achieved
- ✓ Acceptance of assessment and signature
- ✓ Agreement on appropriate reward recognition or the remedial process required to achieve targets

Performance assessment is done against the KPAs and CCRs in terms of the extent to which the employee displays the desired results as indicated in his/her Performance Plan. At the assessment KPAs and CCRS are rated by means of 5-point rating scale, encompassing the following:

Table 6: Rating Indications

Rating	Description	% Score
--------	-------------	---------

1	Unacceptable performance where performance does not meet the standard expected for the job	0 – 66
2	Performance not fully effective and below standard as required for key areas of the job	67 – 99
3	Fully effective performance where performance meets the standards expected in all areas of the job	100 – 132
4	Performance significantly above expectation and higher than the standard expected in the job	133 – 166
5	Outstanding performance where performance far exceeds the standard expected of an employee at that specific level	167

For the purposes of assessing the performance of the Municipal Manager and Managers directly accountable to the Municipal Manager an assessment process is to be implemented. An Assessment/Evaluation Panel consisting of the following people should assess the performance of the Municipal Manager:

- ✓ Executive Mayor
- ✓ Chairperson of the Audit Committee
- ✓ Member of the Mayoral or Executive Committee
- ✓ Mayor and/or Municipal Manager from another Municipality
- ✓ Ward Committee Member

For the purposes of assessing the performance of the Managers directly accountable to the Municipal Manager, an Assessment/Evaluation Panel consisting of the following people must be established:

- ✓ Municipal Manager
- ✓ Chairperson of the Audit Committee
- ✓ Member of the Mayoral or Executive Committee
- ✓ Municipal Manager from another Municipality

In terms of Regulation 805 of 2006 these Assessment/Evaluation Panels will evaluate the annual performance of the Municipal Manager and Managers directly accountable to the Municipal Manager and determine the annual performance bonus or remedial action required. The

performance bonus percentage will be calculated on a sliding scale described under the Reward and Incentives Section of this Policy.

For incumbents in any other managerial/supervisory level, the 360° assessment process should be applied. An assessment panel existing of the manager of the incumbent, peer and sub-ordinate should be established.

When setting up the assessment meeting, both manager and employee must agree on the date and time of the meeting. In preparation for the meeting the employee and manager must conduct the following:

- ✓ Collect evidence on progress to date against each KPI and associated targets
- ✓ Decide independently if KPIs were achieved and if performance is on target
- ✓ Use the five-point rating scale to assess outputs
- ✓ Obtain feedback on the extent to which the employee displayed CCR allocated in his/her Performance Plan

During the assessment meeting the moderator/manager and employee should discuss the preliminary ratings assigned to each KPA, respective KPI and CCR. A consultative process should be followed during this discussion to provide the employee with the opportunity to influence or understand given ratings. Any evidence to substantiate ratings should be provided. This evidence should form the basis of the agreed final rating. An assessment rating process and calculation of scores using the applicable assessment weighting/rating calculator should be used to arrive at the overall score for the performance of each employee. Final scores will be rounded off on normal principles, e.g. 95.5% will be rounded off to 96 and 95.4% to 95%. The same principle is to be followed in calculating the final audited score.

If, during the assessment meeting it was found that certain areas received an unacceptable or below acceptable score, those areas should be discussed in detail. Additional or alternative plans should be identified and put in place to correct such performance.

In instances where there is a disagreement between ratings, the rating of the manager is final. An employee can lodge a grievance with Human Resources in instances where agreement on ratings could not be reached.

In any performance management process deviations will occur. Such deviations may be as a result of an employee unable to achieve a particular KPA/KPI due to reasons outside his/her control. Such deviations must be submitted to the manager of the employee clearly stating the KPA/KPI affected and an explanation along with supported evidence for non-achievement. If the manager agrees with the deviation, the KPI will not be rated. The manager and employee must identify action plans to be implemented by the employee over the performance year in attempting to achieve the affected KPA/KPI.

A principle decision must be taken on the weightings of the two formal assessment scores. Two options are available:

- ✓ The first is that the first assessment score (after the second quarter) contributes 40% towards the final score and the final assessment score 60% (after the fourth quarter). This will provide an incumbent with an opportunity to improve performance and be credited for it.
- ✓ The second option is that the combined scores achieved during formal assessments are to be calculated separately and the average thereof will determine the annual performance score of an employee.

35. REPORTING AND COACHING

Reports on findings are to be compiled and submitted to the Performance Audit and Remuneration Committee. Based on findings a process of coaching/training is to be implemented to improve performance in instances where ratings were below standard.

- **Reporting**

Once the assessment process is concluded a report on the findings for each employee is to be compiled. Reports should be compiled on the performance assessments, scores allocated and final ratings. This is required so as to ensure that the Municipality keeps record of all performance assessments. This information is to be used:

- ✓ To manage poor performance

- ✓ As an easy reference in terms of any suggested changes for follow-up performance assessments

After conducting the performance assessments for respective managers, the moderator prepares a summary report detailing the results of the reviews. The manager responsible for Human Resources of the Municipality must provide secretariat services to the Assessment/Evaluation panels. The report on performance of the Municipal Manager and Managers directly accountable to the Municipal Manager should be submitted to the Executive Mayor one month after assessment and thereafter to Council to provide feedback on top management performance in relation to Municipal organizational performance achievements.

With relation to other employee's reports should be signed by both the manager and employee and a copy thereof submitted to the Human Resource Department to keep on file.

- **Moderating the Assessment Process**

In terms of employees other than the Municipal Manager and Managers directly accountable to the Municipal Manager, the Head of Department assesses the results of all the performance reviews conducted in his/her Department and considers the following:

- ✓ Are the performance scores given by a certain manager all high or all low? Are the objectives too easy/difficult or are the performance indicators too vague, thus allowing for subjective measures?
- ✓ If a manager is scoring his/her employees high, then it should follow that he/she has achieved his/her objectives. It does not make sense for a manager not to achieve his/her objectives when his/her employees have all achieved theirs. This is an indication that something has gone wrong in the planning or monitoring phase of the performance management process.
- ✓ A comparison on achievements between the different departments can be drawn to ensure all are assessed in line with organizational achievements.

A final report is compiled on Departmental assessments and submitted to Human Resources. In events where discrepancies were identified, corrective measures should be proposed and implemented through consultation with respective parties.

- **Coaching and Training**

Regular interaction, guidance and possible coaching/mentoring in certain instances are imperative and form part of an employee support strategy. Based on the findings of the assessment process the manager of an employee should identify areas of improvement and set up coaching/mentoring and/or training sessions to improve unacceptable or below acceptable performance. Coaching/mentoring can be used to change behavior or actions so as to ensure that targets are achieved against set standards. Coaching/mentoring may be conducted to help the employee to meet or exceed the standards of expected performance. Coaching/mentoring is a crucial part of the continuous tracking and improving of performance. Coaching/mentoring provides guidance and reinforcement of the key results and competencies expected of an employee. All discussions held within the coaching sessions should be documented and signed off by all parties involved.

In terms of training, the development of new knowledge and skills may be required to improve the performance of an employee. The Municipality is committed to ensuring that employees will grow and develop. Whereas line managers are ultimately accountable for ensuring the implementation of training and development initiatives, employees must assume accountability for driving their own development together with their managers. Managers should ensure that training needs identified during the assessment are in line with areas identified in the Personal Development Plan of an employee.

In addition to formal training, employees should be encouraged to use other developmental activities to improve skills and knowledge in areas of under-performance. Such activities may include on-the-job training, mentoring, reading, self-study, secondments and involvements in specific projects.

How well a Municipality operates is based upon the performance of its employees; the better the performance of employees the more success the Municipality will obtain in achieving its strategic goals and objectives. Continuous development of employees will create an environment in which

individuals, who are already performing well, will improve their performance and become more effective and efficient. The main purpose of improving good performance is to ensure growth of employees within the Municipal environment.

For this reason, it is also necessary to provide coaching and development opportunities to employees who perform well, so as to keep employees constantly evolving to meet the ever increasing organizational needs. This includes teaching new skills and implementing new procedures to improve the work process. It also means assigning new responsibilities to employees who appear to have outgrown their current duties.

36. MANAGE POOR PERFORMANCE

If it was found during the assessment that the performance was unacceptable and that targets agreed on in the performance agreement were not met, the employer should provide systematic remedial or developmental support to assist the employee to improve his/her performance. Managing poor performance should be a continuous process starting with the Performance Plan and following through to the performance reviews.

The fact that an employee's work does not comply with the performance standards attached to the identified work, does not necessarily mean that the employee refuses to comply with the performance standards. Poor work performance is not the same as misconduct — it does not mean that the employee concerned refuses to comply with the performance standard. Usually, poor work performance is related to the fact that, for whatever reason, an employee cannot perform his or her work to the expected standard.

The improvement of under-performance is the most important focus of the Performance Management Process. In order to do this, it is important that the causal and contributory reasons for poor performance are analyzed. Poor performance may arise out of one or more of the following:

- ✓ Inappropriate organizational structure
- ✓ Lack of skills and capacity
- ✓ Absence of appropriate strategy

Poor performance must be dealt with through the following principles:

- ✓ Standards for achievement are known and communicated with the respective employee
- ✓ Assisting the individual in the form of training guidance; etc. required to render the satisfactory service, together with fair opportunity to improve
- ✓ Where poor performance persists, give notice to the employee to attend a meeting with management where the employee will be provided with the opportunity to satisfy management of the measures being taken to improve performance
- ✓ Where there is a dispute or difference as to the performance of an employee under the signed Performance Plan, parties will confer with a view to resolve the dispute or indifference

Cases of persistent poor performance identified during assessments must be managed in accordance with the requirements of the Labour Relations Act, No 66 of 1995.

With regard to the management of unacceptable performance of the Municipal Manager and Managers directly accountable to the Municipal Manager Regulation 805 states that the employer shall:

- ✓ Provide systematic remedial or developmental support to assist the individual to improve his or her performance
- ✓ If performance does not improve after appropriate performance counseling, the necessary guidance and support and reasonable time has been allowed for improvement, the Employer may consider steps to terminate the contract of employment of the individual on grounds of incapacity to carry out his/her duties.

37. EVALUATION AND REWARD

During the evaluation phase questions should be asked whether processes followed were fair and objective. Within this phase the evaluation conducted is of a summative nature and relates to the analysis of performance data: to examine the ratings based on provided evidence and features. The evaluation process does not encompass the actual assessment as this has already taken place. It rather reviews and extracts learning from the completion of the assessment

process, to determine the progress made or obstacles experienced in achieving employee performance management.

Final results will be audited and approved by the Performance Audit and Remuneration Committee.

- **Rewards and Incentives**

However, before an evaluation can be conducted as to the validity and objectivity of the process, rewards and incentives for performance should be established. During the assessment process various Assessment/Evaluation panels and/or respective managers can make recommendations on rewards or incentives to be given to employees that perform above the required standard.

The Performance Audit and Remuneration Committee must evaluate such proposals and make recommendations to be approved. In the case of the Municipal Manager and Managers directly accountable to the Municipal Manager, Council will provide the final approval.

- **Financial Rewards**

In terms of a performance bonus, Section 32 of Regulation 805 states that a performance bonus for the Municipal Manager and Managers directly accountable to the Municipal Manager ranges from 5% to 14% of the all-inclusive remuneration package to be paid in recognition of outstanding performance.

The percentage of bonus to be paid out should be determined on the overall rating, calculated by using the assessment-rating calculator. The sliding scale to determine such performance bonuses is given below:

Table 7: Assessment Bonus Sliding Scale

%	Rating	Over	% Bonus
	Performance		
130 - 133.8			5%
133.9 – 137.6			6%
137.7 – 141.4			7%
141.5 - 145.2			8%
145.3 – 149			9%
150 – 153.4			10%
153.5 – 156.8			11%
156.9 – 160.2			12%
160.2 – 163.6			13%
163.7 – 167			14%

In terms of other employees, the employees receive the thirteenth (13th) cheque. Any bonus to be paid out for outstanding performance will be in addition to the current thirteenth cheque. The City of Polokwane may reward incentives to employees through:

- ✓ Any non-monetary reward
- ✓ A non-pensionable cash award

The objectives of an incentive scheme are to:

- ✓ Introduce an objective and fair Organizational and Employee Performance Management System that would be useful to ensure that the Municipality's services are results-oriented
- ✓ Instill and sustain a performance culture and to encourage employees to live the values of the Municipality
- ✓ Promote and establish a work contract between employee and manager
- ✓ Remedy poor performance and reward good performance

In order to encourage permanent employees to perform well, it is recommended that some form of financial reward system be introduced. It is important to note that a performance reward scheme does not currently form part of the conditions of employment for employees. If implemented it will be operative at the discretion of the Municipality, and the Municipality reserves the right to amend or withdraw the scheme at any stage.

A variety of options are available for consideration. For example

✓ **Option 1: Providing an Additional Percentage of the Employee's Package as Performance Bonus**

In this instance the employee will receive a performance bonus of the same as suggested for contractual employees of the cost-to-company package of the employee - based on its affordability to the Municipality.

✓ **Option 2: Provide a Bonus based on Performance Achieved**

The performance bonus percentages will be calculated on a sliding scale as follows, which is calculated on the equivalent to one month's salary of the person - based on its affordability to the Municipality:

Table 8: Option 2: Bonus Award

Final Score	Reward
167 – 150	80%
133 – 149	70%

• **Non-Financial Rewards**

In instances where finances are not available to award employees financially for outstanding performance, the Municipality may introduce a non-financial reward scheme. Non-financial rewards will:

- ✓ Be provided based on exceeding and outstanding employee performance
- ✓ Aim to recognize and motivate performance beyond the requirements of the employee's job
- ✓ Be awarded throughout the financial year at the discretion of managers as close to the instance of exceptional performance as possible

Non-financial rewards may be informal or formal. Informal non-financial rewards are spontaneous, not cost rewards aimed at recognizing a piece of work. Formal non-financial rewards represent formal recognition of a specific achievement. Examples of such rewards are provided below:

Table 9: Non-Financial Reward Opportunities

Formal Non-Financial Rewards	Informal Non-Financial Rewards
<ul style="list-style-type: none"> ✓ Employee is granted between 1-3 days extra leave ✓ Able to attend conferences relevant to the work that cost between 1-3 days leave for that employee ✓ Providing the employee with a work tool that will enhance his/her performance on condition that the tool does not cost more than 1-3 days of leave for that employee ✓ A branded gift such as a pen ✓ Clothing Voucher ✓ Ticket to an event ✓ Sabbatical leave not exceeding 1-3 days of leave 	<ul style="list-style-type: none"> ✓ Physical gestures ✓ Verbal praise ✓ Letter of commendation ✓ Offering mentoring or coaching ✓ Allowing the employee to attend meetings not usually attended by the person ✓ Increased responsibility ✓ Choice of assignments ✓ Opportunity for special training ✓ Time off after working long hours ✓ Trophy ✓ Certificate

All formal non-financial rewards must be signed off by a member of the Executive Management Team. The Performance Audit and Remuneration Committee will review all formal non-financial rewards awarded within the Municipality on a half-year basis and provide feedback to the Executive Management Team on the way in which the process is managed. The Executive Mayor's Excellence Awards are to be championed by the Executive Mayor with support by the Executive Management Team.

38. APPEALS AND DISPUTES

Should Individuals not agree with the contents of their performance agreement after the Performance Planning discussion or with the final scores being allocated to them after the assessment sessions, they may elect to follow the approved Municipality's grievance procedure.

Any dispute about the outcome of the employee's performance assessment must be mediated by:

- ✓ In the case of the Municipal Manager, the MEC for Local Government in the Province within thirty (30) days of receipt of a formal dispute from the employee, or any other person designated by the MEC.
- ✓ In the case of Managers directly accountable to the Municipal Manager, a member of the Municipal Council, provided that such member was not part of the Assessment/Evaluation panel provided for in sub-regulation 27(4)(e), within thirty (30) days of receipt of a formal dispute from the employee; whose decision shall be final and binding on both parties.
- ✓ In the case of the next management level, the employee may meet with the Municipal Manager, and if so chosen a representative of Human Resources and the Labour Union with a view to resolve the issue. The discussion and outcome thereof is to be recorded. The decision is to be made within thirty (30) days of the issue being raised, or as soon thereafter as possible, and will be final.
- ✓ In the case of other employees the next level of management together with a Human Resources and Labour Union representative, provided that such members were not part of the assessment, within thirty (30) days of receipt of a formal dispute from the employee; whose decision shall be final and binding on all parties.

39. EXIT/TERMINATION/CANCELLATION CLAUSE

Relating specifically to the Municipal Manager and Managers directly accountable to the Municipal Manager, there are many reasons which may give rise to termination/cancellation of employment contracts.

The employment contract may be terminated:

- ✓ Automatically on expiry of the term referred to in the contract, subject to any extension or renewal

- ✓ At the employee's initiative if the employee gives the employer two (2) months' notice of termination in writing
- ✓ At the employer's initiative if the employer terminates the employee's appointment for reasons relating to misconduct, serious persistent breach of provisions of his/her contract, incapacity, being absent from employment without approval for a period exceeding thirty (30) days, unacceptable performance of the operational requirements of the Municipality or for any other reason recognized by law as sufficient, one calendar months' notice of termination in writing.

The termination/cancellation of contracts of employment may be classified under two categories:

- ✓ Blameworthiness of the contracted employee – In this case the incumbent shall forfeit the balance of his/her term of office as a penalty
- ✓ Non-blameworthiness of the contracted employee – In this case the incumbent shall have his/her contracted term fully paid out as a separation package

In both instances the above clause must be incorporated into the original employee contract of an incumbent.

40. THE PERFORMANCE AUDIT AND REMUNERATION COMMITTEE EVALUATION

The Performance Audit and Remuneration Committee fulfill an oversight role in terms of employee performance management within the Municipality. The establishment of such a body is required in terms of Section 45 of the MSA whereby the Municipality is required to implement mechanisms, systems and processes for auditing the results of performance measurements as part of the internal auditing process. In the City of Polokwane this function is fulfilled by the Audit Committee (See Performance Management Framework, Section B). It is recommended that the Performance Audit and Remuneration Committee be established to consider the primary role on remuneration for PMS.

The results of the formal year-end review are to be audited to ensure that all evidence is authorized and relevant, and to make recommendations on the improvement of the system. The audit is conducted internally by the Performance Audit and Remuneration Committee. An external

auditor may be appointed to verify results with the provision that skills transfer is done with a view to enhance internal capacity building in the case of members sitting on this Committee.

41. TIMING OF APPLICATION

The policy document is applicable to all employees in the City of Polokwane. However, given the complexities and challenges associated with the implementation of this policy, specifically related to change management within the Municipality, it is recommended that the policy only be initially rolled out up to level 3 employees in a phase approach. The anticipated first phase of the implementation, which will be for the Level 1 employees (SBU Managers) will be the 2020/21 financial year. It must be noted that section 67 of the Local Government: Municipal Systems Act requires municipalities to develop mechanism to monitor performance of all staff, however it went further to state that subject to the applicable collective agreement. The interpretation of section 67 means that there must be a collective agreement signed by all employee representative parties to the cascading of performance below the senior managers. Polokwane Municipality will have to satisfy all the requirements of the section 67 provisions when it implements the first phase of cascading.

After successful implementation of employee performance management up to level 3, it is envisaged that the system will be rolled out in a staggered approach over a period of time to all other employees:

- ✓ Levels 4-7
- ✓ Levels 8-12
- ✓ Levels 13-20

The Municipality will thus have to introduce an electronic PMS system to manage this process successfully. This staggering is proposed so as to ensure sufficient time and resources are available to train and coach managers/supervisors to effectively implement the performance management process. It will also provide for sufficient time and resources to monitor, manage, evaluate and where applicable, adapt the system. More detail on this cascading is provided in the change management plan of the Municipality.

The successful implementation of the Employee Performance Management System is determined by the following:

- ✓ A strong link between organizational and employee performance
- ✓ Employee performance measures that correspond with organizational strategy
- ✓ Strong commitment, clear communication and management support on a continuous basis
- ✓ Sufficient funding to be allocated in the budget of the Municipality
- ✓ High involvement and participation of employees and all relevant stakeholders

42. PRINCIPLES OF GOOD ASSESSMENT

The following principles should apply to ensure successful assessment:

- ✓ Create a supportive environment by stating clearly the purpose of the discussion
- ✓ Discuss key areas of responsibility and give examples of specific results – allow the employee first input, based on the self-appraisal
- ✓ Discuss what could have been done better; identify concerns and listen to the employee's explanations
- ✓ Ask the employee for help in resolving problems; focus on future performance and be sure the employee takes responsibility for improvement
- ✓ Make sure that the employee has an understanding of future expectations regarding performance
- ✓ Give positive recognition for performance that reinforces the strategic goals (ultimate outcomes) and objectives (intermediate outcomes) of the Municipality
- ✓ Discuss the employee's interests and potential new responsibilities and roles in achieving new objectives while maintaining on-going responsibilities
- ✓ Conclude on a positive note, emphasizing the benefits of the dialogue

IMPLEMENTATION AND REVIEW OF POLICY

This policy shall be implemented on 1st July 2023 and shall be reviewed on an annual basis to ensure that is in line with the municipality's strategic objectives and with legislation.



PROPERTY RATES POLICY

2023/2024

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PREAMBLE

WHEREAS section 229 of the Constitution of the Republic of South Africa empowers municipalities to levy property rates, subject to national legislation;

AND WHEREAS section 2 of the Local Government: Municipal Property Rates Act No. 6 of 2004 is the national legislation that empowers a municipality to levy a rate on property in its area;

AND WHEREAS in terms of section 3(1) of the Local Government: Municipal Property Rates Act No. 6 of 2004 the council of a municipality must adopt a rates policy consistent with the Act on the levying of rates on rateable property in the municipality;

AND WHEREAS section 3(2) of the Local Government: Municipal Property Rates Act No. 6 of 2004 prescribes what issues are to be addressed in the rates policy;

AND WHEREAS any exemptions, rebates or reductions provided for in the Rates Policy must, in terms of section 3(5) of the Local Government: Municipal Property Rates Act No. 6 of 2004, comply and be implemented in accordance with a prescribed national framework;

NOW THEREFORE the Council of the Polokwane Municipality has adopted the Policy as set out hereunder: -

1. DEFINITIONS

For the purpose of this Policy any word or expression to which a meaning has been assigned in the Act, shall bear that same meaning in this Policy, and unless the context indicates otherwise:

“Act”	means the Local Government: Municipal Property Rates Act, No. 6 of 2004 (Act No. 6 of 2004) as amended;
“Agricultural property”	means a property that is used primarily for agricultural purposes but, without derogating from section 9, excludes any portion thereof that is used commercially for the hospitality of guests, and excludes the use of a property for the purpose of eco-tourism or for the trading in or hunting of game includes the remainder of town. Farm properties and agricultural holdings smaller than 5 hectare may be categorised as residential.
“Annually”	means once every financial year;
“Bona fide farmer”	means a farmer who is carrying on farming operations where his/her actions as well as his/her intentions are genuine intentions to develop land as a farming proposition.
“Business and commercial”	means the activity of trade in goods or services and includes any office or other accommodation on the same erf, the use of which is incidental to such business, with the exclusion of the business of mining, agriculture, farming, or inter alia, any other business consisting of cultivation of soils, the gathering in of crops or the rearing of livestock or consisting of the propagation and harvesting of fish or other aquatic organisms.
“Category”	(a) in relation to property, means a category of properties determined in terms of Section 5 of this policy; and (b) In relation to owners of properties, means a category of owners determined in terms of Section 6 of this policy.
“Child-headed household”	means a household where the main caregiver of the said household is younger than 18 years of age. Child-headed household means a household headed by a child as defined in the section 28(3) of the Constitution.
“Exemption”	in relation to the payment of a rate, means an exemption granted by a Municipality in terms of Section 15 of the Act;
“Illegal use”	means a use that is inconsistent with or in contravention with the permitted use of the property.

“Industrial”	means a branch of trade or manufacturing, production assembling or processing of finished or partially finished products from raw materials or fabricated part, on so large scale that capital and labour are significantly involved. This may include grain silos, factories and any office or other accommodation on the same property, the use of which is incidental to the use of such property.
“Indigent”	means an indigent person referred to in the Indigent Support Policy of the Polokwane Municipal Council
“Multiple purposes”	in relation to a property, means the use of a property for more than one purpose, subject to section 9 of the Act.
“Municipal properties”	means those properties of which the municipality is the registered owner.
“Mining”	means any operation or activity for the purpose of extracting any mineral on, in or under the earth, water or any residue deposit, whether by underground or open working or otherwise and includes any operation or activity incidental thereto; as defined in the Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002);
“Owner”	<p>(a) in relation to a property referred to in paragraph (a) of the definition of “<i>property</i>”, means a person in whose name ownership of the property is registered;</p> <p>(b) in relation to a right to in paragraph (b) of the definition of “<i>property</i>”, means a person in whose name the right is registered;</p> <p>(bA) in relation to a time sharing interest contemplated in the Property Time-sharing Control Act, 1983 (Act No. 75 of 1983), means the management association contemplated in the regulations made in terms of section 12 of the Property Time-sharing Control Act, 1983, and published in Government Notice R327 of 24 February 1984;</p> <p>(bB) <i>in relation to a share block company</i>, the share block company as defined in the Share Block Control Act, 1980 (Act No. 59 of 1980);</p> <p>(bC) in relation to buildings, other immovable structures and infrastructure referred to in section 17(1)(f), means the holder of the mining right or the mining permit;</p> <p>(c) in relation to a land tenure right referred to in paragraph (c) of the definition of “<i>property</i>”, means a person in whose name the right is registered or to whom it was granted in terms of legislation; or</p>

	<p>(d) in relation to public service infrastructure referred to in paragraph (d) of the definition of “<i>property</i>”, means the organ of state which owns or controls that public service infrastructure as envisaged in the definition of “<i>publicly controlled</i>”:</p> <p>Provided that a person mentioned below may for the purposes of this Act be regarded by a municipality as the owner of a property in the following cases:</p> <ul style="list-style-type: none"> (i) a trustee, in the case of a property in a trust excluding state trust land; (ii) an executor or administrator, in the case of a property in a deceased estate; (iii) a trustee or liquidator, in the case of a property in an insolvent estate or in liquidation; (iv) a judicial manager, in the case of a property in the estate of a person under judicial management; (v) a curator, in the case of a property in the estate of a person under curatorship; (vi) a person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude; (vii) a lessee, in the case of a property that is registered in the name of a municipality and is leased by it; <ul style="list-style-type: none"> (viiA) a lessee, in the case of property to which a land tenure right applies and which is leased by the holder of such right; or (viii) a buyer, in the case of a property that was sold by a municipality and of which possession was given to the buyer pending registration of ownership in the name of the buyer;
<p>“Permitted Use”</p>	<p>Means the limited purposes for which the property may be used in terms of:</p> <ul style="list-style-type: none"> (a) any restrictions imposed by - <ul style="list-style-type: none"> I. A condition of title. II. A provision of the Polokwane applicable Town Planning or land use scheme as amended from time to time. III. Any legislation applicable to any specific property or properties. (b) any alleviation of any such restrictions;

“person”	includes an organ of state;
“Pensioner”	refers to a person who is at least 60 years of age and is in receipt of a total monthly income from all sources (including the income of the spouse of the owner) not exceeding an amount to be determined by the Council;
“Primary Property”	means the primary residential property where a person has his or her permanent principal home to which he or she returns or intends to return.
“Property”	means: <ul style="list-style-type: none"> (a) immovable property registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person; (b) a right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property; (c) a land tenure right registered in the name of a person or granted to a person in terms of legislation; or (d) public service infrastructure
“Public benefit organisation”	means property owned by public benefit organisations and used for any specific public benefit activity listed in item 1 (welfare and humanitarian), item 2 (health care), and item 3 (education and development) of part 1 of the Income Tax Act
“Private open space”	means land that is owned and used for practising of sport, play- or leisure facilities or used as a botanical garden, private park, cemetery or nature area or roads.
“Publicly controlled”	means owned by or otherwise under the control of an organ of state, including: <ul style="list-style-type: none"> (a) a public entity listed in the Public Finance Management Act 1999 (Act No 1 of 1999); (b) a municipality; or (c) a municipal entity as defined in the Municipal Systems Act 32 of 2000
“Public service infrastructure”	means publicly controlled infrastructure of the following kinds: <ul style="list-style-type: none"> (a) national, provincial or other public roads on which goods, services or labour move across a municipal boundary; (b) water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer scheme serving the public;

	<p>(c) power stations, power substations or power lines forming part of an electricity scheme serving the public;</p> <p>(d) gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels;</p> <p>(e) railway lines forming part of a national railway system;</p> <p>(f) communication towers, masts, exchanges or lines forming part of a communications system serving the public;</p> <p>(g) runways aprons and the air traffic control unit at national or provincial airports; including the vacant land know as the obstacle free zone surrounding these, which must be vacant for the air navigation purposes;</p> <p>(h) breakwaters, sea wall, channels, basins, quay walls, jetties, roads, railway or infrastructure used for the provision of water, lights, power, sewerage or similar services of ports, or navigational aids comprising of lighthouses, radio navigational aids, buoys, beacons or any other device or system used to assist the safe and efficient navigation of vessels;</p> <p>(i) any other public controlled infrastructure as may be prescribed; or</p> <p>(j) a right registered against immovable property in connection with infrastructure mentioned in paragraphs (a) to (i);</p>
“public service purposes”,	<p>in relation to the use of a property, means property owned and used by an organ of state as-</p> <p>(a) <i>Hospitals and clinics;</i></p> <p>(b) <i>schools, pre-schools, early childhood development centres or further education and training colleges;</i></p> <p>(c) <i>national and provincial libraries and archives;</i></p> <p>(d) police stations;</p> <p>(e) correctional facilities; or</p> <p>(f) courts of law,</p> <p>but excludes property contemplated in the definition of "public service infrastructure";</p>
“Place of Worship”	<p>means property used primarily for the purposes of congregation, excluding a structure that is primarily used for educational instruction in which secular or religious education is the primary instructive medium: Provided that the property is: -</p> <p>(a) registered in the name of a religious community;</p> <p>(b) registered in the name of a trust established for the sole benefit of a religious community; or</p> <p>(c) subject to land tenure right</p>
“Rate”	<p>means a municipal rate on property envisaged in Section 229(1)(a) of the Constitution;</p>

<i>“Rateable property”</i>	means property on which a municipality may in terms of Section 2 of the Act levy a rate, excluding property fully excluded from the levying of rates in terms of Section 17 of the Act;
<i>“Ratio”</i>	in relation to section 19 of the Act, means the relationship between the cent amount in the rand applicable to residential properties and different categories of non-residential properties: Provided that the two relevant cent amounts in the Rand are inclusive of any relief measures that amount to rebates of general application to all properties within a property category;
<i>“Rebate”</i>	in relation to a rate payable on a property, means a discount granted in terms of Section 15 of the Act on the amount of the rate payable on the property;
<i>“Reduction”</i>	in relation to a rate payable on a property, means the lowering in terms of Section 15 of the Act of the amount for which the property was valued and the rating of the property at that lower amount;
<i>“Residential property”</i>	means a property included in a valuation roll in terms of section 48(2)(b) as residential in respect of which the primary use or permitted use is for residential purposes without derogating from section 9 of the Act;
<i>“Organ of State”</i>	means an organ of state as defined in section 239 of the Constitution.

2. BACKGROUND

2.1 INTRODUCTION

The Local Government Municipal Property Rates Act (Act no 6 of 2004) as amended from time to time requires a municipality to develop and adopt a rates policy consistent with the Act on the levying of rates on rateable property in the Municipality.

Property rates are the most reliable source of revenue for the Municipality. Services financed from rates include installation and maintenance of streets, roads, sidewalks, lighting, and storm water drainage facilities, building and operating clinics, parks, recreational facilities and cemeteries. Property rates revenue is also used to fund municipal administration such as computer equipment, stationery, and costs of Governance, such as Council and community meetings, which facilitate community participation on issues of Integrated Development Plans (IDPs) and municipal budgets.

The Council has resolved, in compliance with the provision of the Act, to impose a rate and as a consequence, this rates policy has been developed within the parameters of the applicable legislation relating to property rates.

2.2 GUIDING PRINCIPLES

The following principles will ensure that the Municipality treats persons liable for rates equitably in terms of the Act:

- (a) Ratepayers with similar properties will pay similar levels of rates
- (b) The ability of ratepayers to pay their rates will be taken into account by the Council in dealing with the indigent's ratepayers. The municipality will provide relief measures through exemptions, reduction and rebates.
- (c) The determination of the tariffs and the levying of rates must allow the Council to promote local, social and economic development.

2.3 STRATEGIC FOCUS

In determining the rates, exemptions, rebates and reductions, the Council may consider the following:

- (a) the impact of rates on the community,
- (b) the impact of rates on business
- (c) the Integrated Development Plan (IDP) of Council
- (d) the impact of rates on the Local Economic Development (LED) strategy of the Council
- (e) when determining the rates on properties the following aspects must be taken into account namely:
 - (i) the effects of rates on the poor, including appropriate measures in order to alleviate the rates burden on them; and
 - (ii) the effect of reaching the objectives set out in paragraph 2.4 of this policy.
- (f) in developing or amending this policy, the Council commits itself to a process of community participation as envisaged in section 4 of the Act and chapter 4 of the Municipal Systems Act, 2000 (Act No 32 of 2000) (MSA). In addition to the requirements laid down in the MSA, the Council will engage interested parties and structures, such as ratepayer organisations, directly in the process of community participation. In addition, use will be made of established community consultation structures, such as Ward committees, to ensure thorough participation with regard to the afore-mentioned process.

2.4 OBJECTIVES OF THE POLICY

The key objectives of the policy are to:

- (a) ensure that all owners of rateable properties are informed about their liability to pay assessment rates;
- (b) specify relief measures for ratepayers who may qualify for relief or partial relief in respect of the payment of rates through exemptions, reductions and rebates contemplated in section 8 of this policy and section 15 of the Act;
- (c) set out the criteria to be applied by the Council if it increases rates and levies differential rates on different categories of property;
- (d) provide for categories of public benefit organisations, approved in terms of Section 30(1) of the Income Tax Act, 1962 (Act no 58 of 1962) as amended, which ratepayers are eligible for exemptions, reductions and rebates and therefore may apply to the Council for relief from rates;
- (e) recognise the state, organs of state and owners of public service infrastructure as property owners;

- (f) encourage the development of property;
- (g) Ensure that all persons liable for rates are treated equitably as required by the Act.
- (h) determine the level of increases in rates

3. ANNUAL OPERATING BUDGET AND POLICY REVIEW

The Council must annually consider the levying of rates and determine the rate in the rand during the budget process when it is tabled in the council in terms of section 16 of the Municipal Finance Management Act and if necessary, amend its rates policy. Any amendments to the rates policy must take into account public comments and inputs.

In determining the level of increases in the rates, the criteria to be applied include the following:

- (a) The inflation rate as indicated by the consumer price index;
- (b) Take into consideration the medium term budget growth factors as determined by National Treasury guidelines.

4. LEVYING OF RATES

Rate to be levied on all rateable properties in line with this Policy

4.1 RATE TO BE LEVIED ON ALL RATEABLE PROPERTIES

Properties owned by the City of Polokwane will not be levied rates in terms of Section 7(2)(a)(1) of the Act; except for the where:

- Where Council owned property is leased to a third party and the lease agreement provides for the levying of property rates; or
- Where Council owned land is sold to a third and the deed of sale provides for the levying of property rates.

4.2 PERIOD FOR WHICH RATES MAY BE LEVIED

In terms of Section 12 of the Act,

- (a) When levying rates, a municipality must levy the rate for a financial year and the rate lapses at the end of the financial year for which it was levied.
- (b) The rates levied for a financial year may not be increased during the financial year only as provided for in Section 28(6) of the Municipal Finance Management Act.

4.3 THE EFFECTIVE DATE OF THE RATES POLICY:

This rates policy takes effect from 1 July 2023 and subject to review on an annual basis.

5. DIFFERENT CATEGORIES OF PROPERTIES

5.1 Subject to section 19 of the Act, in terms of the criteria set out in this rates policy, levy different rates for different categories of rateable property, as determined in section 8 subsection (2) and (3) of the MPRA, the categories were determined according to the following criteria: -

- 5.1.1 actual use of the property;
- 5.1.2 permitted use of the property;
- 5.1.3 a combination of 5.1.1 and 5.1.2

In order to create certainty and to ensure consistency, the criteria listed above shall be applied in the following manner:

- Polokwane municipality considered the actual use on the compilation of the valuation roll.
- if, for whatever reason, the actual use of a property cannot be determined in terms of subparagraph (5.1.1), the permitted use thereof shall then be determined in order to appropriately categorise such property.
- Properties used for multiple purposes shall be categorised and rated in a manner provided in section 9 (2) of the Act and the combination of actual and permitted use will be considered.

5.2. The Council has determined the following categories of property in line with section 8(2) of the Act for purposes of rating:

- (1) residential properties
- (2) industrial properties
- (3) business and commercial properties
- (4) agricultural properties;
- (5) properties owned by an organ of state and used for public service purposes;
- (6) municipal properties
- (7) public service infrastructure;
- (8) mining
- (9) private open space
- (10) multiple purposes;
- (11) places of worship
- (12) properties owned by public benefit organizations and used for specified public benefits activities
- (13) non-permitted use

5.3 The Council has determined the following ratios relevant to each category to the rate on residential properties:

Rating Category	Ratio
Residential Property	1
Industrial Properties	2
Business and Commercial	2
Agricultural Properties	0.25
Properties owned by organ of state and used for public service purposes	2
Municipal Properties	0
Public Service Infrastructure	0.25
Mining	2
Private open space	1
Properties owned by public benefit organisations and used for specified public benefits activities.	0.25
Places of worship	0
Non-permitted use/ Illegal land use/	8

6. CATEGORIES OF OWNERS OF PROPERTY AND CATEGORIES OF PROPERTIES FOR PURPOSES OF EXEMPTIONS, REDUCTIONS AND REBATES.

The Council has determined the following categories of owners of property or categories of properties in terms of section 15 of the Act.

- (a) Residential
- (b) Indigent Owners and Child Headed Households
- (c) Pensioners
- (d) Owners of Business or Industrial Property with high market values

6.1 RESIDENTIAL

In addition to the impermissible rate on the first R15 000 of the market value of residential in terms of section 17(1)(h) of the Act a further reduction may be granted by Council during the annual budget as per Tariff Schedule.

6.2 INDIGENT OWNERS AND CHILD HEADED HOUSEHOLDS

The Council has adopted an Indigent Support Policy that provides for the alleviation of the rates burden on the low-income sectors of the community within the Municipality. Indigent owners and child headed households are exempted from payment of rates.

6.3 PENSIONERS

The aim of this rebate is to alleviate the burden on pensioners who have fixed income and limited resources. Pensioners may receive a reduction and a rebate of an amount as determined by Council during the annual budget.

Subject to the criteria set out in below:

Pensioners may be granted a rebate on their Primary Property, from the date the applicant qualifies.

The applicant must meet the following criteria:

- (a) he or she must produce a valid South African bar coded identity document;
- (b) where couples are married in community of property and the property is registered in both their names, the age of the eldest will be the qualifying factor;
- (c) not be in receipt of an indigent assessment rate rebate;
- (d) A rebate will only be granted in respect of a property on which only one dwelling is erected and such dwelling be occupied by the applicant and his/her dependants.

6.4 OWNERS OF BUSINESS OR INDUSTRIAL PROPERTY WITH HIGH MARKET VALUES

Properties used for business or industrial purposes whose improved market value is R50 000 000 and above may receive rebates as approved by Council from time to time currently as follows.

Market Value R 50 000 000 – R 99 999 999	2% rebate
Market Value R 100 000 000 – R 499 999 999	5% rebate
Market Value R 500 000 000 and above	10% rebate

REQUIREMENTS FOR EXEMPTIONS, REDUCTIONS AND REBATES

General requirements:

An application for rebates, exemptions and reductions on the prescribed application form should reach the office of the Chief Financial Officer during the financial year, or when invitation is done by the municipality for registration or renewal. A once-off application must be submitted with the implementation of every new valuation roll. The applicant applies only once for the reduction and it remains valid for the duration of the valuation roll. The municipality may at its own discretion request the applicants to renew applications.

Confirm the aforementioned details by means of a sworn affidavit.

Rebates granted in error or due to false or incorrect information supplied by the applicant, will be reversed immediately from the date of inception of the rebate.

Should any incorrect information be furnished in the application form property rates will be levied at the normal tariff.

Exemptions may be subject to the following conditions:

- (a) Application must be made in writing in the prescribed format and will be valid for duration of validity period of valuation roll;
- (b) Applicants must produce a tax exemption certificate issued by the South African Revenue Services (SARS) as contemplated in Part 1 of the Ninth Schedule of the Income Tax Act, 1962 (Act 58 of 1962);
- (c) The Municipal Manager or his/her nominee must approve all applications;
- (d) The Council retains the right to refuse exemptions if the details supplied in the application form are incomplete, incorrect or false;
- (e) If during the currency of any financial year, any such land or building is used for any purpose other than the purpose so exempted, the Council shall impose rates thereon or on such portion so used, at a rate proportionate to the period of such use.

The rebate will lapse:

- (a) On alienation of the property; or
- (b) If any such land or building is used for any purpose other than the purpose so exempted;
On expiry of validity period of valuation roll

7. SPECIAL RATING AREAS

7.1 The Council may by resolution establish special rating areas and levy an additional rate on property in that area for the purpose of raising funds for improving or upgrading that area.

7.2 Any exclusion, exemption, reduction or rebate granted in terms of this policy does not affect the additional rate payable by the owner in a Special Rating Area.

8. LIABILITY FOR RATES:

8.1 PROPERTY RATES PAYABLE BY OWNERS

- (a) Rates levied on a property must be paid for by the owner of the property.
- (b) Joint owners are jointly and severally liable for payment of rates on the property.
- (c) The municipality will deliver monthly accounts to the latest address on the municipality's record, however Rates payers remains liable for the payment of the rates whether or not an account has been received and if the account was not received the onus shall be on the rate payer concerned should make necessary enquiries with the municipality.
- (d) Rates raised as a charge based on administrative error can be corrected to a maximum of five years, limited to two years of the previous valuation roll.

8.2 SECTION 78 APPLICATIONS

An application fee is payable to review the value of a property in terms of section 78 of the Act

8.3 METHOD AND TIME OF PAYMENT:

Council shall recover an annual levy payable:

- (a) On a monthly basis in twelve (12) equal instalments on or before the due date as determined by council; or
- (b) Single or one (1) annual amount, as may be agreed to with the owner of the property on or before the due date as determined by council
- (c) From the owner as a whole on the billing date (No prorata in the case of transfer of property and the registration date).
- (d) Interest on arrear rates shall be charged at the rate determined by council from time to time.

8.4 PAYMENT AND RECOVERY OF RATES:

Payment and recovery of rates shall be in accordance with Council's Credit Control and Debt Collection policy, section 28 and 29 of the Act and relevant By-laws.

8.5 FREQUENCY OF VALUATIONS

The Municipality will every five years prepare a new valuation roll by means of a general valuation of all rateable property within the Municipality.

At least one supplementary valuation roll will be prepared during a financial year as required by the Act.

9. SHORT TITLE

This policy shall be called the Property Rates Policy of the Polokwane Municipality for the financial year 2023/2024.

10. DATE OF IMPLEMENTATION

This policy takes effect from 1 July 2023 and will be reviewed annually during the budgetary process of the Municipality.



**SUPPLY CHAIN
MANAGEMENT POLICY
2023/2024**

PART A

This Policy consists of Three parts:

Part A is the **Supply Chain Management Policy**, adopted in terms of section 111 of the Local Government: Municipal Finance Management Act, No. 56 of 2003 and the Municipal Supply Chain Management Regulations, Notice 868 of 30 May 2005;

Part B is the **Preferential Procurement Policy**, adopted in terms of section 2 of the Preferential Procurement Policy Framework Act, No. 5 of 2000 and the Preferential Procurement Regulations, 2022.

And

Part C is the **Model Policy for Infrastructure Management**, adopted in terms of section 168 of the Municipal Finance Management Act, No. 56 of 2003 in support of Regulation 3(2) of the MFMA Supply Chain Management Regulations.

**POLOKWANE MUNICIPALITY
SUPPLY CHAIN MANAGEMENT POLICY – PART A**

PART A

**MUNICIPAL SUPPLY CHAIN MANAGEMENT POLICY
LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003**

The Council of the Polokwane Municipality resolved on in terms of section 111 of the Local Government: Municipal Finance Management Act (no. 56 of 2003) to adopt the following as the Supply Chain Management Policy of the municipality:

POLOKWANE MUNICIPALITY
SUPPLY CHAIN MANAGEMENT POLICY – PART A

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SUPPLY CHAIN MANAGEMENT POLICY – PART A

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SUPPLY CHAIN MANAGEMENT POLICY – PART A

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1. Definitions

In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) has the same meaning as in the Act, and –

“Accounting Officer means a person appointed by the Municipality in terms of Section 82 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) and who is the head of administration and also the Municipal Manager for the Municipality.

“Act” or “MFMA” means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

“days” means any day of the week except Saturday, Sunday and public holidays as determined in the Public Holidays Act, 1994 (Act No. 36 of 1994)

“CFO” means Chief Financial Officer of the Municipality;

“CIDB means Construction Industry Development Board

“close family member” means:

- (a) spouse or partner
- (b) parent
- (c) children

“closing date” means the time and day specified in the bid documents and/or advertisement of the receipt of bids.

“competitive bidding process” means a competitive bidding process referred to in clause 12 (1) (f) of this Policy;

“competitive bid” means a bid in terms of a competitive bidding process;

“contract” means the agreement that results from the acceptance of a bid by the Municipality;

“disability” means, in respect of a person, a permanent impairment of a physical, intellectual, or sensory function, which results in restricted, or lack of, ability to perform an activity in the manner, or within the range, considered normal for a human being.

“delegation” in relation to a duty, includes an instruction a request to perform or to assist in performing the duty.

“emergency” an emergency is an unforeseeable and sudden event with harmful or potentially harmful consequences for the municipality which requires urgent action to address.

“emerging enterprise” means an enterprise which is owned, managed and controlled by previously disadvantaged persons and which is overcoming business impediments arising from the legacy of apartheid.

“final award” in relation to bids or quotations submitted for a contract, means the final decision on which bid or quote to accept;

“financial interest” means where a municipal staff member is a close family member of a person who is the owner, partner, principal shareholder or member, manager or who serves on the board of directors, etc of a tendering enterprise;

“formal written price quotation” means quotations referred to in clause 12 (1) (d) & (e) of this Policy;

Highest acceptable tender Means a tender that complies with all specifications and conditions of tender and that has the highest price compared to other tenders

Historically Disadvantaged Individual (HDI) means a South African Citizen (1) who, due to the apartheid policy that had been in place, had no franchise in national elections prior to the introduction of the Constitution of the Republic of South Africa, 1983 (Act No 110 of 1983) or the Constitution of the Republic of South Africa, 1993 (Act No 200 of 1993) (“the Interim Constitution”); and/or (2) Who is a female; and /or (3) Who has a disability; Provided that a person who obtained South African citizenship on or after the coming to effect of the Interim Constitution, is deemed not to be an HDI;

“IDP” means Integrated Development Plan;

“in the service of the state” means to be –

- a) a member of –
 - i) any municipal council;
 - ii) any provincial legislature; or
 - iii) the National Assembly or the National Council of Provinces;
- b) a member of the board of directors of any municipal entity;
- c) an official of any municipality or municipal entity;

- d) an official of any national or provincial department, national or provincial public entity or institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);

e) a member of the accounting authority of any national or provincial public entity; or

f) an employee of Parliament or a provincial legislature;

“long term contract” means a contract with a duration period exceeding three years;

Lowest acceptable tender Means a tender that complies with all specifications and conditions of tender and that has lowest price compared to other tenders

“list of accredited prospective providers”

means the list of accredited prospective providers which the Polokwane Municipality must keep in terms of clause 14 of this policy;

“micro-enterprise” means a very small business, often involving only the owner, some family members and at the most one or two paid employees. They usually lack `formality` in terms of business licences, value-added tax (VAT) registration, formal business premises, operating permits, operating permits and accounting procedures. Most of them have a limited capital base and only rudimentary technical or business skills amongst their operators. However, many micro-enterprises advance into viable small businesses. Earning levels of microenterprises differ widely, depending on the particular sector, the growth phase of the business and access to relevant support.

“municipality”

means the Polokwane Municipality;

“notice boards”

means the official notice boards at the municipal offices and libraries;

“other applicable legislation”

means any other legislation applicable to municipal supply chain management, including –

- a) the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);
- b) the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- c) the Construction Industry Development Board Act, 2000 (Act No.38 of 2000);

- d) the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);
- e) the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000);
- f) the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);
- g) the Prevention and Combating of Corrupt Activities Act, 2000 (Act No. 12 of 2004);
- h) the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003): Municipal Supply Chain Management Regulations;
- i) the Preferential Procurement Regulations, 2022.

“Policy” means the Supply Chain Management Policy of the Polokwane Municipality;

“quotation” means a stated price that a supplier expects to receive For the provision of specified services, works or goods;

“Regulations” means the Local Government: Municipal Finance Management Act, 2003, Municipal Supply Chain management Regulations published by Government Notice 868 of 30 May 2005;

“SDBIP” means Service Delivery and Budget Implementation Plan;

“single provider” Sole supplier- One and Only (Alone of its kind) Supplier (Oxford Dictionary). If such goods or services are produced or available from a single provider only. There is no competition and only one provider exists in South Africa (for example, sole distribution rights);

Specific goals Means specific goals as contemplated in section 2(1)(d) of the Act which may include contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender and disability including the implementation of programmes of the Reconstruction and Development Programme as published in Government Gazette No. 16085 dated 23 November 1994

Tender for income-generating contracts Means a written offer in the form determined by an organ of state in

response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions

practitioners”

Include the Chief Financial Officer, Deputy Chief Financial Officer, the Supply Chain Manager and SCM Officials;

“survivalist enterprise”

means a business set up by people unable to find a paid job or get into an economic sector of their choice. Income generated from these activities usually falls far short of even a minimum income standard, with little capital invested, virtually no skills training in the particular field and only limited opportunities for growth into a viable business. This category is characterised by poverty and the attempt to survive.

“tender”

means a 'bid' or a 'quotation' in relation to a “Tender Box”;

“tender box”

means the specified tender box at the offices of Polokwane Municipality.

“Treasury guidelines”

means any guidelines on supply chain management Issued by the Minister in terms of section 168 of the Act, including –

- a) National Treasury, MFMA Circular No. 34, Municipal Finance Management Act No. 56 of 2003, Reporting of awards above R 100 000
- b) National Treasury, MFMA Circular No. 46, Municipal Finance Management Act No. 56 of 2003, Checking the prohibition status of recommended bidders.
- c) National Treasury, MFMA Circular No. 50, Municipal Finance Management Act No. 56 of 2003, Preparation of the municipal audit file (Stores & Consumables)
- d) National Treasury, MFMA Circular No. 52, Municipal Finance Management Act No. 56 of 2003, Prohibition of restricted practices

- e) National Treasury, MFMA Circular No. 53, Municipal Finance Management Act No. 56 of 2003, Amended guidelines in respect of bids that include functionality as a criterion for evaluation
- f) National Treasury, MFMA Circular No. 56, Municipal Finance Management Act No. 56 of 2003, Database of restricted suppliers and training on the revised Preferential Procurement Regulations, 2011

“*validity period*” means the period for which a bid is to remain valid and binding as stipulated in the relevant tender document.

“*written quotations*” means quotations referred to in clause 12(1)(c) of this Policy.

- 1.1. Words importing the singular shall include the plural and *vice versa* and words importing the masculine gender shall include females and words importing persons shall include companies, closed corporations, and firms, unless the context clearly indicates otherwise.
- 1.2. All amounts / limits stated in this document shall be deemed to be inclusive of Value Added Tax (VAT).

CHAPTER 1: IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY

2. Supply Chain Management Policy

- 1) All officials and other role players in the Supply Chain management system of the **Polokwane Municipality** must implement this Policy in a way that –
 - a) gives effect to –
 - i) section 217 of the Constitution; and
 - ii) Part 1 of Chapter 11 and other applicable provisions of the Act;
 - iii) Regulations pertaining to Supply Chain Management.
 - b) gives effect to the principles contained in **Annexure A**.
 - c) complies with –
 - i) the Regulations; and
 - ii) any minimum norms and standards that may be prescribed in terms of section 168 of the Act;
 - d) is consistent with other applicable legislation;
 - e) does not undermine the objective for uniformity in Supply Chain Management Systems between organs of state in all spheres; and
 - f) is consistent with national economic policy concerning the promotion of investments and doing business with the public sector;
 - g) applies the highest ethical standards; and
 - h) promotes local economic development.
- 2) This Policy applies when the Municipality –
 - a) procures goods or services;
 - b) disposes of goods no longer needed;
 - c) selects contractors to provide assistance in the provision of municipal services including circumstances where Chapter 8 of the Municipal Systems Act applies.
- 3) This Policy, except where provided otherwise, does not apply in respect of:
 - a) the procurement of goods and services contemplated in section 110(2) of the Act, including –
 - i) water from the Department of Water Affairs or a public entity, another municipality or a municipal entity; and
 - ii) electricity from Eskom or another public entity, another municipality or a municipal entity.
 - b) the unskilled labour component of the Municipality's LLPP (Local Labour Promotion Projects);
 - c) the acquisition of services of attorneys and advocates subject that the acquisition of such services to be dealt with in terms of Delegations 4.2.52, 5.1.1.35.1 and

- 5.1.1.35.3 of the Municipality's Delegation of Powers and Duties, as amended from time to time and any Bargaining Council Agreements on Disciplinary Procedures;
- d) the payment of accommodation and air travel for official purposes subject that same be dealt with in terms of the Municipality's Travelling and Subsistence allowance/cost Policy, as amended from time to time, as well as Delegations 4.1.1, 5.1.1.1 and 5.1.1.17 of the Municipality's Delegation of Powers and Duties, as amended from time to time;
 - e) any contract relating to the publication of notices and advertisements by the municipality.

3. Adoption, Amendment and Implementation of the Supply Chain Management Policy

- 1) The accounting officer must –
 - a) at least annually review the implementation of this **Policy**; and
 - b) when the accounting officer considers it necessary, submit proposals for the amendment of this Policy to Council.
- 2) If the accounting officer submits proposed amendments to Council that differs from the model policy issued by the National Treasury, the accounting officer must –
 - a) ensure that such proposed amendments comply with the Regulations; and
 - b) report any deviation from the model policy to the National Treasury and the provincial treasury.
- 3) When amending this supply chain management policy the need for uniformity in supply chain practices, procedures and forms between organs of state in all spheres, particularly to promote accessibility of supply chain management systems for small businesses must be taken into account.
- 4) The accounting officer must in terms of section 62(1)(f)(iv) of the Act, take all reasonable steps to ensure that the municipality implements the supply chain management policy.

4. Delegation of supply chain management powers and duties

- 1) Council hereby delegates all powers and duties to the accounting officer which are necessary to enable the accounting officer –
 - a) to discharge the supply chain management responsibilities conferred on accounting officers in terms of –
 - i) Chapter 8 or 10 of the Act; and
 - ii) this Policy;
 - b) to maximize administrative and operational efficiency in the implementation of this Policy;

- c) to enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this Policy; and
 - d) to comply with his or her responsibilities in terms of section 115 and other applicable provisions of the Act.
- 2) Section 79 of the Act applies to the sub delegation of powers and duties delegated to the accounting officer in terms of sub-clause (1).
 - 3) The accounting officer may not sub-delegate any supply chain management powers or duties to a person who is not an official of the Municipality or to a committee which is not exclusively composed of officials of the Municipality.
 - 4) This clause may not be read as permitting an official to whom the power to make final awards has been delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in clause 26 of this Policy.

5. Sub-delegations

- 1) The accounting officer may in terms of section 79 of the Act sub-delegate any supply chain management powers and duties, including those delegated to the accounting officer in terms of this Policy., but any such sub-delegation must be consistent with sub-clause (2) of this clause and clause 4 of this Policy.
- 2) The power to make a final award –
 - a) above R10 million (VAT included) may **not be sub-delegated** by the **accounting officer**;
 - b) above R200 000 (VAT included), but not exceeding **R2 million (VAT included)**, must be sub-delegated to the bid adjudication committee of which the chief financial officer is chairperson;
Delegations include the authority to approve the following:-
 1. Bid Specification Reports and Adverts
 2. Appointment Letters and Service level agreements
 3. Negotiations for projects less than R2 million (VAT included)
- 3) Only the Accounting Officer and CFO can issue appointment letter on any tender above R2 000 000 (VAT included).
 - c) below R200 000 must be sub-delegated to **the Deputy Chief Financial Officer** as per Council's delegations, pertaining to the procurement of goods and services.
Delegations include the authority to approve the following:-

1. Bid Specification Reports and Adverts
2. Appointment Letters and service level agreement
3. Negotiations for projects less than R 200 000.00 (VAT included)
- 4) An official or bid adjudication committee to which the power to make final awards has been sub-delegated in accordance with sub-clause (2) must **within ten (10)** day of the end of each month submit to the official referred to in sub-clause 4(a) written report containing particulars of each final award made by such official or committee during that month, including–
 - a) the amount of the award;
 - b) the name of the person to whom the award was made; and
 - c) the reason why the award was made to that person.
- 5) A written report referred to in sub-clause (3) must be submitted to the accounting officer, in the case of an award by a bid adjudication committee of which the chief financial officer or a senior manager is a member.
- 6) Sub-clauses (3) and (4) of this policy do not apply to procurement out of petty cash.
- 7) This clause may not be interpreted as permitting an official to whom the power to make final awards has been sub-delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in clause 26 of this Policy. Also refer to clause 4(4) and 5(2)(a) of this Policy.

6. Oversight role of council

- 1) Council must maintain oversight over the implementation of this Policy.
- 2) For the purposes of such oversight the Accounting Officer must –
 - a) within 30 days of the end of each financial year, submit a report on the implementation of this Policy and the supply chain management policy of any municipal entity under the sole or shared control of the municipality, to the council of the municipality; and
 - b) Whenever there are serious and material problems in the implementation of this Policy, immediately submit a report to Council.
- 3) The accounting officer must, within ten (10) days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the mayor of the municipality.
- 4) The availability of these reports must be made public in accordance with section 21A of the Local Government Municipal Systems Act 32, 2002

7. Supply Chain Management Unit

- 1) A supply chain management unit is hereby established to implement this Policy.
- 2) The supply chain management unit operates under the direct supervision of the chief financial officer or an official to whom this duty has been delegated in terms of section 82 of the Act.

8. Training of supply chain management officials

The training of officials involved in implementing this Policy should be in accordance with relevant legislation, including Treasury guidelines on supply chain management.

CHAPTER 2: SUPPLY CHAIN MANAGEMENT SYSTEM

9. Format of supply chain management system

- 1) This Policy provides systems for –
 - a) demand management;
 - b) acquisition management;
 - c) logistics management;
 - d) disposal management;
 - e) risk management; and
 - f) performance management.

Part 1: Demand management

10. System of demand management

- 1) The accounting officer must establish and implement an appropriate demand management system in order to ensure that the resources required by the Municipality support its operational commitments and its strategic goals outlined in the Integrated Development Plan, the Budget and the Service Delivery and Budget Implementation Plan.
- 2) The demand management system must –
 - a) include timely planning and management processes to ensure that all goods and services required by the Municipality are quantified, budgeted for and timely and effectively delivered at the right locations and at the critical delivery dates, and are of the appropriate quality and quantity at a fair cost;
 - b) take into account any benefits of economies of scale that may be derived in the case of acquisitions of a repetitive nature; and
 - c) provide for the compilation of the required specifications to ensure that its

needs are met.

d) To undertake appropriate industry analysis and research to ensure that innovations and technological benefits are maximized.

Part 2: Acquisition management

11. System of acquisition management

1) The accounting officer must implement the system of acquisition management set

Out in this Part in order to ensure –

- a) That goods and services are procured by the Municipality in accordance with authorized processes only;
- b) That expenditure on goods and services is incurred in terms of an approved Budget in terms of section 15 of the Act;
- c) That the threshold values for the different procurement processes are complied with;
- d) That bid documentation, evaluation and adjudication criteria, and general Conditions of a contract, are in accordance with any applicable legislation; and
- e) That any Treasury guidelines on acquisition management are properly taken into account.

2) When procuring goods or services contemplated in section 110(2) of the Act, the accounting officer must, subject to clause 2(3), make public the fact that such goods or services are procured otherwise than through the Municipality's supply chain management system, including -

- a) the kind of goods or services; and
- b) the name of the supplier.

12. Range of procurement processes

1) Goods and services may only be procured by way of –

- a) Petty cash purchases up to an amount of R2 000 (VAT included) to be authorised by the Chief Financial Officer or his delegate; b) Formal written price quotations for procurement transactions with values over R2 000 up to R30 000 (VAT included);
- c) Formal written price quotations for procurement transactions valued over R30 000 (VAT included) up to **R200 000 (VAT included)**, subject to clause 18(b), **the 80/20 preference point system will apply**; and
- d) a competitive bidding process for –
- e) Procurement above a transaction value of **R200 000 (VAT included)** **the 80/20 preference point system will apply to procurement up to R50 000 000 and the 90/10 preference point system will apply to procurement in excess of R50 000 000.**

; and

- ii) The procurement of long term contracts, i.e. longer than one year.

- 2) The accounting officer may, in writing -
 - a) Lower, but not increase, the different threshold values specified in sub-clause (1);
or
 - b) direct that –
 - i) written or verbal quotations be obtained for any specific procurement of a transaction value lower than R2 000 (VAT included);
 - ii) formal written price quotations be obtained for any specific procurement of a transaction value lower than R30 000 (VAT included); or
 - iii) a competitive bidding process be followed for any specific procurement of a transaction value higher than **R200 000 (VAT included)**.
 - d) the delegated authority for the different threshold values are contained in the Municipality's Delegations of Power : Delegation 4.2.81.1.
- 3) Goods or services may not deliberately be split into parts or items of a lesser value merely to avoid complying with the requirements of the policy. When determining transaction values, a requirement for goods or services consisting of different parts or items must as far as possible be treated and dealt with as a single transaction.
- 4) The Municipality reserves the rights to appoint a panel of Service Providers or Contractors for period not more than 36 months and allocation of work must be done on rotational basis taking into account the final ranking and the performance of the service provider.

13. General preconditions for consideration of formal written price quotations or bids

A formal written price quotation or bid that exceeds R30 000 may not be considered unless the provider who submitted the quotation or bid –

- a) has furnished that provider's –
 - i) full name;
 - ii) identification number or company or other registration number; and
 - iii) tax reference number and VAT registration number, if any;
- b) has authorized the Municipality to verify any of the documentation referred to in sub-clause (a) above; and
- c) has indicated –
 - i) whether he or she is in the service of the state, or has been in the service of the state in the previous twelve months;

- ii) if the provider is not a natural person, whether any of its directors, managers, principal shareholder or stakeholders are in the service of the state, or has been in the service of the state in the previous twelve months; or
- iii) whether a close family member of the provider or of a director, manager, shareholder or stakeholder referred to in sub-clause (ii) is in the service of the state, or has been in the service of the state in the previous twelve months;
- iv) that the tendering enterprise or any of its owners, directors, members or trustees, in their personal capacity are not in arrears with any account(s) with a Municipality for longer than 90 days / three months; or
- v) whether any Municipal staff member is a close family member of an owner, his/her partner serves on the board of directors, or are members or trustees, of the tendering enterprise.

14. Lists of accredited prospective providers

- 1) The accounting officer must –
 - a) keep a list of accredited prospective providers of goods and services that must be used for the procurement requirements through written or verbal quotations and formal written price quotations; and
 - b) at least once a year through newspapers commonly circulating locally, the website and any other appropriate ways, invite prospective providers of goods or services to apply for evaluation and listing as accredited prospective providers;
 - c) specify the listing criteria for accredited prospective providers which must include at least the requirement to submit proof of compliance with SARS tax clearance and proof that local municipal rates and services payments are not in arrears for more than three months;
 - d) disallow the listing of any prospective provider whose name appears on the National Treasury’s database as a person prohibited from doing business with the public sector.
- 2) The list must be updated at least quarterly to include any additional prospective providers and any new commodities or types of services. Prospective providers must be allowed to submit applications for listing at any time.
- 3) The list must be compiled per commodity and per type of service.

15. Petty cash purchases

- 1) The general guideline is that petty cash purchases referred to in clause 12(1)(a) & (b) of this Policy are for minor items that are purchased for up to R2 000 (VAT included) where

it is impractical, impossible or not cost-effective to follow formal procurement process and is strictly of a reimbursive nature and not for advances.

- 2) The conditions for the procurement of goods by means of petty cash purchases referred to in clause 12 (1)(a) & (b) of this Policy, are as follows:-
 - a) Accounting Officer to determine the terms on which a manager may delegate responsibility for petty cash to an official reporting to the manager;
 - b) Accounting Officer to determine the maximum number of petty cash purchases or the maximum amounts per month for each petty cash holder;
 - c) Accounting Officer to determine any types of expenditure from petty cash purchases that are excluded, where this is considered necessary; and
 - d) a monthly reconciliation report from each petty cash holder must be provided to the chief financial officer, including –
 - i) the total amount of petty cash purchases for that month; and
 - ii) the receipts and appropriate documents for each purchase;
 - e) any other conditions determined by Accounting Officer.
- 3) Petty cash purchases with threshold value from an amount of R1.00 up to an amount of R2 000 (VAT included) to be authorised by the Chief Financial Officer or his delegate.

16. Written quotations

- 1) The conditions for the procurement of goods or services through written quotations for amounts under the threshold for formal quotations as stated in clause 12(1)(c) & (d) are as follows:
 - a) quotations for transactions up to a value of R 2 000 (VAT Included) must be obtained from at **least two different providers** preferably from, but not limited to, providers whose names appear on the **national treasury central supplier database or** list of **accredited prospective providers** of the Municipality provided that if quotations are obtained from providers who are not listed, such providers must meet the listing criteria set out in clause 14(1) (b), (c) and (d) of this Policy;
 - b) providers must be requested to submit such quotations in writing;
 - c) if it is not possible to obtain at least two quotations, **the reasons must be recorded and reported quarterly to the Supply Chain Manager**
 - d) if a quotation was submitted verbally, the order may be placed only against written confirmation by the selected provider;
 - e) any other conditions determined by the Accounting Officer.
- 2) **No orders may be placed based on verbal price quotations.**

- 3) No quotation, written or verbal, may be made available by an official to a prospective bidder.

17. Formal written price quotations

- 1) The conditions for the procurement of goods or services through formal written price quotations are as follows:
 - a) quotations must be obtained in writing from at least **three different providers whose names appear on the national treasury central supplier database or list of accredited prospective** providers of the Municipality;
 - b) quotations may be **obtained from providers who are not listed**, provided that such providers meet the listing criteria set out in clause 14(1) (b), (c) and (d) of this Policy;
 - c) if it is not possible to obtain **at least three quotations**, the reasons must be recorded and approved by the **Deputy Chief Financial Officer** or an official designated by the **Deputy Chief Financial Officer**, and
 - d) the **Deputy Chief Financial Officer** must record the names of the potential providers and their written quotations;

18. Procedures for procuring goods or services through formal written price quotations

The procedure for the procurement of goods or services through formal written price quotations is as follows:

- a) when using the list of accredited prospective providers the accounting officer must promote ongoing competition amongst providers by inviting providers to submit quotations on a rotation basis;
- b) all requirements in excess of R30 000 (VAT included) that are to be procured by means of formal written price quotations must, in addition to the requirements of clause 17, the database for goods and services above shall be advertised annually.
- c) quotes received must be evaluated on a comparative basis taking into account unconditional discounts;
- e) quotes must be awarded based on compliance to specifications, conditions of contract, ability and capability to deliver the goods and services, at **acceptable price**
- f) responsive and acceptable offers, which are subject to the preference points system (PPPFA and associated regulations and policy), must be awarded to the bidder who scored the highest points; The prescripts of the Preferential Procurement Policy

Framework Act, Act No.5 of 2000 will be applied for procurement requirements above R30 000 (and with a lesser value where appropriate);

- g) the **Deputy Chief Financial Officer** must set requirements for proper record keeping of all formal written price quotations accepted on behalf of the municipality;
- h) procurement requirements exceeding a value of R 30 000 (VAT Inclusive) must be submitted to the Quotations Evaluation Committee which comprises of **Supply Chain Manager or his delegate, Project Manager and Secretary**. The Quotations Evaluation Committee must make recommendation to the Deputy Chief Financial Officer or delegated official for approval.

19. Competitive bids

- 1) Goods or services above a transaction value of **R200 000 (VAT included)** and long term contracts may only be procured through a competitive bidding process, subject to clauses 11(2) and 36 of this Policy.
- 2) No requirement for goods or services above an estimated transaction value of **R200 000 (VAT included)**, may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process.
- 3) Expression of interest/Request for Information – The Municipality reserves the rights to issue expression of interest which is non-binding.
- 4) The Municipality reserves the rights to issue a request for qualification and proposal on all the PPP (Public Private Partnership) and alternative funding mechanisms and programmes

20. Process for competitive bidding

The procedures for the following stages of a competitive bidding process are as follows:

- a) Compilation of bidding documentation as detailed in clause 21;
- b) Public invitation of bids as detailed in clause 22;
- c) Site meetings or briefing sessions as detailed in clause 22;
- d) Handling of bids submitted in response to public invitation as detailed in clause 23;
- e) Evaluation of bids as detailed in clause 28;
- f) Award of contracts as detailed in clause 29;

- g) Administration of contracts: After approval of a bid, the accounting officer and the bidder must enter into a written agreement unless the bidding documentation constitutes an acceptable contract.
- h) Proper record keeping: Original and legal copies of written agreements should be kept in a secure place for reference purposes.

21. Bid documentation for competitive bids

- 1) The criteria to which bid documentation for a competitive bidding process must comply, and ;
 - a) take into account –
 - i) the general conditions of contract and any special conditions of contract, if specified;
 - ii) any Treasury guidelines on bid documentation; and
 - iii) the requirements of the Construction Industry Development Board (CIDB), in the case of a bid relating to construction, upgrading, refurbishment of buildings or infrastructure; and
 - iv) a statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality is expected to be transferred out of the Republic;
 - b) include the preference points system to be used as contemplated in the Preferential Procurement Regulations, 2011 and evaluation and adjudication criteria, including any criteria required by other applicable legislation;
 - c) compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted;
 - d) if the value of the transaction exceed R10 million (VAT included) –
 - i) the bidder is required by law to submit audited or reviewed annual financial statement; for the past three years; or since its establishment if established within the past three years;
 - ii) certificate signed by the bidder certifying that the bidder has no undisputed commitments for municipal services towards the Municipality or other service provider in respect of which payment is overdue for more than 30 calendar days;
 - iii) particulars of any contracts awarded to the bidder by an organ of state during the past five years, including particulars of any material noncompliance or dispute concerning the execution of such contract;
 - iv) a statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic, and, if so, what

- portion and whether any portion of payment from the municipality or municipal entity is expected to be transferred out of the Republic; and
- e) stipulate that disputes must be settled by means of mutual consultation, mediation (with or without legal representation), or, when unsuccessful, in a South African court of law;
 - f) in the absence of formal construction or technical contracts, e.g. JBCC and General Conditions of Contract, in which guarantees / sureties are contained, the following shall apply:
 - i) where surety is required it shall be in the form of cash or a bank guarantee from a banking institution registered in terms of the Banks Act, 1990 (Act No. 94 of 1990) or from an insurer registered in terms of the Insurance Act, 2002 (Act No. 30 of 2002). Where bids in Category A cannot raise the required surety of 2,5%, and it is feasible to deduct the amount from the Preliminary and General (P+G) payment certificate, such concessions may be granted; Guarantees will be required as follows:
 - g) indicate the value or extent to which the execution of the contract should or should not be subcontracted;
 - h) submit a certificate from the Department of Labour indicating compliance with the Occupational Health & Safety Act, 1993 [Act No. 85 of 1993];
 - i) any other criteria determined by the Accounting Officer; and
 - j) the amount and period of retention.

22. Public invitation for competitive bids

- 1) The procedure for the invitation of competitive bids is as follows:
 - a) Any invitation to prospective providers to submit bids must be by means of a e-tender portal, the website of the Municipality or CIDB database in case of capital projects
 - b) the information contained in a e-tender advertisement, must include –
 - i) the closure date for the submission of bids, which may not be less than 30 days in the case of transactions over R10 million (VAT included), or which are of a long term nature, or 14 days in any other case, from the date on which the advertisement is placed in a newspaper, subject to sub-clause (2) of this policy;
 - ii) a statement that bids may only be submitted on the **original bid** documentation provided by the Municipality;

- iii) a statement that bids will only be considered if it was deposited in the bid box indicated in the bid invitation; and
 - iv) date, time and venue of any proposed site meetings or briefing sessions.
- 2) The accounting officer may determine a closure date for the submission of bids which is less than the required **30 or 14 days**, but only if such shorter period can be justified on the grounds of urgency or emergency or any exceptional case where it is impractical or impossible to follow the official procurement process.
- 3) Bids submitted must be sealed.
- 4) Where bids are requested in electronic format, such bids must be supplemented by sealed hard copies.

23. Procedure for handling, opening and recording of bids

- 1) The procedures for the handling, opening and recording of bids, are as follows:
- a) Bids–
 - i) must be opened only in public;
 - ii) **must be opened on the same date and time of closing of bids ;**
 - b) **Any bidder or member of the public has the right to request that the names of the bidders and their bidding price who submitted bids in time shall be read out.**
 - c) No information, except the provisions in sub-clause (b), relating to the bid should be disclosed to bidders or other persons until the successful bidder is notified of the award; and
 - d) The accounting officer must –
 - i) record in a register all bids received in time;
 - ii) make the register available for public inspection; and
 - iii) publish the entries in the register on the website ;
 - (iv) notify the successful bidders in writing and publish the bid results on the website.
- 2) Stamping of bids and reading out of names
- a) An employee shall date-stamp the bid or quotation document and all enclosures related to prices. Bids and quotations shall be numbered in the sequence in which they have been opened.
 - b) Where prices have not been inserted in all relevant spaces on the form and such items have not been deleted by bidders, such spaces shall be stamped “no price” by the employee who opens the bids or quotations.
 - c) Details on how bidders responded to the relevant evaluation criteria e.g. SMME contribution, community benefits, job creation, environmental impact, etc. should not be disclosed.

- 3) Late Bids
 - a) Bids or quotations arriving after the specified closing time shall not be considered for evaluation.
 - b) Bid documents must clearly state the venue where the bidding box is situated for each bid. Any bid delivered to the wrong bid box will not be considered, even if it was delivered on time.
 - c) The late bid or quotation document shall be registered and stamped "late bid"
- 4) Amendments before the closing date
 - a) The Municipality is entitled to amend any bid condition, specification or plan, or extend the closing date of such a bid or quotation before the closing date, provided that such amendments or extensions are advertised
 - b) or are advised during briefing session and the details of amendment must recorded in briefing session minutes
- 5) The notice shall make provision for the bidders to request their submitted bid or quotations document.
- 6) Bid and quotation validity period
 - a) Validity period for bids above R200 000 (VAT Inclusive) is 90 days and also the validity period for quotation between R30000 (VAT inclusive) and **R200 000 (VAT Inclusive)** is 90 days
 - b) No person may amend or tamper with any tenders, quotations, contracts or bids after their submission.
- 7) Extension of validity period

The municipality reserve right to extent the validity period through notice to all the bidders who tendered for the relevant project provided that the notice is made on or before an expiry of validity period.

24. Negotiations with preferred bidders and communication with prospective providers and bidders

- 1) The accounting officer or delegated official may negotiate the final terms of a contract with bidders identified through a competitive bidding process as preferred bidders, provided that such negotiation –
 - a) does not allow any preferred bidder a second or unfair opportunity;
 - b) is not to the detriment of any other bidder; and
 - c) does not lead to a higher price than the bid as submitted;
 - d) does not lead to a lower price in respect of sale of land / goods.

- e) Hourly rates based project must be agreed upon by the relevant project owner as when required after the BAC has mandated the relevant project owner in writing and the hours must be within budget over MTREF period
- 2) Minutes of such negotiations must be kept for record purposes and as far as practical be made part of the final contract.
- 3) No unauthorised communication with bidders and prospective providers:
 - a) where bids and quotations have been submitted to the municipality, a bidder may not communicate with any councillor, official, or authorised service provider on any matter regarding his/her bid, quotation or offer other than a notice of withdrawal.
 - b) No municipal personnel may communicate with a bidder or any other party who has an interest in a bid, during the period between the closing date for the receipt of the bid or quotation (or date of receipt of an offer), and the date of notification of the successful bidder of acceptance of his bid, quotation or offer, except as provided for in clause (c) below. Every such case of unauthorised communication shall forthwith be reported to the Supply Chain Management Unit as well as the relevant chairperson of the Bid Adjudication Committee. A bid or quotation in respect of which unauthorized communication has occurred may be disqualified.
 - c) The chairperson or deputy chairperson of the Bid Adjudication Committee or delegated official, may authorise an employee in writing, to communicate with a bidder during the period mentioned in subsection (b) above for the purpose of:-
 - i) explaining and verification of declarations made in the bid response;
 - ii) confirming technical particulars and the compliance thereof with specifications;
 - iii) clarifying delivery times/quantities;
 - iv) extending the validity period of a bid;
 - v) clarifying any other commercial aspect;
 - vi) for the submission of substantiating documents.
 - d) In all cases where authority has been granted to communicate with bidders in terms of clause (c) above, it should be clearly stated in the submission to the Bid Adjudication Committee the nature of the communication as well as by whom such authority to communicate has been granted.
 - e) All changes and/or clarification of specifications shall be conveyed to all bidders by means or methods as specified in clause 23.

25. Two-stage bidding process

- 1) A two-stage bidding process is allowed for –
 - a) large complex projects; or

- b) projects where it may be undesirable to prepare complete detailed technical specifications; or
 - c) long term projects with a duration period exceeding three years.
- 2) In the first stage technical proposals on conceptual design or performance specifications should be invited, subject to technical as well as commercial clarifications and adjustments.
 - 3) In the second stage final technical proposals and priced bids should be invited.

26. Committee system for competitive bids

- 1) A committee system for competitive bids is hereby established, consisting of the following committees for each transaction or cluster of transactions as the accounting officer may determine:
 - a) a bid specification committee;
 - b) a bid evaluation committee; and
 - c) a bid adjudication committee;
- 2) The Accounting officer appoints the members of each committee, taking into account section 117 of the Act, and
- 3) The Accounting Officer may appoint a neutral or independent observer, to attend or oversee a committee when this is appropriate for ensuring fairness and promoting transparency.
- 4) The committee system must be consistent with –
 - a) clause 27, 28 and 29 of this Policy; and
 - b) any other applicable legislation.
- 5) The Accounting officer may apply the committee system to formal written price quotations.

27. Bid specification committees

- 1) The appropriate bid specification committee must compile the specifications for each procurement transaction for goods or services by the Municipality, depending on the department involved.
- 2) Specifications –
 - a) must be drafted in an unbiased manner to allow all potential suppliers to offer their goods or services;
 - b) must take account of any accepted standards such as those issued by Standards South Africa, the International Standards Organization, or an authority accredited or recognised by the South African National Accreditation System with which the equipment or material or workmanship should comply;

- c) must, where possible, be described in terms of performance required and / or in terms of descriptive characteristics for design;
 - d) may not create trade barriers in contract requirements in the forms of specifications, plans, drawings, designs, testing and test methods, packaging, marking or labelling of conformity certification;
 - e) may not make reference to any particular trade mark, name, patent, design, type, specific origin or producer unless there is no other sufficiently precise or intelligible way of describing the characteristics of the work, in which case such reference must be accompanied by the word “equivalent”;
 - f) must indicate each specific goal for which points may be awarded in terms of the points system set out in the Preferential Procurement Regulations, 2011; and
 - g) must be approved by the relevant senior manager prior to publication of the invitation for bids in terms of clause 22 of this Policy.
- 3) Composition of Bid Specification Committee
- A Bid Specification Committee must be composed of the following:
- a) Supply Chain Official as the chairperson
 - b) One official from SCM Unit providing also secretarial duties
 - c) Manager or delegated official from the user department requesting goods or services.
- 4) The Committee may, when appropriate, include external specialist advisors. No person, advisor or corporate entity involved with the bid specification committee, or director of such a corporate entity, may bid for any resulting contracts.

28. Bid evaluation committees

- 1) A bid evaluation committee must evaluate all bids for procurement exceeding **R 200 000 (VAT Inclusive)** –
- a) evaluate bids in accordance with –
 - i) the specifications for a specific procurement; and
 - ii) the points system set out in terms of clause 27(2)(f);
 - iii) the general criteria to evaluate technical and financial ability
 - iv) the framework for the adjudication of bids as contained in Part B (Preferential Procurement Policy).
 - b) evaluate each bidder’s ability to execute the contract;
 - c) evaluate the bids to ensure value for money for the municipality;

- d) check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears for more than three months or valid lease agreements or letter from traditional authorities.
 - e) submit to the adjudication committee a report and recommendations regarding the award of the bid or any other related matter;
 - f) submit to the adjudication committee a report and reasons in the event of a bid not being awarded.
- 2) Composition of Bid Evaluation Committee
- A bid evaluation committee must as far as possible be composed of
- a) Standing members
 - i) Manager or official appointed by the Accounting Officer
 - ii) Supply chain management official
 - b) Other members:
 - i) At least one knowledgeable / professional official from the Directorate for whom the bid is called.
 - ii) Technical experts, consultants or advisors, provided that these experts may only actively contribute to discussions, but not vote on the items evaluated.

29. Bid adjudication committees

- 1) A bid adjudication committee must –
- a) consider the report and recommendations of the bid evaluation committee; and
 - b) either –
 - i) depending on its delegations, make a final award or a recommendation to the accounting officer to make the final award; or
 - ii) make another recommendation to the accounting officer how to proceed with the relevant procurement.
 - c) Consider the report and recommendations of the bid evaluation committee where it is recommended that the tender not be awarded; and either
 - i) take a decision that the tender not be awarded for the reasons presented and that it be re-advertised or not be re-advertised; or
 - ii) take a decision that the tender be awarded and make a final award or a recommendation to the accounting officer to make the final award.
- 2) A bid adjudication committee shall be composed at least four senior managers including the following:-

- a) the Chief Financial Officer as the Chairperson or, if the Chief Financial Officer is not available, the Deputy Chief Financial Officer, in cases where the two are not available another manager reporting directly to the chief financial officer or deputy chief financial officer and designated by the chief financial officer;
 - b) the Manager: Supply Chain Management or delegated SCM practitioner; and
 - c) Directors or in their absence, a duly delegated official appointed by the Accounting Officer.
 - d) In the event of an equal of votes the chairperson shall have a casting vote over and above a deliberate vote.
- 3) The Technical Director or advisor o must be present at the Bid Adjudication meeting where bids related to engineering are to be considered.
 - 4) The Chairperson of the Bid Evaluation Committee or in his absence an official nominated by the Chief Financial Officer should be present at the Adjudication Meetings to introduce the reports to the Committee and assist in clarifying issues that were dealt with in the Evaluation Committee meetings without voting rights.
 - 5) A technical expert in the relevant field, who is an official, if such an expert exists, may attend the meeting as an advisor for clarification purposes. This official will not have voting rights at the Bid Adjudication Committee meeting.
 - 6) The Accounting officer or Bid Adjudication committee may recommend the consultant to perform risk assessment on price before appointment of the recommended bidder.
 - 7) The Accounting Officer must appoint the CFO or in his absence, the deputy CFO, as chairperson of the committee.
 - 8) Neither a member of a bid evaluation committee, nor an advisor or person assisting the evaluation committee, may be a member of a bid adjudication committee.
 - 9) If the bid adjudication committee decides to award a bid other than the one recommended by the bid evaluation committee –
 - a) the bid adjudication committee must prior to awarding the bid –
 - i) check in respect of the preferred bidder whether that bidder’s municipal rates and taxes and municipal service charges are not in arrears for more than three months, and;
 - ii) notify the accounting officer.
 - b) The accounting officer may –
 - i) after due consideration of the reasons for the deviation, ratify or reject the decision of the bid adjudication committee referred to in clause (a); and
 - ii) if the decision of the bid adjudication committee is rejected, refer the decision of the adjudication committee back to that committee for reconsideration.

- 10) The accounting officer may at any stage of a bidding process, refer any recommendation made by the evaluation committee or the adjudication committee back to that committee for reconsideration of the recommendation.
- 11) The accounting officer must comply with section 114 of the Local Government: Municipal Finance Management Act 56 of 2003 –
 1. *If a tender other than the one recommended in the normal course of implementing the supply chain management policy of a municipality or municipal entity is approved, the accounting officer of the municipality or municipal entity must, in writing, notify the Auditor-General, the relevant provincial treasury and the National Treasury and, in the case of a municipal entity, also the parent municipality, of the reasons for deviating from such recommendation.*
 2. *Subsection (1) does not apply if a different tender was approved in order to rectify an irregularity.”*

30. Quorum in all bid committees

Quorum at bid committee meetings shall be fifty percent plus one of total members.

31. Procurement of banking services

- 1) A contract for banking services –
 - a) must be procured through competitive bids;
 - b) must be consistent with section 7 of the Act; and
 - c) may not be for a period of more than five years at a time.
- 2) The process for procuring a contract for banking services must commence at least nine months before the end of an existing contract.
- 3) The closure date for the submission of bids may not be less than 60 days from the date on which the advertisement is placed in a newspaper in terms of clause 22(1). Bids must be restricted to banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990).

32. Procurement of Information- and Communication Technology (ICT) related goods or services

- 1) The accounting officer may request the State Information Technology Agency (SITA) to assist with the acquisition of ICT related goods or services through a competitive bidding process.

- 2) Both parties must enter into a written agreement to regulate the services rendered by, and the payments to be made to, SITA.
- 3) The accounting officer must notify SITA together with a motivation of the ICT needs if –
 - a) the transaction value of ICT related goods or services required in any financial year will exceed R50 million (VAT included); or
 - b) the transaction value of a contract to be procured whether for one or more years exceeds R50 million (VAT included).
- 4) If SITA comments on the submission and the Municipality disagree with such comments, the comments and the reasons for rejecting or not following such comments must be submitted to the council, the National Treasury, the relevant provincial treasury and the Auditor General.

33. Procurement of goods and services under contracts secured by other organs of state

- 1) The accounting officer may procure goods or services under a contract secured by another organ of state, but only if –
 - a) the contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of state;
 - b) there is no reason to believe that such contract was not validly procured;
 - c) there are demonstrable discounts or benefits to do so; and
 - d) that other organ of state and the provider have consented to such procurement in writing.
- 2) Sub-clauses (1)(c) and (d) do not apply if –
 - a) a municipal entity procures goods or services through a contract secured by its parent municipality; or
 - b) a municipality procures goods or services through a contract secured by a municipal entity of which it is the parent municipality.
- 3) Prior considering the use of section 32, the full cost benefits analysis must be performed by the user department and cost benefit analysis must be first approved by the BAC if the project will be below R3m or accounting officer if the project is above R3m.

34. Procurement of goods necessitating special safety arrangements

- 1) The acquisition and storage of goods in bulk (other than water), which necessitate special safety arrangements, including gases and fuel, should be avoided where ever possible.
- 2) Where the storage of goods in bulk is justified, such justification must be based on sound reasons, including the total cost of ownership, cost advantages and environmental

impact and must be approved by the employee duly authorised in terms of the Occupational Health and Safety Act, 1993 (Act No. 85 of 1993).

35. Proudly SA Campaign

The Municipality supports the Proudly SA Campaign to the extent that, as far as possible, preference is given to procuring local goods and services.

36. Appointment of consultants

- 1) The accounting officer may procure consulting services provided that any Treasury guidelines and the relevant professional body requirements in respect of consulting services are taken into account when such procurements are made.
- 2) Consultancy services must be procured through competitive bids if:
 - a) the value of the contract exceeds **R200 000 (VAT included)**; or
 - b) the duration period of the contract exceeds one year.
- 3) In addition to any requirements prescribed by this policy for competitive bids, bidders must furnish particulars of –
 - a) all consultancy services provided to the municipality in the last five years; and
 - b) any similar consultancy services provided to the municipality in the last five years.
- 4) The accounting officer must ensure that copyright in any document produced, and the patent rights or ownership in any plant, machinery, thing, system or process designed or devised, by a consultant in the course of the consultancy service is vested in the Municipality.

37. Deviation from, and ratification of minor breaches of, procurement processes

- 1) The accounting officer may –
 - a) dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –
 - i) in an emergency;
 - a) Circumstances that warrant emergency dispensation, includes but are not limited to -
 - a) the possibility of human injury or death;
 - b) the prevalence of human suffering or deprivation of rights;
 - c) the possibility of damage to property, or suffering and death of livestock and animals;
 - d) the interruption of essential services, including transportation and communication facilities or support services critical to the effective functioning of the municipality as a whole;

- e) the possibility of serious damage occurring to the natural environment;
 - f) the possibility that failure to take necessary action may result in the municipality not being able to render an essential community service;
 - g) the possibility that the security of the state could be compromised.
- b) The prevailing situation, or imminent danger, should be of such a scale and nature that it could not readily be alleviated by interim measures, in order to allow time for the formal tender process.
 - c) Procurement in the case of emergencies must be tacitly approved by the relevant director or his delegatee prior to incurring the expenditure and must be reported to the Municipal Manager or delegated official on the ensuing days.
- ii) if such goods or services are produced or available from a single provider only upon submission of certification letter from DTI;
 - iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;
 - iv) acquisition of animals for zoos and/or nature and game reserves; or
 - v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes,
 - vi) in the case of strip and quote, quotations will be sourced from one service providers listed on the database on rotational basis.
 - vii) Renewal and acquisition of IT licenses shall be sourced directly from accredited agencies.
- b) ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature; and
 - c) may condone any irregular expenditure incurred in contravention of, or that is not in accordance with a requirement of this Policy, provided that such condonation and the reasons therefore shall be reported to Council at the next ensuing meeting.
- 2) The accounting officer must record the reasons for any deviations in terms of subclauses (1)(a) and (b) of this policy and report them to the next Council Meeting and include as a note to the annual financial statements.
 - 3) Sub-clause (2) does not apply to the procurement of goods and services contemplated in clause 11(2) of this policy.

4) Limited bidding/Close Bid

It is allowed under this policy that the accounting officer may use limited bidding to procure goods and services but approval must only be granted where there is sufficient motivation / reasons and after a careful and thorough analysis of the market.

(i) “Multiple source”- There is a limited competition, hence only a few prospective bidders are allowed to make proposal. This should be based on a thorough analysis of the market.

(ii) “Single Source”- This should be based on a thorough analysis of the market and use a transparent and equitable pre-selection process, to request only one amongst a few prospective bidders to make a proposal.

(iii) “Sole source”- There is no competition and it has been proven through careful and transparent market analysis that only one bidder exists (for example, sole distribution rights etc.)

38. Unsolicited bids

1) In accordance with section 113 of the Act there is no obligation to consider unsolicited bids received outside a normal bidding process.

2) The accounting officer may decide in terms of section 113(2) of the Act to consider an unsolicited bid, only if –

- a) the product or service offered in terms of the bid is a demonstrably or proven unique innovative concept;
- b) the product or service will be exceptionally beneficial to, or have exceptional cost advantages;
- c) the person who made the bid is the sole provider of the product or service; and
- d) the reasons for not going through the normal bidding processes are found to be sound by the accounting officer.

3) If the accounting officer decides to consider an unsolicited bid that complies with sub-clause (2) of this policy, the decision must be made public in accordance with section 21A of the Municipal Systems Act, together with –

- a) reasons as to why the bid should not be open to other competitors;
- b) an explanation of the potential benefits if the unsolicited bid was to be accepted; and

- c) an invitation to the public or other potential suppliers to submit their comments within 30 days of the notice.
- 4) The accounting officer must submit all written comments received pursuant to sub-clause (3), including any responses from the unsolicited bidder, to the National Treasury and the relevant provincial treasury for comment.
- 5) The adjudication committee must consider the unsolicited bid and may award the bid or make a recommendation to the accounting officer, depending on its delegations.
- 6) A meeting of the adjudication committee to consider an unsolicited bid must be open to the public.
- 7) When considering the matter, the adjudication committee must take into account –
 - a) any comments submitted by the public; and
 - b) any written comments and recommendations of the National Treasury or the relevant provincial treasury.
- 8) If any recommendations of the National Treasury or provincial treasury are rejected or not followed, the accounting officer must submit to the Auditor General, the relevant provincial treasury and the National Treasury the reasons for rejecting or not following those recommendations.
- 9) Such submission must be made within five day after the decision on the award of the unsolicited bid is taken, but no contract committing the Municipality to the bid may be entered into or signed within 30 day of the submission.
- 10) Closed bids shall only be accepted after the municipality failed to attract potential service providers through normal competitive bidding processes

39. Combating of abuse of supply chain management system

- 1) The accounting officer is hereby enabled to –
 - a) take all reasonable steps to prevent abuse of the supply chain management system;
 - b) investigate any allegations against an official or other role player of fraud, corruption, favouritism, unfair or irregular practices or failure to comply with this Policy, and when justified –
 - i) take appropriate steps against such official or other role player; or
 - ii) report any alleged criminal conduct to the South African Police Service;
 - c) check the National Treasury's database prior to awarding any contract to ensure that no recommended bidder, or any of its directors, is listed as a person prohibited from doing business with the public sector;
 - d) reject any bid from a bidder –

- i) if any municipal rates and taxes or municipal service charges owed by that bidder or any of its directors to the Municipality, or to any other municipality or municipal entity are in arrears for more than three months; or
 - ii) who during the last five years has failed to perform satisfactorily on a previous contract with the Municipality or any other organ of state after written notice was given to that bidder that performance was unsatisfactory;
 - e) reject a recommendation for the award of a contract if the recommended bidder, or any of its directors, has committed a corrupt or fraudulent act in competing for the particular contract;
 - f) cancel a contract awarded to a person if –
 - i) the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or
 - ii) an official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person; and
 - g) reject the bid of any bidder if that bidder or any of its directors –
 - i) has abused the supply chain management system of the Municipality or has committed any improper conduct in relation to such system;
 - ii) has been convicted for fraud or corruption during the past five years;
 - iii) has wilfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
 - iv) has been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).
- 2) The accounting officer must inform the National Treasury and relevant provincial treasury in writing of any actions taken in terms of sub-clauses (1)(b)(ii), (e) or (f) of this policy.
- 3) Restrictive practices are prohibited:
 - a) In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder is or a contractor was involved in collusive bidding.
 - b) If a bidder or contractor, based on reasonable grounds or evidence obtained by the municipality, has engaged in the restrictive practice referred to above, the municipality may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in section 59 of the Competition Act No. 89 of 1998.

- c) If a bidder or contractor has been found guilty by the Competition omission of the restrictive practice referred to above, the purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid for such item(s) offered, and / or terminate the contract in whole or part, and / or restrict the bidder or contractor from conducting business with the public sector for a period not exceeding ten (10) years and / or claim damages from the bidder or contractor concerned.

4) Blacklisting criteria:

- a) Fraudulent and corrupt activities shall amount to 10 years sanction
- b) Collusive activities shall amount to 10 years sanction
- c) Misrepresentation of facts or false declarations shall amount to 5 years sanction
- d) Poor or non-performance shall amount to 2 years sanction

Part 3: Logistics, Disposal, Risk and Performance Management

40. Logistics management

The accounting officer must establish and implement an effective system of logistics management, which must include -

- 1) the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;
- 2) the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;
- 3) the placing of manual or electronic orders for all acquisitions other than those from petty cash;
- 4) before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;
- 5) appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;
- 6) regular checking to ensure that all assets are properly managed and maintained in terms of Council's Asset Management Policy; and 7) monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

41. Disposal management

Assets must be disposed of in terms of Council's Asset Management Policy as well as the Immoveable Property Management Policy.

42. Risk management

The Accounting Officer must implement an effective system of risk management for the identification, consideration and avoidance of potential risks in the supply chain management system as per Council's Risk Management Policy.

43. Performance management

The accounting officer must implement an internal monitoring system in order to determine, on the basis of a retrospective analysis, whether the authorised supply chain management processes were followed and whether the objectives of this Policy were achieved in terms of the Performance Management System- Implementation Policy.

Part 4: Other matters

44. Prohibition on awards to persons whose tax matters are not in order

Bids in excess of R30 000 will only be evaluated if the municipality is in possession of a bidder's valid original tax clearance certificate which declares that the bidder's tax matters have been declared to be in order by the South African Revenue Services (SARS). Alternatively the central supplier database will be checked to verify the tax matters of the recommended bidders.

45. Prohibition on awards to persons in the service of the state

Irrespective of the procurement process followed, no award may be made to a person in terms of this Policy –

- a) who is in the service of the state;
- b) that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state; or
- c) a person who is an advisor or consultant contracted with the Municipality in respect of a contract that would cause a conflict of interest.

46. Awards to close family members of persons in the service of the state

The accounting officer must ensure that the notes to the annual financial statements disclose particulars of any award of more than R2 000 (VAT included) to a close family member of a person in the service of the state, or has been in the service of the state in the previous twelve months, including –

- 1) the name of that person;

- 2) the capacity in which that person is in the service of the state; and
- 3) the amount of the award.

47. Ethical standards

- 1) A code of ethical standards for supply chain management practitioners and other role players involved in supply chain management is hereby established in accordance with sub-clause (2) in order to promote –
 - a) mutual trust and respect; and
 - b) an environment where business can be conducted with integrity and in a fair and reasonable manner.
- 2) An official or other role player involved in the implementation of the supply chain management policy –
 - a) must treat all providers and potential providers equitably;
 - b) may not use his or her position for private gain or to improperly benefit another person;
 - c) may not accept any reward, gift, favour, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of that person, of a value more than R350;
 - d) notwithstanding sub-clause (2)(c), must declare to the accounting officer details of any reward, gift, favour, hospitality or other benefit promised, offered or granted to that person or to any close family member, partner or associate of that person;
 - e) must declare to the accounting officer details of any private or business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process of, or in any award of a contract by, the Municipality;
 - f) must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest;
 - g) must be scrupulous in his or her use of property belonging to the municipality;
 - h) must assist the accounting officer in combating fraud, corruption, favouritism and unfair and irregular practices in the supply chain management system; and
 - i) must report to the accounting officer any alleged irregular conduct in the supply chain management system which that person may become aware of, including –

- i) any alleged fraud, corruption, favouritism or unfair conduct;
 - ii) any alleged contravention of clause 47(1) of this policy; or
 - iii) any alleged breach of this code of ethical standards.
- 3) Declarations in terms of sub-clauses (2)(d) and (e) -
 - a) must be recorded in a register which the accounting officer must keep for this purpose;
 - i) by the accounting officer must be made to the mayor of the municipality who must ensure that such declarations are recorded in the register.
- 4) A breach of the code of ethics must be dealt with as follows -
 - a) in the case of an employee, in terms of the disciplinary procedures of the Municipality envisaged in section 67(1)(h) of the Municipal Systems Act;
 - b) in the case a councillor, in terms of Schedule 1 of the Systems Act;
 - c) in the case a role player who is not an employee, or a councillor through other appropriate means in recognition of the severity of the breach; and
 - d) in all cases, financial misconduct must be dealt with in terms of Chapter 15 of the Act.

48. Inducements, rewards, gifts and favours to municipal officials and other role players

- 1) No person who is a provider or prospective provider of goods or services, or a recipient or prospective recipient of goods disposed or to be disposed of may either directly or through a representative or intermediary promise, offer or grant –
 - a) any inducement or reward to the Municipality for or in connection with the award of a contract; or
 - b) any reward, gift, favour or hospitality to –
 - i) any official; or
 - ii) any other role player involved in the implementation of this Policy.
- 2) The accounting officer must promptly report any alleged contravention of subclause (1) to the National Treasury for considering whether the offending person, and any representative or intermediary through which such person is alleged to have acted, should be listed in the National Treasury's database of persons prohibited from doing business with the public sector.
- 3) Sub-clause (1) does not apply to gifts less than R350 in value.

49. Sponsorships

The accounting officer must promptly disclose to the National Treasury and the relevant provincial treasury any sponsorship promised, offered or granted, whether directly or through a representative or intermediary, by any person who is –

- a) a provider or prospective provider of goods or services; or
- b) a recipient or prospective recipient of goods disposed or to be disposed.

50. Objections and complaints

Persons aggrieved by decisions or actions taken in the implementation of this supply chain management system, may lodge within fourteen (14) days of the decision or action, a written objection or complaint against the decision or action.

51. Resolution of disputes, objections, complaints and queries

- 1) The accounting officer must appoint an independent and impartial person or persons, not directly involved in the supply chain management processes –
 - a) to assist in the resolution of disputes between the Municipality and other persons regarding -
 - i) any decisions or actions taken in the implementation of the supply chain management system; or
 - ii) any matter arising from a contract awarded in the course of the supply chain management system;
 - b) to deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.
- 2) The accounting officer, or another official designated by the accounting officer, is responsible for assisting the appointed person to perform his or her functions effectively.
- 3) The person appointed must –
 - a) strive to resolve promptly all disputes, objections, complaints or queries received; and
 - b) submit monthly reports to the accounting officer on all disputes, objections, complaints or queries received, attended to or resolved.
- 4) A dispute, objection, complaint or query may be referred to the relevant provincial treasury if –
 - a) the dispute, objection, complaint or query is not resolved within 46 day; or
 - b) no response is forthcoming within 46 day.
- 5) If the provincial treasury does not or cannot resolve the matter, the dispute, objection, complaint or query will be referred to the National Treasury for resolution.

- 6) This clause must not be read as affecting a person's rights to approach a court at any time.

52. Contracts providing for compensation based on turnover

- 1) If a service provider acts on behalf of a Municipality to provide any service or act as a collector of fees, service charges or taxes and the compensation payable to the service provider is fixed as an agreed percentage of turnover for the service or the amount collected, the contract between the service provider and the Municipality must stipulate -
 - a) a cap on the compensation payable to the service provider; and
 - b) that such compensation must be performance based.

53. Dispute resolution on payment of Contractors and/or Service Providers

- 1) All the dispute on payment from the user department must be reported to the office of the CFO in writing and circular 49 must be utilised to resolve the issue.
- 2) All the disputed payment must be reported on section 71 reports as part of statutory reporting;

54. Payment of sub-contractors or joint venture partners and Cessionary payment

- 1) Payment of sub-contractors or joint venture partners
The chief financial officer or an official designated by the chief financial officer may consent to the direct payment of sub-contractors or joint venture partners by way of:
 - a) an approved agreement between the two parties provided it is within 30% threshold as required by the preferential regulation; or
- 2) Cessionary payment
The municipality shall accept cessionary payment under the following conditions:
 - a) Signed agreement between the parties involved.
 - b) Provided that the cedee submit original and valid tax clearance certificate.
 - c) The cedee is not blacklisted in the National Treasury database

Cessionary payments shall be approved by delegated officials in terms of approved delegations.

3. Cession can only entered into if it is for purchase of the material or stock by the appointed service provider or financing cession to the appointment service provider.

4. No official other than the Chief Financial Officer ,Deputy Chief Financial Officer of Supply Chain manager shall enter into cession on behalf of the municipality
5. Cession below R30 000 can be signed by the SCM Manager;
6. Cession between R30 000 and R200 000 shall be signed by the Deputy Chief Financial Officer.
7. Cession between above R200 000 shall be signed by the Chief Financial Officer.

55. Extending/ Expansion of Contracts

1. It is recognized that, in exceptional cases, an accounting officer may deem it necessary to expand or vary order against the original contract.
2. Contract(s) may be expanded or varied by not more than 20% for construction related goods, works and/or services and 15% for all other goods or services of the original value of the contract after approval by the BAC and while on tenders above R10 Million must be approved by the Accounting Officer after the BAC has recommended to the Accounting Officer on the proposed variations.
3. Any expansion or variation of contract in excess of these thresholds must be dealt with in terms of the provision to section 116(3) of the MFMA which will be regarded as an amendment to contract and should be approved by council.
4. Contracts for supply of goods and services (Month to Month contracts) may not be extended for a period more of than three months.

56. Contracts having budgetary implications beyond three financial years

The municipality may not enter into any contract that will impose financial obligations beyond the three years covered in the annual budget for that financial year, unless the requirements of section 33 of the Municipal Finance Management Act have been fully complied with.

57. Short title and commencement

This part of the policy is called the Polokwane Municipality **Supply Chain Management Policy**.

**POLOKWANE
MUNICIPALITY**

**SUPPLY CHAIN
MANAGEMENT POLICY**

PART B

PREFERENTIAL PROCUREMENT POLICY

POLOKWANE MUNICIPALITY
SUPPLY CHAIN MANAGEMENT POLICY – PART B

PART B

PREFERENTIAL PROCUREMENT POLICY adopted in terms of Section 2 of the Preferential Procurement Policy Framework Act, No. 5 of 2000 and the Preferential Procurement Regulations, 2022.

PREAMBLE

WHEREAS the Polokwane Municipality aims to improve the quality of life of the local community and to free the potential of each person within a framework of facilitating service delivery, through effective governance and the Council takes into account the need for transparent procedures that give the effect to the principle of preferential procurement;

AND WHEREAS local economic development plays a crucial role in creating a prosperous, equitable, stable and democratic society and the overall national vision of economic development is one of decent work and living standards for all in the context of qualitative improved equality in ownership, skills and access to opportunities;

NOW THEREFORE the Council of the Polokwane Municipality resolves in terms of section 2 of the Preferential Procurement Policy Framework Act, No. 5 of 2000 that the principles embodied in the **Preferential Procurement Regulations, 2022** are herewith integrated into the Polokwane Municipality's Supply Chain Management Policy to form the basis of the evaluation criteria for quotations and competitive bids.

**POLOKWANE MUNICIPALITY
SUPPLY CHAIN MANAGEMENT POLICY – PART B**

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DEFINITIONS AND APPLICATION

1 Definitions

In this policy, unless the context indicates otherwise, a word or expression to which a meaning has been assigned in the Act bears the same meaning, and:

"Act"	means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);
"all applicable taxes"	includes Value-Added Tax, Pay-as-you-Earn, Income Tax, Unemployment Insurance Fund Contributions and Skills Development Levies;
"B-BBEE"	means Broad-Based Black Economic Empowerment as defined in Section 1 of the Broad-Based Black Economic Empowerment Act;
"Broad-Based Black Economic Empowerment Act" (B-BBEEA)	means the Broad-Based Black Economic Empowerment Act, 2003 (Act No.53 of 2003);
"Comparative price"	means the price after the factors of a non-firm price and all unconditional discounts that can be utilised have been taken into consideration;
"Consortium or Joint"	means an association of persons for the purpose of

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"Venture"	combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract;
"Contract"	means the agreement that results from the acceptance of a bid by the Polokwane Municipality;

“designated sector”	means a sector, sub-sector or industry that has been designated by the Department of Trade and Industry in line with national development and industrial policies for local production, where only locally produced services, works or goods or locally manufactured goods meet the stipulated minimum threshold for local production and content;
"Firm price"	is the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, levy, or tax, which, in terms of a law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract;
"Functionality"	means the measurement according to predetermined norms, as set out in the tender documents, of a service or commodity that is designed to be practical and useful, working or operating, taking into account, among other factors, the quality, reliability, viability and durability of a service and the technical capacity and ability of a tenderer;
“imported content”	means that portion of the tender price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or its subcontractors) and which costs are inclusive of the costs abroad, plus freight and direct importation costs, such as landing costs, dock dues, import duty,

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“local content”	sales duty or other similar tax or duty at the South African port of entry; means that portion of the tender price which is not included in the imported content, provided that local manufacture does take place;
“Micro-Enterprise”	means a very small business, often involving only the owner, some family members and at the most one or two paid employees. They usually lack `formality` in terms of business

licences, value-added tax (VAT) registration, formal business premises, operating permits, operating permits and accounting procedures. Most of them have a limited capital base and only rudimentary technical or business skills among their operators. However, many micro-enterprises advance into viable small businesses. Earning levels of microenterprises differ widely, depending on the particular sector, the growth phase of the business and access to relevant support.

"Non-firm prices"	means all prices other than "firm" prices;
"Person"	includes reference to a juristic person;
"Rand value"	means the total estimated value of a contract in South African currency, calculated at the time of bid invitations and includes all applicable taxes and excise duties;
"stipulated minimum threshold"	means that portion of local production and content as determined by the Department of Trade and Industry;
"Sub-Contract"	means the primary contractor's assigning or leasing or making out work to, or employing, another person to support such primary contractor in the execution of part of a project in terms of the contract;
"Survivalist Enterprise"	means a business set up by people unable to find a paid job or get into an economic sector of their choice. Income generated from these activities usually falls far short of even a minimum income standard, with little

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capital invested, virtually no skills training in the particular field and only limited opportunities for growth into a viable business. This category is characterised by poverty and the attempt to survive.

"Tender"	means a written offer in a prescribed or stipulated form in response to an invitation by the Polokwane Municipality for the provision of services, works or goods, through price
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	quotations, advertised competitive bidding processes or proposals;
"Total revenue"	bears the same meaning assigned to this expression as in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act, 2003 and promulgated in the Government Gazette on 9 February 2007;
"Trust"	means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person; and
"Trustee"	means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.

"Specific goals" means specific goals as contemplated in section 2(1)(d) of the Act which may include contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender and disability including the implementation of programmes of the Reconstruction and Development Programme as published in Government Gazette No. 16085 dated 23 November 1994.

"tender: for income-generating: means that a written offer in the form determined by an organ of the State.

Contracts response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of the State and a third party that produces revenue for the organ of the State and includes, but is not limited to, leasing and disposal of the assets and concession contracts, excluding direct sales and disposal of assets through public auctions.

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SUPPLY CHAIN MANAGEMENT POLICY – PART B

2 Application, Objectives & General Requirements

2.1 Application

The Polokwane Municipality must, unless the Minister of Finance has directed otherwise, only apply a preferential procurement system which is in accordance with the Regulations.

2.2 Objectives

The objectives of Councils' policy are to:

- 1) Provide clarity on the municipality's approach to procurement, particularly with regards to requirements of preferential procurement;
- 2) Provide access to contracts for historical disadvantaged individuals;
- 3) Promote participation by SMMEs as amended from time to time;
- 4) Promote capacity development and skills transfer;
- 5) Promote Local Economic Development.

2.3 General requirements

- 1) Any specific goal required for consideration in the bidding process must be clearly determined by the Bid Specification Committee and be defined in the bid documentation, taking into account prescriptions of the Construction Industry Development Board [CIDB] in respect of construction related contracts.
- 2) Outputs required will be quantified and will form part of the contractual arrangement upon awarding of the contract.

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PREFERENCE POINT SYSTEM AND SPECIFIC GOALS, EVALUATION OF BIDS ON FUNCTIONALITY, AWARD OF CONTRACTS TO BIDDERS NOT SCORING THE HIGHEST NUMBER OF POINTS AND THE CANCELLATION AND RE-INVITATION OF BIDS

3 Planning and stipulation of preference point system to be utilized

- 1) The Polokwane Municipality must, prior to making an invitation for bids -
 - a) properly plan for, and, as far as possible, accurately estimate the costs of the provision of services, works or goods for which an invitation for bids is to be made; and
 - b) determine and stipulate the appropriate preference point system and specific goals to be utilized in the evaluation and adjudication of the bids.
 - c) determine whether the services, works or goods for which an invitation is to be made has been designated for local production and content in terms of Clause 9.

3. Specific Goals

Identification of specific goal

Specific goals means specific goals as contemplated in section 2(1)(d) of the Act which may include contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender and disability including the implementation of programmes of the Reconstruction and Development Programme as published in Government Gazette No. 16085 dated 23 November 1994

Preference points for specific goals as follow:

A maximum of 20 points may be awarded to a tender for the specific goal for the tender.

Specific goal specified for the tender for preference point system and attachment.

80/20

Preference points for specific goals	Means of verification	Number of Points
Black	Identification document	0-20

Woman	Identification document	0-20
People with disability	Medical report indicating disability	0-20
Youth	Identification document	0-20
Locality	Proof of Residence	0-20

A maximum of points may be awarded to a tender for the specific goal for the tender.

Specific goal specified for the tender for preference point system and attachment.

90/10

Preference points for specific goals	Means of verification	Number of Points
Black	Identification document	0-10
Woman	Identification document	0-10
People with disability	Medical report indicating disability	0-10
Youth	Identification document	0-10
Locality	Proof of Residence	0-10

4 Evaluation of bids based on functionality

- 1) The Polokwane Municipality must in the bid documents indicate if, in respect of a particular bid invitation, bids will also be evaluated on functionality;
- 2) The evaluation criteria for measuring functionality must be objective.
- 3) When evaluating bids on functionality, the-
 - a) evaluation criteria for measuring functionality,
 - b) the weight of each criterion,
 - c) the applicable values; as well as
 - d) the minimum qualifying score for functionality, must be clearly indicated in the bid documents.

- 4) A bid must be disqualified if it fails to achieve the minimum qualifying score for functionality as indicated in the bid documents; and
- 5) Bids that have achieved the minimum qualification score for functionality must be evaluated further in terms of the preference point systems prescribed in Clause 5 and 6.
- 6) The Municipality reserves the rights to use the quality based selection method for tenders deemed to be complex in nature.

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5 The 80/20 preference point system for acquisition of goods, works and / or services up to a Rand value of R50 million

- 1)(a) The following formula must be used to calculate the points out of 80 for price in respect of competitive bids / price quotations with a Rand value equal to or below a Rand value of R50 000 000 (all applicable taxes included):

$$P_s = 80 \left(1 - \frac{P_t - P_{min}}{P_{min}} \right)$$

Where

P_s = Points scored for comparative price of bid / offer under consideration

P_t = Comparative price of bid / offer under consideration

P_{min} = Comparative price of lowest acceptable bid / offer.

- 1)(b) The Polokwane Municipality may, however, apply this formula for price quotations with a value less than R 30 000, if and when appropriate.
- 2) A maximum of 20 points must be awarded to a bidder for the Specific goal specified in the tender.
- 3) The Points scored for the specific goal must be added to the points scored for the price and the total must be rounded off to the nearest two decimal places.
- 4) Only the bid with the highest number of points scored may be selected or awarded the bid.

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6 The 90/10 preference point system for acquisition of goods, works and / or services with a Rand value above R50 million

- 1) The following formula must be used to calculate the points out 90 for price in respect of bids with a Rand value above R50 000 000 (all applicable taxes included):

$$P_s = 90 \left(1 - \frac{P_t - P_{min}}{P_{min}} \right)$$

Where

P_s = Points scored for comparative price of tender or offer under consideration;

P_t = Comparative price of tender or offer under consideration; and

P_{min} = Comparative price of lowest acceptable tender or offer.

- 2) A maximum of 10 points may be awarded to a bidder for the Specific goal specified for the tender.
- 3) The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.
- 4) Only the bid with the highest number of points scored may be selected or awarded the bid.
- 7) **80/20 preference points system for tenders for income-generating contracts with Rand value equal to or below R50 million.**

(1) The following formula must be used to calculate the points for price in respect of an invitation for tender for income-generating contracts, with a Rand value equal to or below R50 million, inclusive of all applicable taxes:

$$P_s = 80 \left(1 + \frac{P_t - P_{max}}{P_{max}} \right)$$

Where

Ps = Points scored for price of tender under consideration;

Pt = Price of tender under consideration; and

Pmax = Price of highest acceptable tender.

(2) A maximum of 20 points may be awarded to a tenderer for the specific goal specified for the tender.

(3) The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.

(4) Subject to section 2(1)(f) of the Act, the contract must be awarded to the tenderer scoring the highest points.

8) 90/10 preference point system for tenders for income-generating contracts with Rand value above R50 million.

(1) The following formula must be used to calculate the points for price in respect of a tender for income-generating contracts, with a Rand value above R50 million, inclusive of all applicable taxes:

Where

$$P_s = 90 \left(1 + \frac{P_t - P_{max}}{P_{max}} \right)$$

Ps = Points scored for price of tender under consideration;

Pt = Price of tender under consideration; and

Pmax = Price of highest acceptable tender.

(2) A maximum of 10 points may be awarded to a tenderer for the specific goal specified for the tender.

(3) The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.

(4) Subject to section 2(1)(f) of the Act, the contract must be awarded to the tenderer scoring the highest points

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9 Award of contracts to bids not scoring the highest number of points

A contract may be awarded to a tenderer that did not score the highest total number of points if objective criteria in addition to specific goals justify the award to another tenderer.

10 Criteria for breaking deadlock in scoring

If two or more tenderers score an equal total number of points, the contract must be awarded to the tenderer that scored the highest points for specific goals

If two or more tenderers score equal total points in all respects, the award must be decided by the drawing of lots

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13. Conditions

- 1) Only a tenderer who has completed and signed the declaration part of the tender documentation may be considered.
- 2) The Polokwane Municipality must, when calculating comparative prices, take into account any discounts which have been offered unconditionally.
- 3) A discount which has been offered conditionally must, despite not being taken into account for evaluation purposes, be implemented when payment is processed.
- 4) Points scored must be rounded off to the nearest 2 decimals places.
- 5)
 - a) In the event that two or more tenders have scored equal total points, the successful tender must be the one scoring the highest number of preference points for specific goals.
 - b) However, when functionality is part of the evaluation process and two or more tenders have scored equal points including equal preference points for Specific goals, the successful tender must be the one scoring the highest score for functionality.
 - c) Should two or more tenders be equal in all respects; the award shall be decided by the drawing of lots.
- 6) A person awarded a contract in relation to a designated sector, may not subcontract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.
- 7) When the Polokwane Municipality is in need of a service provided by only tertiary institutions, such services must be procured through a tendering process from the identified tertiary institutions.
- 8)
 - a) Should the Polokwane Municipality require a service that can be provided by one or more tertiary institutions or public sector, the appointment of a contractor must be done by means of a tendering process;

14. Declarations

- 1) A tender must, in the manner stipulated in the document, declare that-
 - a) the information provided is true and correct;
 - b) the signatory to the tender document is duly authorised; and
 - c) documentary proof regarding any tendering issue will, when required, be submitted to the satisfaction of the Polokwane Municipality.

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15. Remedies

1) If Polokwane Municipality is of the view that a tenderer submitted false information regarding a specific goal, it will: -

- (a) inform the tenderer accordingly; and
- (b) give the tenderer an opportunity to make representations within 14 days as to why the tender may not be disqualified or, if the tender has already been awarded to the tenderer, the contract should not be terminated in whole or in part.

(2) After considering the representations referred to in subregulation (1)(b), the organ of state may, if it concludes that such information is false—

- (a) disqualify the tenderer or terminate the contract in whole or in part; and
- (b) if applicable, claim damages from the tenderer.
- (c) restrict the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
- (d) forward the matter for criminal prosecution.

16. Tax clearance

No tender may be awarded to any person whose tax matters have not been declared by the South African Revenue Services to be in order.

17. Mechanisms to support preferential procurement

- 1) Determination of bid requirements in relation to bid value
The municipality will set targets for the supply of goods and services, and link specific requirements relating to enterprise with HDI ownership and/or SMME status.
- 2) Establishment/maintain a database of SMME service providers
The municipality will establish a database of HDI, SMME and other service providers in order to track their records of services to the municipality.
- 3) Creation of an enabling environment
The municipality will create an enabling environment to enable SMMEs to become part of the supply chain management process. Steps to be taken include, but are not limited to:
 - a) Surety Requirements

See the SCM Policy, clause 21(1)(f) regarding the lesser extent that sureties are called for.

b) Access to Bidding Information

Bidding and related information will, where possible and practical, be made available in a simplified and uncomplicated format to assist new and emerging enterprises and any business or organisation bidding for municipal business.

c) Bidding Advice Centre

Assistance will, where practically possible, be provided by the SCM Unit to increase SMME awareness and share in the supply chain and procurement process.

d) Proposed Process

i) Bids shall be packaged into suitably sized segments of subcontractors to target SMMEs wherever possible.

ii) A review of all term (period) contracts shall be undertaken to assess the viability of packaging these into smaller sub-contracts. These bids should be issued in smaller manageable sub-contracts so that preference can be given to local SMMEs.

iii) Appropriate standards, specifications, delivery dates and related contractual obligations shall be employed to help smaller businesses to cope and compete.

e) Standard payment terms

i) All money owed by the municipality must be paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure.

f) Simplification of Tender Documentation

i) Bid submission documents will be rationalised and simplified to make it easier for small businesses to deal with the paperwork involved in tendering.

- ii) All bid submission forms shall be regularly reviewed and the various bid/contractual documents shall be standardised as far as possible.
 - iii) Essential information shall be consolidated and bid forms reformatted in line with the aims of this policy.
- h) Retention
- i) Retention on Major contracts should be limited to 5% of the tender sum.
Where the value of the surety required has been reduced, or even waived, the usual 10% retention shall apply. The value of retention deducted will therefore be as follows:
 - a) **Micro and Minor:** 10% of the value of work carried out with no limit, reducing to 5% for the duration of the maintenance period.
 - b) **Major:** 10% of the value of the work carried out, up to a limit of 5% of the tender sum, with no reduction for the duration of the maintenance period.
 - ii) Retention in respect of the procurement of goods and services will not generally be called for, but where required, will be in accordance with the limits described above.
 - iii) For turnkey/design and construction projects, the above retention limits may be reviewed by the Municipality's Director: Infrastructure and Planning.
- i) Bid Advertising
- In order to reach the largest number of HDI owned and SMME service providers possible, the Municipality will advertise invitations to bid through a range of media.
- a) The Municipality will provide an appropriate time period within which bidders can request additional clarification and will be sensitive to the issues of language in this regard.

18. SHORT TITLE

This part of the policy is called the Preferential Procurement Policy of the Polokwane Municipality.

POLOKWANE MUNICIPALITY SUPPLY CHAIN MANAGEMENT POLICY – PART B

GENERAL PRINCIPLES GOVERNING THE MUNICIPALITY IN ITS INTERACTION WITH BIDDERS

In dealing with bidders bidding for municipal work, the municipality will adhere to the basic principles of:

1 Efficiency

- a) The municipal officials must administer the procurement process in the most efficient manner possible, avoiding time delays and duplication of activities.
- b) Where such delays are unavoidable, the municipal officials must inform all bidders of the nature of the delay and the revised time frames.

2 Courtesy

All staff members of the Municipality will deal with bidders in a courteous and respectful manner.

3 Transparency

- a) All bid processes will be open to the legal scrutiny of the public and interested parties.
- b) The Municipality will take all reasonable steps to ensure that the processes are clearly defined and understandable to all interested parties.

4 Access to information

The Municipality will take reasonable steps to ensure that all bidders have equal access to information on the goods or services to be bid for, as well as the bid process itself.

5 Fair distribution of work

The Municipality will take reasonable steps to make sure that the procurement of goods or services is fairly distributed amongst the service providers in the event of equality of bids. This will be done to avoid the excessive procurement of goods or services from one provider/supplier only.

6 Competition

The municipality will encourage fair competition between suppliers that provide goods and services to it.

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ANNEXURE B

CRITERIA TO EVALUATE TECHNICAL AND FINANCIAL ABILITY

Regardless of the scope and value of the contracts involved, all contracts will be judged on grounds of:

1. Compliance with bid conditions:

- 1.1 Bids submitted on time
- 1.2 Bid forms signed.
- 1.3 All essential information provided

2. Meeting technical specifications and compliance with bid conditions

- 2.1 Where requested in bid documentation, bidders must describe how they will produce the required outputs outlined in the bid documentation in terms of either goods or services.
- 2.2 The ability to produce the required goods or services within the stated time frame may be included as criteria for compliance.

3. Infrastructure and resources available

Bidders must indicate their capacity i.e. the extent of infrastructure under their control and resources available to enable them to execute the contract.

4. Quality/ Durability

- 4.1 Where requested, bidders must provide evidence that they will be able to adhere to generally accepted levels of quality in the provision of the product or services under consideration.
- 4.2 Where bidders are so requested, they must clearly explain their mechanisms for quality assurance and review.

5. Size of enterprise and current workload

- 5.1 Bidders must give an indication of the resources available for the contract they are bidding on.
- 5.2 Bidders must give an indication of the number and value of other contracts being undertaken by them at the date of bid, as to enable the Municipality to ascertain their ability to execute the contract.

6. Staffing profile

- 6.1 Bidders must indicate the number of full-time employees employed by the company in Polokwane at the time of bidding. Such information

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must include a breakdown in terms of race and gender at top and middle management levels.

6.2 Bidders must also indicate the experience of top and middle management staff, especially where the experience of the company as a whole is limited.

6.3 Bidders must indicate the number of disabled persons employed.

7. Previous experience

7.1 Bidders must indicate the number of years that they have been operating their business.

7.2 Bidders must provide evidence of previous experience in providing the goods or services under consideration, by providing a minimum of three contactable and relevant references.

8. Financial ability to execute the contract

8.1 Bidders must indicate the revenue generated by their company in the previous financial year.

8.2 Bidders must provide an indication of their financial ability to execute the contract.

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ANNEXURE C

CODE OF CONDUCT FOR SUPPLY CHAIN MANAGEMENT PRACTITIONERS AND OTHER ROLE PLAYERS

The **purpose** of this Code of Conduct is to promote mutual trust and respect and an environment where business can be conducted with integrity and in a fair and reasonable manner.

1. General Principles

- 1.1 The municipality commits itself to a policy of fair dealing and integrity in the conducting of its business. Officials and other role players involved in supply chain management (SCM) are in a position of trust, implying a duty to act in the public interest. Officials and other role players should not perform their duties to unlawfully gain any form of compensation, payment or gratuities from any person, or provider/contractor for themselves, their family or their friends.
- 1.2 Officials and other role players involved in SCM should ensure that they perform their duties efficiently, effectively and with integrity, in accordance with the relevant legislation, policies and guidelines. They should ensure that public resources are administered responsibly.
- 1.3 Officials and other role players involved in SCM should be fair and impartial in the performance of their functions. They should at no time afford any undue preferential treatment to any group or individual or unfairly discriminate against any group or individual. They should not abuse the power and authority vested in them.

2 Conflict of interest

An official or other role player involved with supply chain management –

- 2.1 must treat all providers and potential providers equitably;

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SUPPLY CHAIN MANAGEMENT POLICY – PART B

- 2.2 may not use his or her position for private gain or to improperly benefit another person;
- 2.3 may not accept any reward, gift, favour, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of that person, of a value more than R350;
- 2.4 must declare to the accounting officer details of any reward, gift, favour, hospitality or other benefit promised, offered or granted to that person or to any close family member, partner or associate of that person;
- 2.5 must declare to the accounting officer details of any private or business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process, or in any award of a contract by the municipality ;
- 2.6 must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest;
- 2.7 must declare any business, commercial and financial interests or activities undertaken for financial gain that may raise a possible conflict of interest;
- 2.8 should not place him/herself under any financial or other obligation to outside individuals or organizations that might seek to influence them in the performance of their official duties; and
- 2.9 should not take improper advantage of their previous office after leaving their official position.

3 Accountability

- 3.1 Practitioners are accountable for their decisions and actions to the public.
- 3.2 Practitioners should use public property scrupulously.
- 3.3 Only accounting officers or their delegates have the authority to commit the municipality to any transaction for the procurement of goods and / or services.
- 3.4 All transactions conducted by a practitioner should be recorded and accounted for in an appropriate accounting system.

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- 3.5 Practitioners should not make any false or misleading entries into such a system for any reason whatsoever.
- 3.6 Practitioners must assist the accounting officer in combating fraud, corruption, favouritism and unfair and irregular practices in the supply chain management system.
- 3.7 Practitioners must report to the accounting officer any alleged irregular conduct in the supply chain management system which that person may become aware of, including:
- i) any alleged fraud, corruption, favouritism or unfair conduct;
 - ii) any alleged contravention of the policy on inducements, rewards, gifts and favours to municipalities or municipal entities, officials or other role players; and
 - iii) any alleged breach of this code of conduct.
- 3.8 Any declarations made must be recorded in a register which the accounting officer must keep for this purpose.
- 3.9 Any declarations made by the accounting officer must be made to the mayor who must ensure that such declaration is recorded in the register.

4 Openness

Practitioners should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only if it is in the public interest to do so.

5 Confidentiality

- 5.1 Any information that is the property of the municipality or its providers should be protected at all times. No information regarding any bid / contract / bidder / contractor may be revealed if such an action will infringe on the relevant bidder's / contractor's personal rights.
- 5.2 Matters of confidential nature in the possession of officials and other role players involved in SCM should be kept confidential unless legislation, the performance of duty or the provisions of law requires otherwise. Such restrictions also apply to officials and other role players involved in SCM after separation from service.

6 Bid Specification / Evaluation / Adjudication Committees

- 6.1 Bid specification, evaluation and adjudication committees should implement supply chain management on behalf of the municipality in an honest, fair, impartial, transparent, cost-effective and accountable manner.
- 6.2 Bid evaluation / adjudication committees should be familiar with and adhere to the prescribed legislation, directives and procedures in respect of supply chain management in order to perform effectively and efficiently.

- 6.3 All members of bid adjudication committees should be cleared by the accounting officer at the level of "CONFIDENTIAL" and should be required to declare their financial interest annually.

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- 6.4 No person should –

6.4.1 interfere with the supply chain management system of the municipality; or

6.4.2 amend or tamper with any price quotation / bid after its submission.

7. Combative Practices

Combative practices are unethical and illegal and should be avoided at all cost. They include but are not limited to:

7.1 Suggestions to fictitious lower quotations;

7.2 Reference to non-existent competition;

7.3 Exploiting errors in price quotations / bids;

7.4 Soliciting price quotations / bids from bidders / contractors whose names appear on the Register for Tender Defaulters

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SUPPLY CHAIN MANAGEMENT POLICY – PART C

**Polokwane Municipality's SCM Policy for
Infrastructure procurement and delivery management**

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1 Scope

This policy establishes the Polokwane Municipality's policy for infrastructure procurement and delivery management in accordance with the provisions of the regulatory frameworks for procurement and supply chain management. It includes the procurement of goods and services necessary for a new facility to be occupied and used as a functional entity but excludes:

- a) the storage of goods and equipment following their delivery to Polokwane Municipality which are stored and issued to contractors or to employees;
- b) the disposal or letting of land;
- c) the conclusion of any form of land availability agreement;
- d) the leasing or rental of moveable assets; and
- e) Public private partnerships.

2 Terms, definitions and abbreviations

2.1 Terms and definitions

For the purposes of this document, the definitions and terms given in the standard and the following apply:

Agent: person or organization that is not an employee of Polokwane that acts on the Polokwane's behalf in the application of this document

Authorised person: the municipal manager or chief executive or the appropriately delegated authority to award, cancel, amend, extend or transfer a contract or order

Conflict of interest: any situation in which:

- a) someone in a position of trust has competing professional or personal interests which make it difficult for him to fulfil his duties impartially,
- b) an individual or organization is in a position to exploit a professional or official capacity in some way for his personal or for corporate benefit, or
- c) incompatibility or contradictory interests exist between an employee and the organization which employs that employee

Contract manager: person responsible for administering a package on behalf of the employer and performing duties relating to the overall management of such contract from the implementer's point of view

family member: a person's spouse, whether in a marriage or in a customary union according to indigenous law, domestic partner in a civil union, or child, parent, brother, sister, whether such a relationship results from birth, marriage or adoption

Framework agreement: an agreement between an organ of state and one or more contractors, the purpose of which is to establish the terms governing orders to be awarded during a given period, in particular with regard to price and, where appropriate, the quantity envisaged

Gate: a control point at the end of a process where a decision is required before proceeding to the next process or activity

Gateway review: an independent review of the available information at a gate upon which a decision to proceed or not to the next process is based

Gratification: an inducement to perform an improper act

Infrastructure delivery: the combination of all planning, technical, administrative and managerial actions associated with the construction, supply, renovation, rehabilitation, alteration, maintenance, operation or disposal of infrastructure

Infrastructure procurement: the procurement of goods or services including any combination thereof associated with the acquisition, renovation, rehabilitation, alteration, maintenance, operation or disposal of infrastructure

Maintenance: the combination of all technical and associated administrative actions during an item's service life to retain it in a state in which it can satisfactorily perform its required function

Operation: combination of all technical, administrative and managerial actions, other than maintenance actions, that results in the item being in use

Order: an instruction to provide goods, services or any combination thereof under a framework agreement

Organ of state: an organ of state as defined in section 239 of the Constitution of the Republic of South Africa

Procurement document: documentation used to initiate or conclude (or both) a contract or the issuing of an order

principal: a natural person who is a partner in a partnership, a sole proprietor, a director a company established in terms of the Companies Act of 2008 (Act No. 71 of 2008) or a member of a close corporation registered in terms of the Close Corporation Act, 1984, (Act No. 69 of 1984)

Standard: the latest edition of the Standard for Infrastructure Procurement and Delivery Management as published by National Treasury

Working day: any day of a week on which is not a Sunday, Saturday or public holiday

2.2 Abbreviations

For the purposes of this document, the following abbreviations apply

CIDB: Construction Industry Development Board

SARS: South African Revenue Services

³ General requirements

3.1 Delegations

3.1.1 The **Council of Polokwane** hereby delegates all powers and duties to the Municipal Manager which are necessary to enable the Municipal Manager to:

a) Discharge the supply chain management responsibilities conferred on accounting officers in terms of Chapter 8 or 10 of the Local Government Municipal Finance Management Act of 2003 and this document;

b) Maximise administrative and operational efficiency in the implementation of this document;

c) Enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this document and;

d) Comply with his or her responsibilities in terms of section 115 and other applicable provisions of the Local Government Municipal Finance Management Act of 2003 Act.

3.1.2 No departure shall be made from the provisions of this policy without the approval of the Municipal Manager of Polokwane Municipality

3.1.3 The **Municipal Manager** shall for oversight purposes:

- a) within 30 days of the end of each financial year, submit a report on the implementation of this the policy and the equivalent policy of any municipal entity under the sole or shared control of the Polokwane Municipality, to the council of the Polokwane Municipality / within 20 days of the end of each financial year, submit a report on the implementation of this policy to the board of directors, who must then submit the report to the municipal manager of Polokwane Municipality for submission to the council;
- b) whenever there are serious and material problems in the implementation of this policy, immediately submit a report to the Council,
- c) within 10 days of the end of each quarter, submit a report on the implementation of the policy to the Executive Mayor; and
- d) make the reports public in accordance with section 21A of the Municipal Systems Act of 2000.

3.2 Implementation of the Standard for Infrastructure Procurement and Delivery Management

3.2.1 Infrastructure procurement and delivery management shall be undertaken in accordance with the all applicable legislation and the relevant requirements of the latest edition of the National Treasury Standard for Infrastructure Procurement and Delivery Management.⁵

3.2.2 Pre-feasibility and feasibility reports are required on 15 June 2016

3.3 Supervision of the infrastructure delivery management unit

The Infrastructure Delivery Management Unit shall be directly supervised by the Chief Financial Officer.

3.4 Objections and complaints

Persons aggrieved by decisions or actions taken in the implementation of this policy, may lodge within 14 days of the decision or action, a written objection or complaint against the decision or action.

3.5 Resolution of disputes, objections, complaints and queries

3.5.1 The **Municipal Manager** shall appoint an independent and impartial person, not directly involved in the infrastructure delivery management processes to assist in the resolution of dispute between the Municipality and other persons regarding :-

- a) any decisions or actions taken in the implementation of the supply chain management system;
- b) any matter arising from a contract awarded within the Polokwane Municipality's infrastructure delivery management system; or
- c) to deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.

3.5.2 The Designated person shall assist the person appointed in terms of 3.5.1 to perform his or her functions effectively.

3.5.3 The person appointed in terms of 3.5.1 shall:

- a) strive to resolve promptly all disputes, objections, complaints or queries received; and
- b) submit monthly reports to the Municipal Manager on all disputes, objections, complaints or queries received, attended to or resolved.

3.5.4 A dispute, objection, complaint or query may be referred to the **Limpopo Treasury** if:

- a) the dispute, objection, complaint or query is not resolved within 60 days; or
- b) no response is forthcoming within 60 days.

3.5.5 If the **Limpopo treasury** does not or cannot resolve the matter, the dispute, objection, complaint or query may be referred to the National Treasury for resolution.

Control framework for infrastructure delivery management

4.1 Assignment of responsibilities for approving or accepting end of stage deliverables¹²

The responsibilities for approving or accepting end of stage deliverables shall be as stated in Table 1.

4.4 Gateway reviews

4.4.1 Gateway reviews for major capital projects above a threshold

4.4.1.1 The Municipal Manager shall appoint a gateway review team in accordance with the provisions of clause 4.1.13.1.2 of the standard to undertake gateway reviews for major capital projects.

Table 1: Responsibilities for approving or accepting end of stage deliverables in the control framework for the management of infrastructure delivery

Table 1: Responsibilities for approving or accepting end of stage deliverables in the control framework for the management of infrastructure delivery

Stage		Person assigned the responsibility for approving or accepting end of stage deliverable
NO	Name	
0	Project Initiation	Director Engineering accepts the initiation report
1	Infrastructure planning	Director Engineering approves the infrastructure plan
2	Strategic resourcing	Director Engineering approves the delivery and /or procurement strategy
3	Pre-feasibility	Director Engineering accepts the pre-feasibility report
	Preparation and Briefing	Director Engineering accepts the strategic brief
	Feasibility	Director Engineering accepts the feasibility report
4	Concept and Viability	Director Engineering accepts the concepts report
5	Design Development	Director Engineering accepts the design development report
6	Design Documentation	6A Production Information Director Engineering accepts the parts of the production information which are identified when the design development report is accepted as requiring acceptance
		6B Manufacture fabrication and construction information The Contract manager accepts the manufacture, fabrication and construction information

Stage		Person assigned the responsibility for approving or accepting end
No	Name	of stage deliverables
7	Works	The contract manager certifies completion of the works or the delivery of goods and associated services
8	Handover	The owner or end user accepts liability for the works
9	Package completion	The contract manager or supervising agent certifies the defects certificate in accordance with the provisions of the contract The contract manager certifies final completion in accordance with the provisions of the contract <i>[Designated person]</i> accepts the close out report

5

Control framework for infrastructure procurement

5.1 The responsibilities for taking the key actions associated with the formation and conclusion of contracts including framework agreements above the quotation threshold shall be as stated in Table 2.

5.2 The responsibilities for taking the key actions associated with the quotation procedure and the negotiation procedure where the value of the contract is less than the threshold set for the quotation procedure shall be as follows:

- a) The Municipal Manager shall grant approval for the issuing of the procurement documents, based on the contents of a documentation review report developed in accordance with the provisions of the standard;

b) the authorised person may award the contract if satisfied with the recommendations contained in the evaluation report prepared in accordance with the provisions of the standard.

5.3 The responsibilities for taking the key actions associated with the issuing of an order in terms of a framework agreement shall be as stated in Table 3.

⁶ **Infrastructure delivery management requirements**

6.1 Institutional arrangements

6.1.1 Committee system for procurement

6.1.1.1 General

6.1.1.1.1A committee system comprising the documentation committee, evaluation committee and tender committee shall be applied to all procurement procedures where the estimated value of the procurement exceeds the financial threshold for quotations and to the putting in place of framework agreements.

6.1.1.1.2 The evaluation committee shall, where competition for the issuing of an order amongst framework contractors takes place and the value of the order exceeds the financial threshold for quotations, evaluate the quotations received.

6.1.1.1.3 No member of, or technical adviser or subject matter expert who participates in the work of the any of the procurement committees or a family member or associate of such a member, may tender for any work associated with the tender which is considered by these committees.

Table 2: Procurement activities and gates associated with the formation and conclusion of contracts above the quotation threshold

Activity		Sub-Activity (see Table 3 of the standard)		Key action	Person assigned responsibility to perform key action
1*	Establish what is to be procured	1.3 PG1	Obtain permission to start with the procurement process	Make a decision to proceed / not to proceed with the procurement based on the broad scope of work and the financial estimates.	Municipal Manager
	Decide on	2.5	Obtain approval for procurement strategies that	Confirm selection of strategies so that tender	

2*	procurement strategy	PG2	are to be adopted including specific approvals to approach a confined market or the use of the negotiation procedure	offers can be solicited	Municipal Manager
3	Solicit tender offers	3.2 PG3	Obtain approval for procurement documents	Grant approval for the issuing of the procurement documents	Procurement documentation committee
		3.3 PG4	Confirm that budgets are in place	Confirm that finance is available for the procurement to take place	Chief Financial Officer
4	Evaluate tender offers	4.2 PG5	Obtain authorisation to proceed with next phase of tender process in the qualified, proposal or competitive negotiations procedure	Review evaluation report, ratify recommendations and authorise progression to the next stage of the tender process	Manager: Supply Chain Management
		4.7 PG6	Confirm recommendations contained in the tender evaluation report	Review recommendations of the evaluation committee and refer back to evaluation committee for reconsideration or make recommendation for award	Tender committee
5	Award contract	5.3 PG7	Award contract	Formally accept the tender offer in writing and issue the contractor with a signed copy of the contract	Municipal Manager
		5.5 GF1	Upload data in financial management and payment system	Verify data and upload contractor's particulars and data associated with the contract or order	Chief Financial Officer

Table 2 (concluded)

Activity		Sub-Activity	Key action	Person assigned responsibility to perform key action	
6	Administer contracts and confirm compliance with requirements	6.4 PG8A	Obtain approval to waive penalties or low performance damages.	Approve waiver of penalties or low performance damages	Municipal Manager
		6.5 PG8B	Obtain approval to notify and refer a dispute to an adjudicator	Grant permission for the referral of a dispute to an adjudicator or for final settlement to an arbitrator or court of law	Municipal Manager
		6.6 PG8C	Obtain approval to increase the total of prices, excluding contingencies and price adjustment for inflation, or the time for completion at the award of a contract or the issuing of an order up to a specified percentage ²¹	Approve amount of time and cost overruns up to the threshold	Municipal Manager
		6.7 PG8D	Obtain approval to exceed the total of prices, excluding contingencies and price adjustment for inflation, or the time for completion at award of a contract or the issuing of an order by more than 20% and 30%, respectively	Approve amount of time and cost overruns above a the threshold	Municipal Manager
		6.8 PG8E	Obtain approval to cancel or terminate a contract	Approve amount	Municipal Manager
		6.9 PG8F	Obtain approval to amend a contract	Approve proposed amendment to contract	Municipal Manager

Table 3: Procurement activities and gates associated with the issuing of an order above the quotation threshold in terms of a framework agreement

6.1.1.3

Activity		Key action	Person assigned responsibility to perform key action
1 FG1	Confirm justifiable reasons for selecting a framework contractor where there is more than one framework agreement covering the same scope of work	Confirm reasons submitted for not requiring competition amongst framework contractors or instruct that quotations be invited	Municipal Manager
3 FG2	Obtain approval for procurement documents	Grant approval for the issuing of the procurement documents	Municipal Manager
4 FG3	Confirm that budgets are in place	Confirm that finance is available so that the order may be issued	Chief Financial Officer
6 FG4	Authorise the issuing of the order	If applicable, review evaluation report and confirm or reject Recommendations. Formally accept the offer in writing and issue the contractor with a signed copy of the order	Chief Financial Officer

Evaluation committee

6.1.1.3.1 The **Municipal Manager** shall appoint on a procurement by procurement basis in writing:

- a) the persons to prepare the evaluation and, where applicable, the quality evaluations, in accordance with clauses 4.2.3.2 and 4.2.3.4 of the standard, respectively; and
- b) the members of the evaluation committee.

6.1.1.3.2 The evaluation committee shall comprise not less than three people. The chairperson shall be an employee of Polokwane Municipality with requisite skills. Other members shall include a supply chain management practitioner and, where relevant, include an official from the department requiring infrastructure delivery.

6.1.1.3.3 The evaluation committee shall review the evaluation reports prepared in accordance with sub clause 4.2.3 of the standard and as a minimum verify the following in respect of the recommended tenderer:

- a) the capability and capacity of a tenderer to perform the contract;
- b) the tenderer's tax and municipal rates and taxes compliance status;
- c) confirm that the tenderer's municipal rates and taxes and municipal service charges are not in arrears;
- d) the Compulsory Declaration has been completed; and
- e) the tenderer is not listed in the National Treasury's Register for Tender Defaulters or the List of Restricted Suppliers.

6.1.1.3.4 No tender submitted by a member of, or technical adviser or subject matter expert who participates in the work of the procurement documentation committee or a family member or associate of such a member, may be considered by the evaluation committee.

6.1.1.3.5 The chairperson of the evaluation committee shall promptly notify the Chief Financial Officer of any respondent or tenderer who is disqualified for having engaged in fraudulent or corrupt practices during the tender process.

6.1.1.4 Tender committee²³

6.1.1.4.1 The tender committee shall comprise of least four Senior Managers or their mandated delegate including the following :

- a) Chief Financial Officer who shall be the chairperson:
- b) Manager Supply Chain Management
- c) Technical Expert in the relevant field

6.1.1.4.2 No member of the evaluation committee may serve on the tender committee. A member of an evaluation committee may, however, participate in the deliberations of a tender committee as a technical advisor or a subject matter expert.

6.1.1.4.3 The tender committee shall:

- a) consider the report and recommendations of the evaluation committee and:
 - 1) verify that the procurement process which was followed complies with the provisions of this document;
 - 2) confirm that the report is complete and addresses all considerations necessary to make a recommendation;
 - 3) confirm the validity and reasonableness of reasons provided for the elimination of tenderers; and
 - 4) consider commercial risks and identify any risks that have been overlooked or fall outside of the scope of the report which warrant investigation prior to taking a final decision; and
- b) refer the report back to the evaluation committee for their reconsideration or make a recommendation to the authorised person on the award of a tender, with or without conditions, together with reasons for such recommendation.

6.1.1.4.4 The tender committee shall consider proposals regarding the cancellation, amendment, extension or transfer of contracts that have been awarded and make a recommendation to the authorised person on the course of action which should be taken.

6.1.1.4.5 The tender committee shall consider the merits of an unsolicited offer and make a recommendation to the Municipal Manager.

6.1.1.4.6 The tender committee shall report to the Municipal Manager any recommendation made to award a contract to a tenderer other than the tenderer recommended by the evaluation committee, giving reasons for making such a recommendation.

6.1.1.4.7 The tender committee shall not make a recommendation for an award of a contract or order if the recommended tenderer or framework contractor has:

- a) made a misrepresentation or submitted false documents in competing for the contract or order; or
- b) been convicted of a corrupt or fraudulent act in competing for any contract during the past five years.

6.1.1.4.8 The tender committee may on justifiable grounds and after following due process, disregard the submission of any tenderer if that tenderer or any of its directors, members or trustees or partners has abused the delivery management system or has committed fraud, corruption or any other improper

be informed where such tenderers are disregarded.

6.1.2 Actions of an authorised person relating to the award of a contract or an order

6.1.2.1 Award of a contract

6.1.2.1 The authorised person shall, if the value of the contract inclusive of VAT, is within his or her delegation, consider the report(s) and recommendations of the tender committee, or in the case of the awards for contracts below the quotation threshold, the recommendation of the

6.1.1.4.4 No member of the evaluation committee may serve on the tender committee. A member of an evaluation committee may, however, participate in the deliberations of a tender committee as a technical advisor or a subject matter expert.

6.1.1.4.5 The tender committee shall:

- c) consider the report and recommendations of the evaluation committee and:
 - 1) verify that the procurement process which was followed complies with the provisions of this document;
 - 2) confirm that the report is complete and addresses all considerations necessary to make a recommendation;
 - 3) confirm the validity and reasonableness of reasons provided for the elimination of tenderers; and
 - 4) consider commercial risks and identify any risks that have been overlooked or fall outside of the scope of the report which warrant investigation prior to taking a final decision; and
- d) refer the report back to the evaluation committee for their reconsideration or make a recommendation to the authorised person on the award of a tender, with or without conditions, together with reasons for such recommendation.

6.1.1.4.8 The tender committee shall consider proposals regarding the cancellation, amendment, extension or transfer of contracts that have been awarded and make a recommendation to the authorised person on the course of action which should be taken.

6.1.1.4.9 The tender committee shall consider the merits of an unsolicited offer and make a recommendation to the Municipal Manager.

6.1.1.4.10 The tender committee shall report to the Municipal Manager any recommendation made to award a contract to a tenderer other than the tenderer recommended by the evaluation committee, giving reasons for making such a recommendation.

6.1.1.4.11 The tender committee shall not make a recommendation for an award of a contract or order if the recommended tenderer or framework contractor has:

- c) made a misrepresentation or submitted false documents in competing for the contract or order; or
- d) been convicted of a corrupt or fraudulent act in competing for any contract during the past five years.

6.1.1.4.8 The tender committee may on justifiable grounds and after following due process, disregard the submission of any tenderer if that tenderer or any of its directors, members or trustees or partners has abused the delivery management system or has committed fraud, corruption or any other improper

be informed where such tenderers are disregarded.

6.1.3 Actions of an authorised person relating to the award of a contract or an order

6.1.2.2 Award of a contract

6.1.2.1 The authorised person shall, if the value of the contract inclusive of VAT, is within his or her delegation, consider the report(s) and recommendations of the tender committee, or in the

case of the awards for contracts below the quotation threshold, the recommendation of the designated person and either:

- a) award the contract after confirming that the report is complete and addresses all considerations necessary to make a recommendation and budgetary provisions are in place; or
- b) decide not to proceed or to start afresh with the process.

6.1.2.2 The authorised person shall immediately notify the Designated Person if a tender other than the recommended tender is awarded, save where the recommendation is changed to rectify an irregularity. Such person shall, within 10 working days, notify in writing the Auditor-General, the National Treasury and Limpopo Treasury, and, in the case of a municipal entity, also the parent municipality, of the reasons for deviating from such recommendation.

6.1.2.3 Issuing of an order

The authorised person shall, if the value of an order issued in terms of a framework contract, is within his
Of the _____ as

Relevant, and either:

- a) authorise the issuing of an order in accordance with the provisions of clause 4.25 of the standard; or
- b) Decide not to proceed or to start afresh with the process.

6.1.3 Conduct of those engaged in infrastructure delivery

6.1.3.1 General requirements

6.1.3.1.1 All personnel and agents of **Polokwane Municipality** shall comply with the requirements of the CIDB Code of Conduct for all Parties engaged in Construction Procurement. They shall:

- a) behave equitably, honestly and transparently;
- b) discharge duties and obligations timeously and with integrity;
- c) comply with all applicable legislation and associated regulations;
- d) satisfy all relevant requirements established in procurement documents;
- e) avoid conflicts of interest; and
- f) Not maliciously or recklessly injure or attempt to injure the reputation of another party.

6.1.3.1.2 All personnel and agents engaged in **Polokwane Municipality's** infrastructure delivery management system shall:

- a) not perform any duties to unlawfully gain any form of compensation, payment or gratification from any person for themselves or a family member or an associate;
- b) perform their duties efficiently, effectively and with integrity and may not use their position for private gain or to improperly benefit another person;

- c) strive to be familiar with and abide by all statutory and other instructions applicable to their duties;
- d) furnish information in the course of their duties that is complete, true and fair and not intended to mislead;
- e) ensure that resources are administered responsibly;
- f) be fair and impartial in the performance of their functions;
- g) at no time afford any undue preferential treatment to any group or individual or unfairly discriminate against any group or individual;
- h) not abuse the power vested in them;
- i) not place themselves under any financial or other obligation to external individuals or firms that might seek to influence them in the performance of their duties;
- j) assist Polokwane Municipality in combating corruption and fraud within the infrastructure procurement and delivery management system;
- k) not disclose information obtained in connection with a project except when necessary to carry out assigned duties;
- l) not make false or misleading entries in reports or accounting systems; and
- m) Keep matters of a confidential nature in their possession confidential unless legislation, the performance of duty or the provision of the law require otherwise.

6.1.3.1.2 An employee or agent may not amend or tamper with any submission, tender or contract in any manner whatsoever.

6.1.3.2 Conflicts of interest

6.1.3.2.1 The employees and agents of **Polokwane Municipality** who are connected in any way to procurement and delivery management activities which are subject to this policy, shall:

- a) disclose in writing to the employee of the Polokwane Municipality to whom they report, or to the person responsible for managing their contract, if they have, or a family member or associate has, any conflicts of interest; and
- b) not participate in any activities that might lead to the disclosure of Polokwane Municipality proprietary information.

6.1.3.2.2 The employees and agents of Polokwane Municipality shall declare and address any perceived or known conflict of interest, indicating the nature of such conflict to whoever is responsible for overseeing the procurement process at the start of any deliberations relating to a procurement process or as soon as they become aware of such conflict, and abstain from any decisions where such conflict exists or recuse themselves from the procurement process, as appropriate.

6.1.3.2.3 Agents who prepare a part of a procurement document may in exceptional circumstances, where it is in Polokwane Municipality's interest to do so, submit a tender for work associated with such documents provided that:

- a) Polokwane Municipality states in the tender data that such an agent is a potential tenderer;

- b) all the information which was made available to, and the advice provided by that agent which is relevant to the tender, is equally made available to all potential tenderers upon request, if not already included in the scope of work; and
- c) the procurement documentation committee is satisfied that the procurement document is objective and unbiased having regard to the role and recommendations of that agent.

6.1.3.3 Evaluation of submissions received from respondents and tenderers

6.1.3.3.1 The confidentiality of the outcome of the processes associated with the calling for expressions of interest, quotations or tenders shall be preserved. Those engaged in the evaluation process shall:

- a) not have any conflict between their duties as an employee or an agent and their private interest;
- b) may not be influenced by a gift or consideration (including acceptance of hospitality) to show favour or disfavour to any person;
- c) deal with respondents and tenderers in an equitable and even-handed manner at all times; and
- d) not use any confidential information obtained for personal gain and may not discuss with, or disclose to outsiders, prices which have been quoted or charged to Polokwane Municipality.

6.1.3.3.2 The evaluation process shall be free of conflicts of interest and any perception of bias. Any connections between the employees and agents of Polokwane Municipality and a tenderer or respondent shall be disclosed and recorded in the tender evaluation report.

6.1.3.3.3 Polokwane Municipality personnel and their agents shall immediately withdraw from participating in any manner whatsoever in a procurement process in which they, or any close family member, partner or associate, has any private or business interest.

6.1.3.4 Non-disclosure agreements

Confidentiality agreements in the form of non-disclosure agreements shall, where appropriate, be entered into with agents and potential contractors to protect Polokwane Municipality's confidential information and interests.

6.1.3.5.1 The employees and agents of Polokwane Municipality as well as their family members of associates shall not receive any of the following from any tenderer, respondent or contractor or any potential contractor:

- a) money, loans, equity, personal favours, benefits or services;
- b) overseas trips; or
- c) any gifts or hospitality irrespective of value from tenderers or respondents prior to the conclusion of the processes associated with a call for an expression of interest or a tender.

6.1.3.5.3 The employees and agents of Polokwane Municipality shall not purchase any items at artificially low prices from any tenderer, respondent or contractor or any potential contractor at artificially low prices which are not available to the public.

6.1.3.5.4 All employees and agents of Polokwane Municipality may for the purpose of fostering inter-personal business relations accept the following:

- a) meals and entertainment, but excluding the cost of transport and accommodation;
- b) promotional material of small intrinsic value such as pens, paper-knives, diaries, calendars, etc;
- c) incidental business hospitality such as business lunches or dinners, which the employee is prepared to reciprocate;
- d) complimentary tickets to sports meetings and other public events, but excluding the cost of transport and accommodation, provided that such tickets are not of a recurrent nature; and
- e) gifts in kind other than those listed in a) to d) which have an intrinsic value greater than R350 unless they have declared them to the Municipal Manager.

6.1.3.5.5 Under no circumstances shall gifts be accepted from prospective contractors during the evaluation of calls for expressions of interest, quotations or tenders that could be perceived as undue and improper influence of such processes.

6.1.3.5.6 Employees and agents of Polokwane Municipality shall without delay report to the Municipal Manager any incidences of a respondent, tenderer or contractor who directly or indirectly offers a gratification to them or any other person to improperly influence in any way a procurement process, procedure or decision.

6.1.3.6 Reporting of breaches

Employees and agents of Polokwane Municipality shall promptly report to the Municipal Manager any alleged improper conduct which they may become aware of, including any alleged fraud or corruption.

6.1.4 Measures to prevent abuse of the infrastructure delivery system

The Municipal Manager shall investigate all allegations of corruption, improper conduct or failure to comply with the requirements of this policy against an employee or an agent, a contractor or other role player and, where justified:

6.1.3.5 Gratifications, hospitality and gifts

6.1.3.5.2 The employees and agents of Polokwane Municipality shall not, directly or indirectly, accept or agree or offer to accept any gratification from any other person including a commission, whether for the benefit of themselves or for the benefit of another person, as an inducement to improperly influence in any way a procurement process, procedure or decision.

6.1.3.5.3 The employees and agents of Polokwane Municipality as well as their family members of associates shall not receive any of the following from any tenderer, respondent or contractor or any potential contractor:

- d) money, loans, equity, personal favours, benefits or services;
- e) overseas trips; or
- f) any gifts or hospitality irrespective of value from tenderers or respondents prior to the conclusion of the processes associated with a call for an expression of interest or a tender.

6.1.3.5.5 The employees and agents of Polokwane Municipality shall not purchase any items at artificially low prices from any tenderer, respondent or contractor or any potential contractor at artificially low prices which are not available to the public.

6.1.3.5.6 All employees and agents of Polokwane Municipality may for the purpose of fostering inter-personal business relations accept the following:

- e) meals and entertainment, but excluding the cost of transport and accommodation;
- f) promotional material of small intrinsic value such as pens, paper-knives, diaries, calendars, etc;
- g) incidental business hospitality such as business lunches or dinners, which the employee is prepared to reciprocate;
- h) complimentary tickets to sports meetings and other public events, but excluding the cost of transport and accommodation, provided that such tickets are not of a recurrent nature; and
- f) gifts in kind other than those listed in a) to d) which have an intrinsic value greater than R350 unless they have declared them to the Municipal Manager.

6.1.3.5.7 Under no circumstances shall gifts be accepted from prospective contractors during the evaluation of calls for expressions of interest, quotations or tenders that could be perceived as undue and improper influence of such processes.

6.1.3.5.8 Employees and agents of Polokwane Municipality shall without delay report to the Municipal Manager any incidences of a respondent, tenderer or contractor who directly or indirectly offers a gratification to them or any other person to improperly influence in any way a procurement process, procedure or decision.

6.1.3.7 Reporting of breaches

Employees and agents of Polokwane Municipality shall promptly report to the Municipal Manager any alleged improper conduct which they may become aware of, including any alleged fraud or corruption.

6.1.5 Measures to prevent abuse of the infrastructure delivery system

The Municipal Manager shall investigate all allegations of corruption, improper conduct or failure to comply with the requirements of this policy against an employee or an agent, a contractor or other role player and, where justified:

- a) take steps against an employee or role player and inform the National Treasury and Limpopo Treasury of those steps;
- b) report to the South African Police Service any conduct that may constitute a criminal offence;
- c) lodge complaints with the Construction Industry Development Board or any other relevant statutory council where a breach of such council's code of conduct or rules of conduct are considered to have been breached;
- d) cancel a contract if:
 - 1) it comes to light that the contractor has made a misrepresentation, submitted falsified documents or has been convicted of a corrupt or fraudulent act in competing for a particular contract or during the execution of that contract; or
 - 2) an employee or other role player committed any corrupt or fraudulent act during the tender process or during the execution of that contract.

6.1.5 Awards to persons in the service of the state

6.1.5.1 Any submissions made by a respondent or tenderer who declares in the Compulsory Declaration that a principal is one of the following shall be rejected:

- a) a member of any municipal council, any provincial legislature, or the National Assembly or the National Council of Provinces;
- b) a member of the board of directors of any municipal entity;
- c) an official of any municipality or municipal entity;

7. DATE OF IMPLEMENTATION

This policy takes effect from 1 July 2023 and will be reviewed annually during the budgetary process of the Municipality.



SUBSISTENCE AND TRAVELLING POLICY

2023-2024

DIRECTORATE CORPORATE AND SHARED SERVICES

BUSINESS UNIT: HUMAN RESOURCES

ITEM:

REF NO:

REVISED SUBSISTENCE AND TRAVELLING ALLOWANCE POLICY

Report of the Manager Human Resources

PURPOSE

The purpose of the report is to obtain approval of the revised Subsistence and Travelling Allowance Policy.

DISCUSSION

Council resolved in 2008 to update the Subsistence and Travel (S & T) Allowance policy by agreeing on new tariffs. The S&T Policy differs from the travelling allowance that is paid to officials for using their personal vehicles to perform duties for the Municipality.

The rates that were approved in 2008 are reviewed annually and are adjusted in line with standard applicable procedures and guidelines (e.g. SARS annual guidelines applicable to S & T and MFMA Circular **97**).

The rates are as follows:

DESCRIPTION	PREVIOUS	NEW REVISED
*Day Allowance : Incidental Costs	R152.00	R161.00
Overnight Allowance – own booking (D,B&B incl)	R789.00(Inclusive)	R843.00(Inclusive)
Meals:	MFMA Circular 97	MFMA Circular 97
* Breakfast	R110(Band 1)	R110(Band 1)
* Lunch	R160(Band 1, 2 & 3)	R160(Band 1, 2 & 3)
* Dinner	R180(Band 1 & 2)	R180(Band 1 & 2)
* The above rates are applicable only where accommodation is arranged by Council but meals are not provided for in the package or where employees made their own accommodation arrangements		
*Traveling outside border SA: Non adjacent Countries	Prescribed amount applicable to the relevant country(SARS guidelines, PAYE-GEN-01-G03-A02 – Subsistence Allowance – Foreign Travel)	Prescribed amount applicable to the relevant country(SARS guidelines, PAYE-GEN-01-G03-A02 – Subsistence Allowance – Foreign Travel)
Traveling outside border SA: Adjacent Countries		
*Prescribed rate per kilometer:	Tariffs for the use of Motor Transport (Department of Transport)	Tariffs for the use of Motor Transport (Department of Transport)
NB = In all instances amounts exceeding the above must be supported by proof of actual payments / documentation or else ONLY the amounts reflected above will be paid.		

*Foot Note: The items marked with an asterisk will be amended annually in terms of the SARS Guidelines as attached marked “Annexure C” and/or applicable MFMA Circulars, e.g. MFMA Circular 97

Day allowance

Day allowance will be increased from R152.00 to R161.00 for incidental expenditure.

Overnight allowance

Overnight accommodation may only be booked where the return trip exceeds 500 kilometers.

1. Where all accommodation is being arranged and paid for Council in advance.

In scenario 1, the person will only receive a day allowance of R161.00 for every day away from his home base.

DESCRIPTION	PREVIOUS	NEW REVISED
Overnight Allowance	Council paid in advance	Council paid in advance
Day away (for every day)	R152.00	R161.00
Day of return (longer than 6 hours away from base)	MFMA Circular 97	MFMA Circular 97
Meals:		
* Breakfast	R110(Band 1)	R110(Band 1)
* Lunch	R160(Band 1, 2 & 3)	R160(Band 1, 2 & 3)
* Dinner	R180(Band 1 & 2)	R180(Band 1 & 2)
* The above rates are applicable only where accommodation is arranged by Council but meals are not provided for in the package.		
*Prescribed rate per kilometer:	Tariffs for the use of Motor Transport (Department of Transport)	Tariffs for the use of Motor Transport (Department of Transport)
NB = In all instances amounts exceeding the above must be supported by proof of actual payments / documentation or else ONLY the amounts reflected above will be paid.		

2. Where the person travelling pays for his own costs.

In scenario 2 the person will be getting an overnight allowance only for the days away from his home base. The difference between the current and the proposed is as follows:

DESCRIPTION	PREVIOUS	NEW REVISED
Overnight Allowance – own booking (D,B&B incl)	R789.00(Inclusive)	R843.00(Inclusive)
Day away (for every day)	R152.00	R161.00
Day of return (longer than 6 hours away from base)	MFMA Circular 97	MFMA Circular 97
Meals:		
* Breakfast	-	-
* Lunch	-	-
* Dinner	-	-
* The above rates are applicable only where accommodation is arranged by Council but meals are not provided for in the package.		
*Prescribed rate per kilometer:	Tariffs for the use of Motor Transport (Department of Transport)	Tariffs for the use of Motor Transport (Department of Transport)
NB = In all instances amounts exceeding the above must be supported by proof of actual payments / documentation or else ONLY the amounts reflected above will be paid.		

International Allowance

It is recommended that an all inclusive amount per day applicable to the relevant country, be paid for meals and incidental cost allowances for visits to countries outside the Republic of South Africa as stipulated in the SARS Guide for Employers in respect of Allowances (Subsistence Allowance – Foreign Travel).

It is the responsibility of the employee to keep documentation in respect of expenditure incurred for tax purposes.

Travel Allowance

DESCRIPTION	PREVIOUS	NEW REVISED
Travel Costs	Tariffs for the use of Motor Transport (Department of Transport)	Tariffs for the use of Motor Transport (Department of Transport)
Toll Fees	Will be paid on submitting proof of payment	Will be paid on submitting proof of payment
Parking Fees	Will be paid on submitting proof of payment	Will be paid on submitting proof of payment

Comments: Chief Financial Officer

RECOMMEND

1. That Council approves the Revised Subsistence and Travelling Allowance Policy attached as Annexure "A", S & T Procedures attached as Annexure "B" and the claim form attached as Annexure "D".
2. That Council approves Subsistence and Travelling allowances as to be paid follows:

DESCRIPTION	PREVIOUS	NEW REVISED
*Day Allowance : Incidental Costs	R152.00	R161.00
Overnight Allowance – own booking (D,B&B incl)	R789.00(Inclusive)	R843.00(Inclusive)
Meals:	MFMA Circular 97	MFMA Circular 97
* Breakfast	R110(Band 1)	R110(Band 1)
* Lunch	R160(Band 1, 2 & 3)	R160(Band 1, 2 & 3)
* Dinner	R180(Band 1 & 2)	R180(Band 1 & 2)
* The above rates are applicable only where accommodation is arranged by Council but meals are not provided for in the package.		
*Traveling outside border SA: Non adjacent Countries	Prescribed amount applicable to the relevant country(SARS guidelines, PAYE-GEN-01-G03-A02 – Subsistence Allowance – Foreign Travel)	Prescribed amount applicable to the relevant country(SARS guidelines, PAYE-GEN-01-G03-A02 – Subsistence Allowance – Foreign Travel)
Traveling outside border SA: Adjacent Countries		
*Prescribed rate per kilometer:	Tariffs for the use of Motor Transport (Department of Transport)	Tariffs for the use of Motor Transport (Department of Transport)
NB = In all instances amounts exceeding the above must be supported by proof of actual payments / documentation or else ONLY the amounts reflected above will be paid.		

Day allowance / Overnight allowance: (Where all accommodation is being arranged and paid for by Council in advance):

DESCRIPTION	PREVIOUS	NEW REVISED
Overnight Allowance	Council paid in advance	Council paid in advance
Day away (for every day)	R152.00	R161.00
Day of return (longer than 6 hours away from base)	MFMA Circular 97	MFMA Circular 97
Meals:		
* Breakfast	R110(Band 1)	R110(Band 1)
* Lunch	R160(Band 1, 2 & 3)	R160(Band 1, 2 & 3)
* Dinner	R180(Band 1 & 2)	R180(Band 1 & 2)
* The above rates are applicable only where accommodation is arranged by Council but meals are not provided for in the package.		
*Prescribed rate per kilometer:	Tariffs for the use of Motor Transport (Department of Transport)	Tariffs for the use of Motor Transport (Department of Transport)
NB = In all instances amounts exceeding the above must be supported by proof of actual payments / documentation or else ONLY the amounts reflected above will be paid.		

Day allowance / Overnight allowance: (Where the person travels at his/her own costs):

DESCRIPTION	PREVIOUS	NEW REVISED
Overnight Allowance - own booking(D,B&B incl)	R789.00(Inclusive)	R843.00(Inclusive)
Day away (for every day)	R152.00	R161.00
Day of return (longer than 6 hours away from base)	MFMA Circular 97	MFMA Circular 97
Meals:		
* Breakfast	-	-
* Lunch	-	-
* Dinner	-	-
* The above rates are applicable only where accommodation is arranged by Council but meals are not provided for in the package.		
*Prescribed rate per kilometer:	Tariffs for the use of Motor Transport (Department of Transport)	Tariffs for the use of Motor Transport (Department of Transport)
NB = In all instances amounts exceeding the above must be supported by proof of actual payments / documentation or else ONLY the amounts reflected above will be paid.		

Travel Allowance

DESCRIPTION	PREVIOUS	NEW
Travel Costs	Tariffs for the use of Motor Transport (Department of Transport)	Tariffs for the use of Motor Transport (Department of Transport)
Toll Fees	Will be paid on submitting proof of payment	Will be paid on submitting proof of payment
Parking Fees	Will be paid on submitting proof of payment	Will be paid on submitting proof of payment

3. That all accommodation be booked in hotels or other accommodation in line with the policy.
4. That the allowances in respect of Day Allowance, Overnight Allowance – own booking, Breakfast, Lunch, Dinner, travelling inside and outside RSA borders and Prescribed rate per kilometer be amended annually in terms of the SARS Guide for employers in respect of allowances attached as Annexure “C”, and/or applicable MFMA Circulars, e.g. MFMA Circular 97; the inflation rate with specific reference to Overnight allowance – own booking and Tariffs for the Use of Motor Transport (**Department of Transport**); and that the amendments be effective from 1st July of each year.

ANNEXURE “A”

POLICY FOR TRAVELLING AND SUBSISTENCE ALLOWANCES

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1. POLICY VISION

Polokwane Municipality believes that human resources are its most valuable resource in the attainment of its goals and objectives and that it is in the interest of the Council to compensate the persons representing Council or their duly authorized delegates for additional expenses incurred by them in the execution of their official duties.

2. AIM

The aim of this policy is to lay down guideline for Councilors and Officials for the payment of traveling and subsistence allowances.

3. OBJECTIVES

Subject to the provisions of the standard Conditions of Services and any other Agreement with the Bargaining Council applicable to the Council and its employees, the objective of the policy is:

- a) To fairly compensate persons / employees representing the Council for essential additional expenses incurred by them in the execution of their official duties.
- b) To ensure uniformity in the payment of subsistence and traveling allowances.
- c) To limit or avoid night traveling as far as possible.

4. DEFINITIONS

Unless the context indicates otherwise, the following definitions shall apply:

OCCASIONS: Any occasions outside the area of jurisdiction of the Polokwane Municipality geographical area where an employee is required or expected to attend a meeting, Conference, Congress, seminar, Training course, Training program, Workshop, Discussions or any other occasion to which a person is delegated to by the Council.

WEEKENDS: Saturdays and Sundays except when an occasion takes place on a Saturday or a Sunday in which case it shall be deemed as a weekday

**BARGAINING:
COUNCIL** The Bargaining Council for the Local Government undertaking

OFFICIAL: A person appointed by the Council or duly elected and appointed Councilors.

COUNCIL: Polokwane Municipality, its Executive Committee or any employees of the Council acting in accordance with delegated authority.

**SUBSISTANCE:
ALLOWANCE** An allowance as determined from time to time by the Council and which differentiates between an overnight allowance and a day allowance.

WEEKDAYS : Mondays to Fridays as well as single days over weekends on which occasions take place.

OVERNIGHT ALLOWANCE : An allowance determined by Council which will be payable if the delegate is obliged to travel outside a radius of 250 km from the Municipal Head Office and the travelling is at his/her own costs.

DAY ALLOWANCE: An allowance payable to a delegate who is away from his/her place of work for an occasion within a range of 160km from the Municipal Head Office or where accommodation is fully booked or paid for.

ACCOMMODATION: Overnight accommodation includes bed, breakfast and dinner. Where dinner is not included it will be handled as a reimbursive expense up to a maximum amount as determined by Council.

INTERNATIONAL TRAVEL : Travel to all countries not bordering South Africa where the R currency is not acceptable in all business.

ADJACENT COUNTRIES : All countries bordering South Africa where the R currency are acceptable in all business.

INCIDENTAL EXPENSES : Incidental expenses include laundry, telephone costs, busfare, taxi, gifts, repairs etc.

5. DELEGATIONS

5.1 The authority to delegate Councilors and officials to attend an occasion resides with the following authority:

DELEGATED PERSON	APPROVAL
a. Executive Mayor, Chief Whip and Councilors	Speaker
b. Municipal Manager and Speaker,	Executive Mayor
c. Managers	Municipal Manager or the delegated Manager
d. Officials	SBU Manager or the delegated Manager
e. Across border traveling	Executive Mayor/Mayoral Committee
f. Occasions longer than 5 days	Municipal Manager

5.2 The acting or delegated municipal official cannot sign his or her own claim.

5.3 It is the responsibility of each manager to ensure that all expenditure of the travelling cost will be within the budget allocated to that department.

5.4 Budget adjustments for over expenditure on the vote for travelling and subsistence can only be done with the approval of the Municipal Manager on recommendations of the Chief Financial Officer.

5.5 All traveling arrangements and payment thereof will only be done once the prescribed form is approved by the delegated approving person.

6. CONDITIONS AND IMPLEMENTATION

6.1. Traveling Allowance

- 6.1.1. The Council reserves the right to determine on the cost effective grounds, the means of transport when an official is delegated by the Council to attend an occasion.
- 6.1.2. More than one official delegated by Council to attend the same occasion must as far as possible use one vehicle and the discretion lies with the relevant manager and that will be controlled by the availability of funds within the budget.
- 6.1.3. Subject to the provisions of sub clause 5.1 an official who is delegated to attend an occasion at a centre further than the Limpopo Province and which is serviced by a recognized and/or registered airline shall be afforded the opportunity to make use of air transport. The decision will be based on cost effectiveness.
- 6.1.4. Should a person be delegated to attend an occasion, he/she will be entitled to an accommodation allowance and 100% of the running cost or the tariff determined by the Council irrespective of whether the person get a traveling allowance or not. In case of public transport, the actual cost incurred will be payable.
- 6.1.5. Subject to sub clause 6.1.4. the person delegated to attend an occasion presented over a continuous period of time will be entitled to a travelling allowance as determined in 6.1.4 in order to enable the person to visit his normal home every second weekend within the duration of the occasion.

6.2. Subsistence during the week

Where a person travels within this range, a day allowance as determined by Council from time to time will be paid.

- This will only be paid for an occasion outside Polokwane Municipality area of jurisdiction
- Where an occasion that will take place is of the nature that the person will have to sleep over it will have to be approved by the Delegations above under paragraph (5) and will be handled accordingly.

6.2.1. Outside a radius of 250 km from the Municipal Offices

- Where a person travels outside a radius of 250 km from the Polokwane Municipal Offices and no accommodation is paid for or compulsory accommodation (meals included) is supplied, that person will be paid an inclusive overnight allowance as determined by Council from time to time.
- Where an advance and or compulsory accommodation (meals included) is provided, a person will be paid a day allowance only.
- Where accommodation is arranged for and paid for by Council and where no dinner is provided within the paid accommodation an additional amount as determined by Council from time to time will be paid as prove of actual cost.

6.3. Subsistence allowance during weekends

6.3.1. The payment of subsistence allowance during week days is *mutatis mutandis* applicable to the payment of subsistence during weekends.

6.3.2. Subsistence is not payable for those weekends wherefore in terms of sub clause 6.1.5 a locomotion allowance is payable in order to enable him to visit his/her home in the duration of the occasion.

6.4. Council has the choice between traveling costs and subsistence during weekends.

Council reserves the right regarding the decision whether a person should be compensated for travelling costs to his/her home or subsistence costs in order to enable the person to stay over the weekend should the duration of an occasion include a weekend.

6.5. Delegation of officials to the funeral of a deceased colleague.

6.5.1. If an employee in the service of Council dies, a maximum of four officials can be delegated to attend the funeral in an official capacity.

6.5.2. A maximum of one night and two days be paid to the officials delegated by Council within the rules as indicated in above clauses.

6.5.3. That only one vehicle be used and that travelling allowance be paid for one vehicle only.

6.5.4. That the travelling allowance as contemplated in 6.5.3 above be calculated as determined in 5.5.

6.6. Approval of Delegation

6.6.1 That authority to delegate Councilors and officials to attend an occasion resides the following authority.

DELEGATED PERSON	APPROVAL
a. Executive Mayor, Chief Whip and Councilors	Speaker
b. Speaker	Executive Mayor
c. Municipal Manager	Executive Mayor
d. Directors/ CFO	Municipal Manager
e. Manager	Director/ CFO
f. Officials	SBU Manager

(The acting or delegated Municipal officer cannot sign his/ her own claim).

6.6.2. It is the responsibility of each Manager to ensure that all costs incurred because of travelling will be within the budget allocated to that Directorate.

6.6.3. Budget adjustments for over expenditure on the vote for travelling and subsistence can only be done with the approval of the Municipal Manager on recommendations of the Chief Financial Officer.

6.6.4. All travelling arrangements and payment thereof will only be done once the prescribed form is approved by the delegated approving person.

7. HOTEL ACCOMODATION(DOMESTIC)

- 7.1. Actual cost limited to an amount as determined by MFMA **Circular 97** per night to cover the cost of bed and breakfast.
- 7.2. Polokwane Municipality to be invoiced for accommodation by travelling agency on hotel groups / guests houses, before departure.
- 7.3. Where a block booking is done Polokwane Municipality is to be invoiced by the coordinating organization before departure.
- 7.4. Alternatively, the official may prefer to stay privately, for which he can claim an amount as determined by the inflation rate on costs per night. The limited amount per night, bed and breakfast as determined by Council will apply in all other cases.
- 7.5. A daily allowance as determined by SARS guidelines for incidental expenses and meals as determined my MFMA Circular 97 will be paid by the Polokwane Municipality for traveling outside the area of jurisdiction. This allowance will be calculated from the date of departure up to and including the date of arrival back to Polokwane Municipality
- 7.6. The Accounting Officer must ensure that costs incurred for domestic accommodation and meals are in accordance with the maximum allowable rates for domestic accommodation and meals as communicated from time to time by the National Treasury though a notice.
- 7.7. Overnight accommodation may only be booked where the return trip exceeds 500 kilometers.
- 7.8. National Treasury has established maximum allowable rates for domestic accommodation. When sourcing accommodation for officials, municipalities and municipal entities should find options that are equal to or lower than the rates in Table 1, as contained in Annexure A to MFMA Circular 97, depending on the allowable star grading and the band. Competition and cost effectiveness must remain a key principle.

TABLE 1: RATES SET FOR DOMESTIC HOTEL ACCOMMODATION

Accommodation Grid			
Voucher Includes	BAND 1	BAND 2	BAND 3
	Room Only Tourism Levy VAT	Bed & Breakfast Tourism Levy VAT	Dinner, Bed and Breakfast Tourism Levy VAT 2 x soft Drink at Dinner
Graded Hotel, Boutique Hotel, Lodge or Resort			
	BAND 1	BAND 2	BAND 3
1 Star	R590	R730	R855
2 Star	R920	R1 050	R1 230
3 Star	R1,120	R1,230	R1,400
4 Star	R1,275	R1,380	R1,550
5 Star	R2,140	R2,250	R2,500

Bed & Breakfast, Country House or Guest house			
	BAND 1	BAND 2	BAND 3
1 Star	R 350	R495.00	R630.00
2 Star	R 510	R670.00	R830.00
3 Star	R 920	R1080.00	R1230.00
4 Star	R 1020	R1180.00	R1330.00
5 Star	R 1225	R1385.00	R1530.00
Self-Catering*			
	BAND 1	BAND 2	BAND 3
1 Star	R 590		
2 Star	R 920		
3 Star	R 1 120		
4 Star	R 1 275		
5 Star	R 1 475		
Meals**			
	BAND 1	BAND 2	BAND 3
Breakfast	R110	-	-
Lunch	R160	R160	R160
Dinner	R180	R180	-
Total	R450	R340	R160
<i>Accommodation costs are assumed to be inclusive of Parking and WI-FI (if available), and exclusive of Laundry Expenses.</i>			
<i>*Including Exclusive and Shared Facilities. Exclusive facilities offer travellers a sole occupancy unit consisting of one or more bedrooms and self-contained public areas e.g. kitchen, dining area and lounge. Shared Facilities consisting of one or more bedrooms and self-contained shared public areas e.g. kitchen, dining area and lounge.</i>			
<i>**Maximum amounts that can be claimed for meals. The claim for the actual amounts must be supported by a receipt.</i>			

- 7.9. If a negotiated rate for a specific star grading is equivalent to or lower than the rate for the lower star grading, the official may be accommodated in the establishment with the higher star grading. This means that an official may be accommodated in a four-star establishment if the rate at the four-star establishment is the same as or lower than a three-star establishment.
- 7.10. Where there is an alternative star grading indicated in Table 1(i.e 4/5 or 3/4), the maximum allowable rate of the lower star grading will be the benchmark. The higher star grading can only be booked if:
- The higher star graded facility is the only available option due to location and availability; or
 - The municipality has negotiated lower rates with the higher star graded facility.

8. FLIGHT (“Class” category of flight tickets)

The Accounting Officer –

- May approve the purchase of economy class tickets for all officials or political office bearers where the flying time for the flights is five hours or less; and
- May approve the purchase of business class tickets for officials, political office bearers and persons reporting directly to the accounting officer for flight exceeding five hours or less; and

In the case of the Accounting officer, the Mayor may approve the purchase of economy class where the flying time is five hours or less and business class tickets for flights exceeding five hours.

Notwithstanding the above, an Accounting Officer, or the Mayor in the case of an Accounting Officer, may approve the purchase of business class tickets for an official or a political office bearer with a disability or a medically certified condition.

National Treasury has negotiated with South African Airways (SAA) and Comair/British Airways(BA) for upfront discounted air fares for government employees, including councillors, travelling domestically for official purpose.

For SAA, the discounts range from 5% (L class) up to 30% (Y Class) for Economy Class tickets; and 10% (D Class) up to 26% (C Class) for Business Class tickets. Business class is not encouraged, however where a single flight exceeds 5 hours, consideration may be applied.

For BA the discounts range from 10%(O, Q class) up to 25% (Y class) for Economy Class Tickets; and 20%(J Class) for Business Class tickets.

In order to make full use of the corporate discount with SAA and BA the municipality must instruct the appointed TMC's or persons making bookings for domestic airline tickets, to book against relevant deal codes as detailed in Annexure B of MFMA Circular 97.

9. VEHICLE RENTAL

An official or a political office bearer of a municipality must utilize municipal fleet where viable, prior to hiring vehicles; make use of shuttle services, if the cost of such a service is below the cost of hiring a vehicle.

Officials and councilors must make use of the most cost effective option so as to reduce travel costs.

An official or a political office bearer of a municipality must not hire vehicles from a category higher than Group B or an equivalent class; and where a different class of vehicle is required for a particular terrain or to cater for the special needs of an official or where the number of officials attending a specific event necessitate a higher class vehicle; written approval of the Accounting Officer must first be sought prior to hiring such a vehicle.

Officials and councilors can be permitted to accept up-graded group of hired vehicles if such an upgrade is offered with no extra charge or at a lower charge than a Group B vehicle.

10. ALLOWANCES: INTERNATIONAL

10.1. Hotel Accommodation

Actual costs with a maximum rand equivalent as determined by the Rand/Dollar exchange rate per day. Polokwane Municipality to be invoiced by the travelling agency for the accommodation before departure.

10.2. Subsistence allowance

The rand equivalent as determined by the Rand/ foreign currency exchange rate to a maximum prescribed amount applicable to the relevant country as per SARS guidelines, PAYE-GEN-01-G03-A02 – Subsistence Allowance – Foreign Travel will be paid per day. The day of arrival and day of departure to be calculated as full days. The allocated amount is to be utilized for meals and incidental expenses such as laundry, telephone costs, bus fare, taxi, train fare, gifts, repairs etc.

That subsistence allowance for foreign visits per person is brought into line with financial policies, which determines differentiated subsistence rates for individual countries. These rates are determined and adjusted on an ongoing basis according to a data base supplied primarily by SARS.

11. FLIGHT

The Accounting Officer –

- (a) May approve the purchase of economy class tickets for all officials or political office bearers where the flying time for the flights is five hours or less; and
- (b) May approve the purchase of business class tickets for officials, political office bearers and persons reporting directly to the accounting officer for flight exceeding five hours or less; and

In the case of the Accounting officer, the Mayor may approve the purchase of economy class where the flying time is five hours or less and business class tickets for flights exceeding five hours.

Notwithstanding the above, an Accounting Officer, or the Mayor in the case of an Accounting Officer, may approve the purchase of business class tickets for an official or a political office bearer with a disability or a medically certified condition.

12. VEHICLE RENTAL (International)

The lowest class of rental will be allowed, unless otherwise approved by Council. Four or less delegated attending the same conference, etc. are required to hire only one vehicle, even in cases where they have booked different accommodation. No advances on vehicle rental will be made available. A certified invoice from a traveling agency issued by a vehicle rental agency must be submitted to the Council for payment. Should a delegate need to travel to the airport to embark on a flight, the chauffeur service of the Council should be utilized to transport the delegate to the airport. Should the chauffeur service not be available, a delegate may use his own vehicle and will be compensated in accordance with the applicable AA tariffs. The cost of parking tickets to leave the vehicle at the airport and may be claimed from Council upon submission of original receipts.

13. VISAS

Where applicable a visa/s is required for international visits the costs will be paid by Polokwane Municipality upon submission of an invoice or receipt from the travelling agency or embassy.

14. PAYMENT OF TRAVELLING AND SUBSISTENCE ALLOWANCE TO CANDIDATES ATTENDING INTERVIEWS FOR VACANT POSITIONS AND EXTERNAL PARTICIPANTS FOR DISCIPLINARY HEARINGS.

14.1. Travelling costs will be payable at 100% of the Department of Transport tariffs to candidates/external participants who have to travel far to attend interviews/disciplinary hearings and travel back again to their home/places of work. In the case of public transport, the actual costs incurred will be payable.

14.2. Travelling by air will only be allowed in exceptional cases after approval by the Municipal Manager. If a candidate/external participant on his/her own account do travel by air for an interview/disciplinary hearing and he/she has to rent a car to travel to Polokwane and back to the airport the payment for the latter will only be effected as per the stipulation of clause 14.1.

14.3. Payment of the above mentioned travelling costs will be subject to budget availability.

15. HOTEL ACCOMODATION FOR INTERVIEW CANDIDATES AND EXTERNAL PARTICIPANTS FOR DISCIPLINARY HEARINGS:

15.1. If a candidate/participant has to travel further than 500km to Polokwane, then he/she may be allowed to sleep over at the Council's expense, subject to budget availability.

15.2. Human Resources Management and Legal Services will be responsible for arranging accommodation and meals for short listed candidates and external disciplinary hearings participants, where applicable.

15.3. In cases where accommodation for short listed candidates and external participants in disciplinary hearings is necessary the actual accommodation cost will be paid by Council.

15.4. The need for possible group arrangement for accommodation will be determined when the short listed candidates are invited for interviews and external participants are being invited for disciplinary hearings.

15.5. It is the responsibility of Human Resources Management and Legal Services to inform the candidates and external disciplinary hearings participants of the contents of clause 14 of this Policy.

16. PROCEDURE

All claims and procedures in terms of this policy will be determined by the CFO and all persons submitting claims must adhere to the stipulations thereof.

17. RESPONSIBILITY

It is the responsibility of Directors/SBU Managers to ensure that Council's Policy with regard to accommodation and subsistence allowance is adhered to and that it shall at all times be scientifically funded and that all statutory provisions be adhered to.

It is the responsibility of each individual to inform the CFO if an occasion was cancelled and to repay any monies received in advance within two days of becoming aware.

18. DEVIATIONS FROM THE POLICY

- 18.1. Specific circumstances necessitate deviations from the approved policy. These relate to:
- No time for prior travel booking through travel agencies.
 - Where accommodation cannot be arranged within the cost limit as stipulated in the policy.
 - Vehicles as stipulated not available.
- 18.2. In order to manage the travel and subsistence policy it is of most importance that any deviation be limited to exceptional circumstances. Should there be any deviations from the Subsistence and Travelling Allowance Policy it is recommended that prior written approval have to be granted as follows:
- Officials by the Director/ CFO and Municipal Manager
 - Municipal Manager by the Executive Mayor
 - Councilors and Members of the Mayoral Committee by the Executive Mayor
 - Executive Mayor by the Speaker.

Any deviation from the Subsistence and Travelling Allowance Policy should be submitted to Municipal Manager for consideration and approval prior to any visit.

19. GENERAL

- Any travel arrangements should only be made after approval in terms of the approved set of delegations.
- Travel arrangements should be made timely in order to ensure that the maximum discount is received thereby minimizing the cost to the municipality.
- Prescribed rates per kilometer will be amended in line with Tariffs for the use of Motor Transport (Department of Transport).

20. IMPLEMENTATION AND REVIEW OF POLICY

- This policy shall be implemented on 1st July 2023 and shall be reviewed on an annual basis to ensure that is in line with the municipality's strategic objectives and with legislation.

ANNEXURE “B”

PROCEDURES TO CLAIM TRAVELLING AND SUBSISTENCE ALLOWANCES

1. AIM

The aim of this procedure is to lay down a procedure for Councilors and Officials to submit their claims for the payment of traveling and subsistence allowances and the use of their private vehicles.

2. PROCEDURE

a. Application Form

The relevant application form must be completed and approved by the delegated official for:

- Accommodation arrangements and payment therefore can be done;
- Flight tickets and or alternative transport arrangements can be done or payment can be made;
- Any motor vehicle hire arrangements can be done or paid for:

b. Time limits

All duly completed and approved claims must be submitted to the Office of the Financial Manager three (3) days before the actual cost will occur, in order to provide sufficient time for the Financial Manager to have enough cash available. A register with the Clerk processing the claims must be completed when a claim is submitted. The claim will be numbered and the Financial Manager will only be held responsible for claims written into the register.

c. Payment Method

Subsistence and traveling allowances will be handled as a cash advance to the maximum amount of R600-00. Any excess amount will be paid via cash focus directly into nominated accounts. Cash advances will be paid out the day before departure and cash will be transferred on Tuesdays for departures Wednesday and Thursday and on Thursdays for departures Friday, Monday and Tuesday.

d. Cancellations

In the event of the cancellation of an occasion after claims has been paid out and transferred repayment of such an advance must be within 2 working days with the official concerned with traveling claims.

e. Dinner

Claims in respect dinner not included in bookings will be limited to an amount as determined by Council. Claims in this regard will only be paid out as a reimbursement expense, which means that expense has to be incurred first before it can be claimed by a person.

f. Supporting Documents

- (i) prior principle approval for trip,
- (ii) agenda / purpose of trip and
- (iii) attendance register(s)etc.

g. Responsibility

It is the responsibility of each official / Councilor to make sure that he / she complies with this procedure.



TARIFF POLICY

2023/2024

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PREAMBLE

Whereas section 74 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) requires a municipal council to adopt a tariff policy on the levying of fees for municipal services;

And whereas the tariff policy should at least include the principles contained in section 74(2) of the Act, thus giving effect to the By-Law required in terms of section 75 of the Act;

And whereas the tariff policy may differentiate between different categories of users, debtors, service providers, service standards and geographical areas as long as such differentiations do not amount up to unfair discrimination;

Now therefore the Municipal Council of the Polokwane Municipality adopts the following Tariff Policy:

1. DEFINITIONS

In this tariff policy, unless the context otherwise indicates –

“basic service”	means the amount or level of any municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, could endanger public health or safety of the environment and for the purposes of this policy are restricted to electricity, refuse, sewage and water services;
“break even”	means the financial situation where the income derived by the Municipality from the supply of a service is equal to the aggregate of the fixed and the variable costs associated with the provision of the service concerned;
“capital contributions”	means the tariffs payable in respect of the water, electricity, sewage, storm water, roads and refuse removal infrastructure of the Municipality and which amounts exclude amounts payable towards the operational and maintenance costs of such infrastructure;
“Commercial Unit/Erf”	means a self-contained or lettable section within a building or a group of buildings on the same plot excluding short term residential accommodation establishments for e.g. hotels, bed & breakfast, guest houses etc. An owner of a commercial property may annually choose between being levied either per erf or per commercial unit for water and sewage basic charges. This choice must be applied on or before 30 September of each financial year.
“community services”	means the services referred to in paragraph 5(1)(c) and in respect of which the tariffs are set at a level that the costs of the services are not recovered fully from public service charges and are of a regulatory nature;
“consumer, customer, owner, occupier, account holder”	means individuals and other legal entities against whom a tariff, fee, charge or other levy specific to identifiable services are levied. The levying of tariffs, fees, charges, etc depends on statutory clauses, approved tariffs in terms of by-laws, contracts, agreements or tacit uses of services in certain circumstances. Such levies are payable on presentation of any invoice or monthly statement issued by the Municipal Manager. Payments are due by the date indicated for the transaction in an agreement, contract or on an invoice or monthly statement, as the case may be;
“Council” or “municipal council”	means a municipal council referred to in section 18 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) and for purposes of this policy, the municipal council of the Municipality of Polokwane;
“economic services”	means services that the Council has classified as such and the tariffs have been compiled with the intention that the total costs of the services are recovered from customers;
“lifeline”	Available to pre-paid consumers whose connection is ≤ 30 Amp with a maximum average consumption of 350 kWh measured over a period of 12 months. This tariff is only available to Informal dwellings in informal settlements;
“fixed costs”	means costs which do not vary with consumption or volume produced;
“multi-purpose”	In relation to a property, means the use of a property for more than one purpose;
“Municipality”	the institution that is responsible for the collection of funds and the provision of services to the customers of Polokwane;
“Municipal Manager”	means the accounting officer appointed in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) and being the head of administration and accounting officer in terms of section 55 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) and includes any person:- (a) acting in such position; and (b) to whom the Municipal Manager has delegated a power, function or duty in respect of such a delegated power, function or duty;
“resident “	means a person who normally resides in the municipal area;
“residential unit”	Means a single residential erven, flats, townhouse and group development, retirement villages, guest houses, bed and breakfast and households related consumers that do not fall in one of the above household consumer categories;
“Non Residential ”	Means any property or erven not zoned Res1 to Res 4, in terms of Polokwane municipality Town planning scheme unless in exceptional circumstances.
“the Act”	means the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000);
“total cost”	means the sum of all fixed and variable costs associated with a service;

<i>“trading services”</i>	means services that the Council has classified as such and the tariffs have been compiled with the intention that the Council makes a profit from the delivery of the services;
<i>variable costs”</i>	means costs that vary with consumption or volume produced;
<i>“wet Industry”</i>	Defined as an industry using water as essential and fundamental input in the production process.

2. PURPOSE OF POLICY

The Polokwane Municipality wishes to achieve the following objectives by adopting this tariff policy:-

- 2.1. To comply with the provisions of section 74 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000).
- 2.2. To prescribe procedures for calculating tariffs where the Municipality wishes to appoint service providers in terms of section 76(b) of the Act.
- 2.3. To give guidance to the Portfolio Committee for Finance regarding tariff proposals that must be submitted to Council annually during the budgetary process.

3. TARIFF PRINCIPLES

The Polokwane Municipality wishes to record that the following tariff principles will apply:-

- 3.1. Service tariffs imposed by the Municipality shall be viewed as user charges and shall not be viewed as taxes, and therefore the financial ability of the relevant user of the services to which such tariffs relate, shall not be considered as a criterion.
- 3.2. Tariffs for the four major services rendered by the Municipality, namely:
 - (a) electricity;
 - (b) water;
 - (c) sewer (waste water); and
 - (d) refuse removal (solid waste),shall, as far as possible, be calculated at a level which will recover all expenses associated with the rendering of these services.
- 3.3. During the annual budget processes, the Municipality shall, as far as circumstances reasonably permit, ensure that the tariffs levied in respect of the four major services generate operating surpluses.
- 3.4. Surpluses generated on major services will be determined during the approval of the annual operating budget.
- 3.5. Surpluses generated on major services shall be applied in relief of property rates.
- 3.6. To prevent existing consumers from subsidising the capital costs associated with new developments and subdivisions the Municipality will plan and manage the extension of services in such a manner that it will not impact negatively on the fixed costs and availability charges of existing tariffs.
- 3.7. Capital contributions to finance new developments and subdivisions will be required from all developers.
- 3.8. All users of municipal services, within a category of users, will be treated equitably.
- 3.9. The amount payable by consumers and/or owners will generally be in proportion to usage of the service.

- 3.10. The Municipality shall develop, approve, and at least annually review an indigent support policy for the municipal area. This policy shall set out clearly the Municipality's cost recovery policy in respect of the tariffs which it levies on registered indigents, and the implications of such policy for the tariffs which it imposes on other users and consumers in the municipal region.
- 3.11. Subject to annual budgetary provisions and the availability of funds from National Treasury through the equitable share contribution the Municipality may consider supplying free basic services to categories of consumers.
- 3.12. In the case of directly measurable services, namely electricity and water, the consumption of such services shall be properly metered by the Municipality, and meters shall be read, wherever circumstances reasonably permit, on a monthly basis.
- 3.13. Tariffs must reflect the total cost of services.
- 3.14. Tariffs must be set at a level that facilitates the sustainability of services. Sustainability will be achieved by ensuring that:-
 - (a) Cash inflows cover cash outflows. This means that sufficient provision for working capital and bad debts will be made.
 - (b) Access to the capital market is maintained. This will be achieved by providing for the repayment of capital, maintaining sufficient liquidity levels and making profits on trading services in order to subsidise property rates and general services.
 - (c) Service providers retain a fair rate of return on their investments.
- 3.15. Provision may be made in appropriate circumstances for surcharges on tariffs.
- 3.16. Efficient and effective use of resources may be encouraged by providing for penalties to prohibit or restrict exorbitant use.
- 3.17. The extent of subsidisation of tariffs will be disclosed and such disclosure will include the extent of subsidisation of the indigent or incentives for local development.
- 3.18. Provisions may be made for the subsidisation of the indigent and the promotion of local economic development by creating costs votes in the service budgets and including the costs in tariff calculations.
- 3.19. VAT is excluded in all tariffs unless indicated.
- 3.20. This policy shall be binding on all tariffs other than those governed by legislation which supersedes the Act.
- 3.21. A property used for multiple purposes must, for purposes related to the services concerned and the categories of users will be calculated at the appropriate and applicable rate for each distinct use of the property.
- 3.22. In order to provide the Municipality with appropriate security for payment of amounts owing to it from time to time for services rendered, the Council shall impose a system of deposits payable by customers. The deposits shall be set with due regard to the potential financial risk associated with the amounts owing from time to time as well as sufficient provision for working capital. The level of the deposits shall be revised annually and the Municipality may introduce transitional arrangements in respect of existing users.

4. CATEGORIES OF CONSUMERS

- 4.1. Separate tariff structures may be imposed for the following categories of consumers (which the council may change):
- (a) domestic consumers;
 - (b) commercial consumers;
 - (c) industrial consumers;
 - (d) agricultural consumers;
 - (e) organs of state;
 - (f) municipality;
 - (g) consumers with whom special agreements were made;
 - (h) consumers in certain geographical areas;
 - (i) sport and recreation facilities
 - (j) private schools & educational institutions; and
 - (k) public benefit organisations and such like institutions.
- 4.2. A tariff policy may differentiate between different categories of users, debtors, service providers, services, service standards, geographical areas and other matters as long as the differentiation does not amount to in unfair discrimination.
- 4.3. Where there are substantial differences between the infrastructures used to provide services to specific groups of users within a category and/or standard of services provided, the Council can, after considering a report by the Municipal Manager or the relevant Director, determine differentiated tariffs for the different consumers within the specific category.
- 4.4. Differentiated tariffs must be based on one or more of the following elements. infrastructure costs, volume usage, availability, and service standards.
- 4.5. If, for purposes of determining the tariff applicable to a particular user or category of users, the user or category of users has not specifically by definition been included under a defined category of users, the Municipal Manager shall, by applying the closest match principle, determine the category under which the user or category of users fits in best taking into account the nature of the service concerned and the user or category of users involved.

5. INCENTIVE POLICY.

- 5.1. Tariffs will not reflect incentives for investment or to promote economic development.

6. PROPERTY RATES POLICY.

The property rates will be levied in terms of the Municipal Property Rates Act and the cent amount in a rand will be levied in a tariff schedule as approved by Council.

7. INDIGENT RELIEF.

- 7.1. Tariffs will not reflect relief granted to indigent households. Such relief will be developed as a separate policy and be subject to the discretion of Council as to its sustainability.
- 7.2. All such relief will be reflected, accounted for and disclosed separately in invoices, account statements, budgets, financial statements or reports.

- 7.3. During implementation of such policy, recognition will be taken that the existing tariffs and procedures may require amendment to accommodate the above clauses and that such amendments will be phased in over time.
- 7.4. Indigent households are expected to manage their consumption of services within the levels of relief granted.
- 7.5. Assistance and management of indigent households are contained in the Customer Care and Debt Collection Policy/By-Law. The Municipality, however, retains the right to limit consumption through prepaid meters or restriction if the accounts of assisted households fall into arrears. Water can be restricted to 6kl.

8. SERVICE, EXPENDITURE CLASSIFICATION AND COST ELEMENTS

8.1. Service classification

- 8.1.1. To isolate the costs associated with a service, the Municipal Manager shall, subject to the guidelines provided by the National Treasury, Generally Recognised Accounting Practice (GRAP) and Executive Mayoral Committee of the Council, provide for the classification of services into the following categories: -
- (i) trading services;
 - (ii) economic services;
 - (iii) community services; and
 - (iv) subsidised services.

- 8.1.2. Trading and economic services must be financially ring-fenced and financed from service charges while community and subsidised services will be financed from rates and related income.

8.2. Expenditure classification

Expenditure will be classified in accordance with GRAP.

8.3. COST ELEMENTS.

The following cost elements may be used to calculate the tariffs of the different services: -

- (a) "*Fixed costs*" which consist of the capital costs (interest and redemption) on external loans as well as internal advances and/or depreciation, whichever are applicable to the service, and any other costs of a permanent nature as determined by the Council from time to time.
- (b) "*Variable costs*" which include all other variable costs that have reference to the service.
- (c) "*Total cost*" which is equal to the fixed costs and variable costs.

9. TARIFF TYPES.

In determining the type of tariff applicable to the type of service, the Municipality shall make use of any of the following five options or a combination thereof: -

9.1. "Single tariff":-

This tariff shall consist of a cost per unit consumed. All costs will be recovered through unit charges at the level where income and expenditure breaks even.

Subject to a recommendation by the Municipal Manager, the Council may decide to approve profits on trading services during the budget meeting. Such profits will be added to the fixed and variable cost of the service for the purpose of calculating the tariffs.

9.2. **“Cost related two to four-part tariff”:** -

This tariff shall consist of two to four parts. Management, capital, maintenance and operating costs may be recovered by grouping certain components together, e.g. management, capital and maintenance costs may be grouped together and may be recovered by a fixed charge, independent of consumption for all classes of consumers, or the total costs may be recovered by a unit charge per unit consumed.

Three and four part tariffs may be used to calculate the tariff for electricity and to provide for maximum demand and usage during limited demand.

9.3. **“Inclining block tariff”:** -

This tariff is based on consumption levels being categorised into blocks, the tariff being determined and increased as consumption levels increase.

9.4. **“Declining block tariff”:** -

This tariff is the opposite of the inclining block tariff and decreases as consumption levels increase.

9.5. **“Regulating tariff”:** -

This tariff is only of a regulatory nature and the Municipality may recover the full or a portion of the cost associated with rendering the service.

10.6. **“Cost plus mark-up tariff”:** -

This tariff is for other services rendered.

10. CALCULATION OF TARIFFS FOR MAJOR SERVICES.

10.1. **General**

In order to determine the tariffs which must be charged for the supply of the four major services (electricity, refuse, sewage and water), the Municipality shall use service and expenditure classifications and cost elements contained in clause 7 and identify all the costs associated with the service concerned, including the following: -

10.1.1. Cost of bulk purchases in the case of electricity and water.

10.1.2. Distribution costs, including distribution losses in the case of electricity and water.

10.1.3. Depreciation and finance charges.

10.1.4. Maintenance of infrastructure and other assets.

10.1.5. Administration and service costs, including: -

- (a) service charges levied by other support services, such as finance, human resources and legal services;
- (b) reasonable general overheads, such as the costs associated with the office of the Municipal Manager;
- (c) adequate contributions to the provisions for bad debts, working capital and obsolescence of stock;
- (d) all ordinary operating expenses associated with the service concerned, including the cost of providing street lighting in the municipal area in the case of the electricity service.

10.1.6. The intended surplus to be generated for the financial year shall be applied generally in relief of rates and general services.

10.1.7. Where a consumer has an option to choose between different tariffs on a service such option must be executed before the 30 of September to be implemented for the specific financial year.

10.2. **ELECTRICITY.**

10.2.1. The guidelines and policy issued by the National Energy Regulator from time to time will form the basis of calculating tariffs.

10.2.2. The Municipality has standardized on the use of Pre Payment Meters for all Domestic Consumers. As such it is compulsory for all new domestic connections to be equipped with Pre Payment Meters. The Municipality has embarked on a program to effect the migration of all Credit Meters to Pre-Payment Meters. The change from Pre Payment Meters to Credit Meters will therefore be disallowed unless special health circumstances exist, in which extreme case a credit meter will be installed by special concession from the Director of Energy Services and by payment of the required change of meter fees as well as the required deposit.

10.2.3. To make electricity affordable to certain categories of consumers, cross subsidisation between and within categories of consumers will be allowed, based on the load factors of the categories and consumers within the category.

10.2.4. The fixed costs, or portions thereof, will be recovered through an energy or time-of-use charge.

10.2.5. A basic charge per electricity meter or unit in the municipal area, as determined by the Council from time to time, may be charged against all electricity consumers.

10.2.6. To apply the abovementioned principles, the consumer types and cost allocations reflected in the following table will be used: -

<u>CATEGORY OF CONSUMER</u>	<u>TARIFF COMPONENTS</u>				
	Basic/Demand/Service Charge (Rand/consumer/month)	Active Energy Charge (cent/kWh/month)	Seasonally Time-of-use Energy Charge Peak / Standard /Off-peak (sent/kWh/month)	Level of consumption	Capacity Charge (Rand/KVA/month)
Single Phase: (Domestic Prepaid /Conventional meters)	X	X		IBT BLOCK 1) 0 - 50 kWh 2) 51 – 350 kWh 3) 351-600 kWh 4) > 600kWh	

Single Phase: (Domestic Pre-paid meters)	X	X		IBT BLOCK 1) 0 - 50 kWh 2) 51 – 350 kWh 3) 351-600 kWh 4) > 600kWh	
Single Phase: (Commercial)	X	X		Flat rate	
Single Phase: (Commercial Pre –Paid meter)	X	X		Flat rate	
Three Phase: (Domestic Pre-paid meter) ≤ 100A	X	X		IBT BLOCK 1) 0 - 50 kWh 2) 51 – 350 kWh 3) 351-600 kWh 4) > 600kWh	
Three Phase: (Commercial conventional and prepaid meter) ≤ 100A	X	X		Flat rate	
Three Phase: (Commercial Pre-Paid meter) ≤100A	X	X		Flat rate	
Bulk:					
> 100 A	X	X		Flat rate	X
Time of Use based on Ruraflex Munic for LV or HV			X	Flat rate	X
Departmental (Municipality)		X			

- (a) A basic level of service will be provided free to qualifying households with a total gross income level which is below a determined amount, and according to further specified criteria, as determined by Council from time to time.
- (b) Where a property or unit is not connected to the electricity reticulation system, but can reasonably be so connected, an availability tariff will be payable.

10.2.7. A fixed basic charge for electricity will be levied on a monthly basis on all properties and units.

10.2.8 Where consumers within an approved township establishment are not connected to the electricity services, but can reasonably be so connected, an availability tariff will be payable.

10.3. **WATER.**

10.3.1 The categories of water consumers as set out in clause 9.3.4 shall be charged at the applicable tariffs as approved by the Council in each annual budget.

10.3.2. The first 6kl of water consumption per month shall be supplied pro rata free of charge to all indigent water consumers.

10.3.3 Because water is a scarce national resource, and this Municipality is committed to the prudent conservation of such resources, the tariff levied for domestic consumption of water shall escalate according to the volume of water consumed.

10.3.4. The tariffs for consumption of purified water shall be based on the levels reflected in the following table:-

CATEGORY OF CONSUMER	BASIC FIXED CHARGE (RAND/METER/MONTH)	UNIT CHARGE PER KL	LEVEL OF CONSUMPTION (RAND)
DOMESTIC SUPPLY		X	0 – 5 KL 6 -15 KL 16 – 30 KL 31 -50 KL 51-100 KL >100 KL
NON-DOMESTIC SUPPLY	X	X	0 – 30 KL 31 -50 KL 51-100 KL >100 KL
CATEGORY OF CONSUMER	BASIC FIXED CHARGE (RAND/METER/MONTH)	UNIT CHARGE PER KL	LEVEL OF CONSUMPTION (RAND)
INDUSTRIAL SUPPLY	X	X	0 – 30 KL 31 – 50 KL 51-100 KL 101-20 000 KL >20 000 KL
SILIKON SMELTERS	X	X	Subject to CR92/11/19
PUBLIC WORKS	X	X	Flat Rate
DALMADA WATER CORPORATION & BROADLANDS	X	X	Flat Rate
SCHOOLS & HOSTELS	X	X	Flat Rate
POTGIETERSRUS PLATINUM LTD	X	X	Flat Rate
LEZMIN 3535	X	X	Flat Rate
Departmental (Municipality)		X	Flat Rate

10.3.5. After accounting for free water and basic charges, the cost of water in the first step will be calculated at break even.

10.3.6. A basic charge per water meter or unit in the municipal area, as determined by the Council from time to time, may be charged against certain water consumers.

10.3.7. Where consumers within an approved township establishment are not connected to the water services, but can reasonably be so connected, an availability tariff will be payable.

10.4. **REFUSE REMOVAL.**

10.4.1. A fixed monthly refuse removal charge shall apply to each category of users based on the costs of the service concerned and the applicable level of service, which can vary from once a week up to 7 times a week.

10.4.2. An availability charge per month will be levied on all erven or units within an approved township establishment where no building plan has been approved.

10.4.3. The fixed basic charge will be based on surface area of the erf or per skip container.

<u>CATEGORY OF CONSUMER</u>	<u>LEVEL OF CHARGE (RAND MONTH)</u>
<p>1. <u>BASIC CHARGE</u></p> <p>Basic charge per month on any erf, stand premises or other area per month.</p> <p>2. <u>ADDITIONAL CHARGE</u></p> <p><u>2.1 Residential</u></p> <p>1.Dwelling houses, churches and church halls which are used for that purpose and</p> <p>2.Improved premises used exclusively by and registered in the name of the Boy Scouts, Girl Guides, Voortrekkers or a similar organisation-per unit and</p> <p>3.Flats</p>	<p>2.1 (a) On an erf with a surface area not exceeding 500m²</p> <p>(b) All erven with a surface area more than 500m²</p> <p>(i)For the first 500m² of the surface area of the erf</p> <p>(ii)Thereafter, for the following 500m² or part thereof, of the surface area of the erf</p> <p>(iii) Thereafter, per 500m² or part thereof, of the surface area of the erf .</p> <p>Provided that where more than one dwelling-unit is erected on an erf, the area of such erf shall be divided by the number of dwelling-units thereon, and the charge, for each portion so obtained, shall be calculated in terms of the above formula as if such portion constitutes a separate erf.</p> <p>(iv) Maximum charge (11 000m²)</p>
	Flat Rate per 1m ³ container

<p>Non-residential</p> <p>With or without improvements.</p>	<p>(i) For the first 300 m² or part thereof, of the surface area of the erf</p> <p>(ii) Thereafter, per 300 m² or part thereof, up to 9 300 m² of the surface area of the erf.</p> <p>(iii) Thereafter, per 1 000 m² or part thereof of the erf.</p> <p>Customers with an increase of more than 10% because of the implementation of the new tariff shall receive a 75% discount in the 2022/2023 financial year. 50% discount in the 2023/2024 financial year. 25% discount in the 2024/2025 financial year. And 100% will then be charged from 2025/2026</p>
<p>Other Services</p>	
<p>For the removal of domestic refuse where a mass container is specifically supplied for use by a specific premises</p>	<p>Flat Rate per mass container per removal</p>
<p style="text-align: center;"><u>CATEGORY OF CONSUMER</u></p>	<p style="text-align: center;"><u>LEVEL OF CHARGE (RAND MONTH)</u></p>
<p>For the removal of garden refuse other than placed in plastic bags, per removal</p>	<p>Flat Rate per removal</p>
<p>For the removal of non-perishable refuse, excluding garden refuse</p>	<p>Estimated cost + 10%</p>
<p>Occasional Services:</p>	<p>Flat Rate per removal</p>
<p>Weltevreden Landfill Site Weighbridge.</p>	<p>Flat Rate per ton or part thereof.</p>
<p>Carcass removal and disposal thereof</p>	<p>Flat Rate per removal category</p>

10.5. **SEWERAGE.**

10.5.1 **APPLICATION FEES.**

The Engineer shall determine application fees in terms of the provisions of section 2(1) of the By Laws.

The assessment of the charges shall be based upon the total square area of the building, addition or alteration to an existing building. The charges are incorporated in the building plan fees and shall be payable in advance when the building plans are submitted. In case of any dispute arising in respect of the assessment of the application fees, the matter shall be subject to the right of appeal as determined in Section 3 of the By Laws.

10.5.2. **CHARGES.**

The owner of any erf or piece of land, with or without improvements, which is, or in the opinion of the Council can be, connected to the sewer, shall monthly pay to the Council, in terms of the provisions of Section 5 of the By-Laws the following charges:

The categories of sewage users as set out below shall be charged monthly at the applicable tariff as approved by the Council in each annual budget:-

CATEGORY OF CONSUMER	LEVEL OF CHARGE
1. Availability charges	
(i) Improved residential erven with a surface area not exceeding 500m ²	No Charge
2. All other erven	(i) For the first 500m ² or part thereof, of surface area of the erf: (ii) Thereafter, per 500m ² or part thereof, up to 2 000m ² of the surface area of the erf: (iii) Thereafter, per 1 000m ² or part thereof, of the surface area of the erf: (iv) Additional charge per unimproved erf: (v) Maximum charge (887 000m ²):
3. Additional charges	
1.Dwelling-houses, churches, church halls as well as buildings used exclusively by and registered in the name of the Boy Scouts, Girl Guides, Voortrekkers or similar organisation.	(i) For the first dwelling-house, church, church hall or other building mentioned in 2(1) above erected on any erf or piece of land, per building (ii) For the second or subsequent dwelling-house, church, church hall or other building mentioned in 2(1) above, per building
3. Flats – per flat	Flat Rate
4. Non-Residential properties	

<p>The owner of any non-residential erf or piece of land, with or without improvements, which is, or in the opinion of Council can be, connected to the sewer, shall monthly pay to the Council, in terms of the provisions of Section 5 of the By-Laws the following charges.</p>	
<p>4.1 Basic charge</p> <p>The owner of any non-residential erf or piece of land, with or without improvements, which is, or in the opinion of Council can be, connected to the sewer, shall monthly pay to the Council, in terms of the provisions of Section 5 of the By-Laws the following charges:</p>	<p>Applicable on all non-residential properties</p>
<p>4.2 Additional charges</p>	<p>(i) For the first 500 m² or part thereof, of the surface area of the erf.</p> <p>(ii) Thereafter, per 500 m² or part thereof, up to 8 000 m² of the surface area of the erf</p>
	<p>(iv) Thereafter, per 1 000 m² or part thereof, of the surface area of the erf.</p>
<p>Phase in rebates for non residential tariffs</p>	<p>Customers with an increase of more than 10% because of the implementation of the new tariff shall receive a 75% discount in the 2022/2023 financial year. 50% discount in the 2023/2024 financial year. 25% discount in the 2024/2025 financial year. And 100% will then be charged from 2025/2026</p>

Charges for Industrial Effluent and for Chemical and Bacteriological Analysis will be calculated according to a formula which will be indicated in the Tariff of Charges on an annual basis.

10.6. **MINOR TARIFFS.**

10.6.1. All minor tariffs shall be standardised within the municipal region.

10.6.2. All minor tariffs shall be approved by the Council in each annual budget and shall, when deemed appropriate by the Council, be subsidised by property rates and general revenues, particularly when the tariffs will prove uneconomical when charged to cover the cost of the service concerned, or when the cost cannot be determined accurately, or when the tariff is designed purely to regulate rather than finance the use of the particular service or amenity.

10.6.3. **Minor tariffs may include but are not limited to the following:-**

A	Administration	<ul style="list-style-type: none"> ▪ Access to information ▪ Administration Costs ▪ Advertisements ▪ Bank cost on foreign accounts ▪ Deposit Consultation ▪ Duplicate Accounts ▪ Facsimiles ▪ Interest on Arrear Accounts ▪ Interest on Arrear Accounts 	<ul style="list-style-type: none"> ▪ Management consultation ▪ Photocopies ▪ Placard / Poster Costs ▪ Section 62 Appeals ▪ Tender Objections ▪ Tender Participation Costs ▪ Top Management Consultation ▪ Trace of Direct Deposits
B	Building Control	<ul style="list-style-type: none"> ▪ Administration storage fee ▪ Alterations ▪ Building Plans ▪ Contravention Levy ▪ Demolition Fees ▪ Deposits ▪ Encroachments ▪ Heritage Investigations 	<ul style="list-style-type: none"> ▪ Inspection Fees ▪ Land Use Planning ▪ Photocopies of Building Plans ▪ Plan Printing Fees ▪ Plan Scrutiny Fees` ▪ Re-inspection fees ▪ Searching Fees
C	Cemeteries	<ul style="list-style-type: none"> ▪ Garden of Remembrance ▪ Grave-sites 	<ul style="list-style-type: none"> ▪ Indication of grave
D	Commercial Filming/Photographing	<ul style="list-style-type: none"> ▪ Permits 	
E	Credit Control & Debt Collecting	<ul style="list-style-type: none"> ▪ Administration fee ▪ Notices 	<ul style="list-style-type: none"> ▪ Sheriff fee ▪ Tracing fee
F	Dog Tax	<ul style="list-style-type: none"> ▪ Licenses 	
G	Electricity	<ul style="list-style-type: none"> ▪ Builders connection ▪ Bulk Service ▪ Development Fees ▪ Call-out fee ▪ Cancellation Fee ▪ Capital Contributions ▪ Certificates ▪ Change from Bulk to Time of use ▪ Change of Circuit Breaker ▪ Commission of Bulk Meter ▪ Connection and Disconnection of Service ▪ Consumer Deposits ▪ Contractor Inspection ▪ Conversion of meters 	<ul style="list-style-type: none"> ▪ Meter Verification ▪ MV Switching ▪ New Service Connections ▪ Reconnection ▪ Remedial Action Fee ▪ Removal of meter ▪ Rental of Equipment ▪ Repair of Cables or Additional ▪ Joints ▪ Repositioning of Meter ▪ Service Connections ▪ Special Meter Readings ▪ Still-off" inspections ▪ Street Lighting ▪ Sundry Services

		<ul style="list-style-type: none"> ▪ Credit Control and Debt Collection ▪ Damaged meter ▪ Disconnection ▪ Extension Fee ▪ Fee recalculation – no access ▪ Meter Testing 	<ul style="list-style-type: none"> ▪ Tariff change ▪ Unsafe/illegal leads per visit ▪ Upgrading extension Fee ▪ Verification of meter reading ▪ Way leave ▪ Wheeling
H	Fire Services & Disaster Management	<ul style="list-style-type: none"> ▪ Plot Clearing 	<ul style="list-style-type: none"> ▪ Re-inspection Fee under the Bylaw
I	Housing	<ul style="list-style-type: none"> ▪ Administration 	<ul style="list-style-type: none"> ▪ Rental
J	Law Enforcement	<ul style="list-style-type: none"> ▪ Business Licenses ▪ Bylaw on outdoor advertising ▪ Impoundment of Hawkers goods 	<ul style="list-style-type: none"> ▪ Inspection Fees ▪ Pound fee Dogs and Cats ▪ Pound fee other animals
K	Libraries	<ul style="list-style-type: none"> ▪ Deposits ▪ Facsimiles ▪ Photocopies ▪ Scanning ▪ Internet Usage ▪ Lost Cards 	<ul style="list-style-type: none"> ▪ Penalty for Late Return ▪ Rental of Library Amenities ▪ Reservations ▪ Special Requests ▪ Subscription ▪ Visitors Fee
L	Municipal Buildings	<ul style="list-style-type: none"> ▪ Deposits ▪ Rental of Amenities 	<ul style="list-style-type: none"> ▪ Rental of Equipment
M	Operational Cost	<ul style="list-style-type: none"> ▪ Street Signage 	<ul style="list-style-type: none"> ▪
		<ul style="list-style-type: none"> ▪ 	<ul style="list-style-type: none"> ▪
O	Property Administration	<ul style="list-style-type: none"> ▪ Application lease/purchase ▪ Encroachment Fee 	<ul style="list-style-type: none"> ▪ Memorial Benches ▪ Radio Mask
P	Public Works	<ul style="list-style-type: none"> ▪ Felling and Pruning of Trees ▪ Private Work ▪ Sale of Miscellaneous Items ▪ Storm Water Drainage 	<ul style="list-style-type: none"> ▪ Street Signage ▪ Tar and Patch Work ▪ Vehicle Entrances
Q	Recreational Amenities	<ul style="list-style-type: none"> ▪ Boat Launching ▪ Boat License/Permits ▪ Caravan Parks ▪ Community Halls ▪ Deposit ▪ Hawker Stalls Lagoons ▪ Lagoons 	<ul style="list-style-type: none"> ▪ Office Rental ▪ Open Spaces ▪ Public Open Space ▪ Schuss Houses ▪ Spaces for Sport ▪ Sport Events ▪ Swimming pool
R	Roads	Capital Contributions	<ul style="list-style-type: none"> ▪ Bulk Service Development Fee
S	Refuse Removal	<ul style="list-style-type: none"> ▪ Capital Contributions ▪ Deposits ▪ Mass Containers 	<ul style="list-style-type: none"> ▪ Refuse Bins ▪ Rental of Bulk Containers ▪ Replacement of Bulk Containers ▪ Self Dumping
T	Sewage	<ul style="list-style-type: none"> ▪ Bulk Service Development Fee ▪ Capital Contributions ▪ Connection of tanks 	<ul style="list-style-type: none"> ▪ Service Connections ▪ Tank Services ▪ Testing of tanks

		<ul style="list-style-type: none"> ▪ Disposal 	
U	Stony Point	<ul style="list-style-type: none"> ▪ Annual Permit 	<ul style="list-style-type: none"> ▪ Visitors
V	Swimming Pool	<ul style="list-style-type: none"> ▪ Entrance Fee ▪ Galas 	<ul style="list-style-type: none"> ▪ Training session
W	Town Planning	<ul style="list-style-type: none"> ▪ Advertising Cost ▪ Application Fee ▪ Contravention Levy ▪ Departure Fee ▪ Extension of Time ▪ Land use planning Fee 	<ul style="list-style-type: none"> ▪ Registered Letter ▪ Removal of Title Deed ▪ Restrictions ▪ Spatial Development Framework ▪ Sub-division ▪ Zoning Fee
X	Traffic	<ul style="list-style-type: none"> ▪ Deposits ▪ Disabled Parking Tokens ▪ Driver's Licenses ▪ Escorting and Other Services ▪ Leaner's Licenses ▪ Parking Meters ▪ Professional Driver's Permits 	<ul style="list-style-type: none"> ▪ Removal of Vehicles ▪ Roadworthy Certificates ▪ Storage Fees ▪ Taxi Rank Tokens ▪ Towing Charge ▪ Vehicle Registration ▪ Wheel clamping fee
y	Valuation	<ul style="list-style-type: none"> ▪ Access to Information ▪ Clearance Certificates ▪ Deeds Office Registrations ▪ Impact studies 	<ul style="list-style-type: none"> ▪ Revaluation ▪ Valuation Certificates ▪ Valuation Roll ▪ Voters' Roll
Z	Water	<ul style="list-style-type: none"> ▪ Bulk Service Development ▪ Call-out Fee ▪ Capital Contributions ▪ Connection & Disconnection ▪ Consumer Deposits ▪ Convert to flow restrictor meter ▪ Credit Control and Debt Collection ▪ Damaged Water Meter ▪ Fee recalculation – no access ▪ Final meter reading ▪ Irrigation Water ▪ Meter Testing ▪ Meter verification 	<ul style="list-style-type: none"> ▪ New Service Connections ▪ Registration of borehole ▪ Remedial Action Fee ▪ Rental of Equipment ▪ Repair of meter ▪ Repositioning of meter ▪ Service Connections ▪ Special Meter Readings ▪ Still-off" inspections ▪ Sundry Services ▪ Temporary connections ▪ Verification of meter reading

10.6.5. The Municipal Manager shall maintain a list of all minor services indicating their unit of service for the purposes of determining tariffs, fees, charges and levies. Such list shall be reviewed annually together with the proposed tariffs, fees charges and levies.

11. **NOTIFICATION OF TARIFFS, FEES AND SERVICE CHARGES.**

11.1. After a draft budget as required by the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) has been tabled, the Municipal Manager must invite the local community to submit representations for consideration by the Council. Such invitation includes the draft resolutions on taxes and tariffs proposed.

- 11.2. After approval of the budget, the Council will give notice of all tariffs approved at the annual budget meeting at least 30 days prior to the date that the tariffs become effective.
- 11.3. A notice stating the purport of the council resolution, date on which the new tariffs shall become operational and invitation for objections will be advertised by the Municipality.
- 11.4. All tariffs approved must have been considered at the annual budget meeting.

12. IMPLEMENTING AND PHASING-IN OF THE POLICY.

- 12.1. The principle contained in this Policy will be reflected in the various budget proposals submitted to the Council on an annual basis, service by-laws as promulgated and adjusted by the Council from time to time and the Tariff By-laws referred to in section 75 of the Act.
- 12.2. The Council may determine conditions applicable to community service of a regulator's nature. These conditions will be reflected in the standing orders of the Council.

13. PROCEDURES AND ACCOUNTABILITY.

- 13.1. The Municipal Manager shall ensure that procedures to manage all aspects of this Policy are prepared in the form of a manual, reviewed regularly and that these are formally adopted by him for implementation. These procedures will include aspects in this Policy and subscribe to sound principles of internal control.
- 13.2. The Directors and Managers shall ensure compliance with the procedures as approved from time to time by the Municipal Manager to give effect to the provisions of this Policy.

14. SHORT TITLE.

This Policy shall be called the **Tariff Policy of the Polokwane Municipality.**

15. IMPLEMENTATION AND REVIEW OF POLICY

This policy shall be implemented on 1st July 2023 and shall be reviewed on an annual basis to ensure that is in line with the municipality's strategic objectives and with legislation.



**UNAUTHORISED, IRREGULAR,
FRUITLESS AND WASTEFUL
EXPENDITURE POLICY**

2023/2024

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ABBREVIATIONS/ACRONYMS

Except if otherwise stated in this policy, the following abbreviations or acronyms will represent the following words:

CFO	-	Chief Financial Officer
COO	-	Chief Operations Officer
EM	-	Executive Manager
MIG	-	Municipal Infrastructure Grant
PLK	-	Polokwane Municipality
MFMA	-	Municipal Finance Management Act, 2003, No. 56 of 2003
MPAC	-	Municipal Public Account Committee
MM or AO	-	Municipal Manager or Accounting Officer
SAPS	-	South African Police Services
MSA	-	Municipal Systems Act, 2000, No. Act 32 of 2000
Structures Act	-	Municipal Structures Act, 1998, Act No 117 of 1998
RPOBA	-	Remuneration of Public Office Bearers Act
Policy	-	Policy on unauthorised, irregular, fruitless and wasteful expenditure
MBRR	-	Municipality Budget Rules and Regulations

1 INTRODUCTION

1.1. In terms of section 62 of the Municipal Finance Management Act No. 56 of 2003 (herein referred to as “MFMA”), the accounting officer is responsible for managing the financial affairs of Polokwane Municipality (POLOKWANE MUNICIPALITY) and he/she must, for this purpose, inter alia:

- a) Take all reasonable steps to ensure that unauthorised, irregular; fruitless and wasteful expenditure and other losses are prevented; and
- b) Ensure that disciplinary or, when appropriate, criminal proceedings are instituted against any official or councillor of Polokwane Municipality who has allegedly committed an act of financial misconduct or an offence in terms of Chapter 15 of the MFMA.

1.2. This is to ensure the effective, efficient and transparent systems of financial, risk management and internal control.

2 OBJECTIVE

2.1. This document sets out Polokwane Municipality’s policy and procedures with regards to unauthorised, irregular, fruitless and wasteful expenditure.

2.2. This policy aims to ensure that, amongst other things:

- a) Unauthorised, irregular, or fruitless and wasteful expenditure is detected, processed, recorded, and reported in a timely manner;
- b) Officials and councillors have a clear and comprehensive understanding of the procedures they must follow when addressing unauthorised, irregular, fruitless and wasteful expenditure;
- c) Polokwane Municipality’ s resources are managed in compliance with the MFMA, the municipal regulations and other relevant legislation; and

- d) All officials and councillors are aware of their responsibilities in respect of unauthorised, irregular, fruitless and wasteful expenditure.

3 ENABLING LEGISLATION

The following enabling legislation sets the precedent for the development of Polokwane Municipality's unauthorised, irregular, fruitless and wasteful expenditure Policy:

- a) The Constitution of the Republic of South Africa, 1996, Act No 108 of 1996;
- b) The Municipal Finance Management Act, 2003, No 56 of 2003;
- c) The Remuneration of Public Office Bearers Act;
- d) Municipal Systems Act, 2000, Act No 32 of 2000;
- e) MFMA Circular 68;
- f) Any other legislation, regulation or circular that may impact this policy; and
- g) Municipal Structures Act No. 117 of 1998.

4 APPLICATION OF THIS POLICY

3.1. This policy applies to all officials and councillors of POLOKWANE MUNICIPALITY.

3.2. This policy should be read in conjunction with the following of Polokwane Municipality:

- a) Delegations of Authority;
- b) Procedures for unauthorised, irregular, fruitless and wasteful expenditure;
- c) Policy on financial misconduct;
- d) Breach of the Code of Conduct for Municipal Staff Members; and
- e) Breach of the Code of Conduct for Councillors.

3.3. Officials and Councillors must ensure all instances of unauthorised, irregular expenditure as well as fruitless and wasteful expenditure is prevented where possible, and is detected and reported in a timely manner.

5 DEFINITIONS

Except if otherwise indicated:

“Councillor” means member of municipal council of POLOKWANE MUNICIPALITY.

“Fruitless and wasteful expenditure” means expenditure that was made in vain and would have been avoided had reasonable care been exercised.

“Financial Misconduct” means any misappropriation, mismanagement, waste or theft of the finances of a municipality, and also includes any form of financial misconduct specifically set out in sections 171 and 172 of the Act.

“Irregular expenditure”, in relation to a municipality or municipal entity, means: a) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of this Act, and which has not been condoned in terms of section 170;

- b) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of this Act;
- c) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998, (Act 20 of 1998);
- d) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of POLOKWANE MUNICIPALITY or any of the municipality’s bylaws giving effect to such policy, and which has not been condoned in terms of such policy or by-law; or
- e) excludes expenditure by a municipality which falls within the definition of “Unauthorised expenditure”.

“Official”, in relation to a POLOKWANE MUNICIPALITY, means:

- a) an employee of Polokwane Municipality;
- b) a person seconded to a Polokwane Municipality or to work as a member of the staff of the Polokwane Municipality; or
- c) a person contracted by a Polokwane Municipality to work as a member of the staff of the Polokwane Municipality or otherwise than as an employee.

„Overspending” means:

- a) in relation to the budget of a municipality, means causing the operational or capital expenditure incurred by the municipality during a financial year to

exceed the total amount appropriated in that year's budget for its operational or capital expenditure, as the case may be;

- b) In relation to a vote, means causing expenditure under the vote to exceed the amount appropriated for that vote; or
- c) In relation to expenditure under section 26, means causing expenditure under that section to exceed the limits allowed in subsection (5) of that section.

“Political Office Bearer” means the speaker, executive mayor, mayor, deputy mayor, or a member of the executive committee as referred to in the Municipal Structures Act.

“Prohibited expenditure” in relation to this policy means unauthorised, irregular, fruitless and wasteful expenditure;

“Senior Manager” has the meaning assigned to it in section 1 of the MFMA and in relation to Polokwane Municipality refers to Executive Managers and CFO.

“Unauthorised expenditure”, means:

any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3), and includes-

- a) overspending of the total amount appropriated in the municipality's approved budget;
- b) overspending of the total amount appropriated for a vote in the approved budget;
- c) expenditure from a vote unrelated to the department or functional area covered by the vote;
- d) expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;
- e) spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of 'allocation' otherwise than in accordance with any conditions of the allocation; or
- f) a grant by Polokwane Municipality otherwise than in accordance with the MFMA.

“Vote” means:

- (a) One of the main segments into which a budget of a municipality is divided for the appropriation of money for the different department or functional areas of the municipality; and

- (b) which specifies the total amount that is appropriated for the purposes of the department or functional area concerned.

6 UNAUTHORISED EXPENDITURE

- 6.1. Polokwane Municipality may incur expenditure only in terms of an approved budget and within the limits of the amounts appropriated for the different votes in an approved budget.
- 6.2. Expenditure incurred within the ambit of POLOKWANE MUNICIPALITY's virement policy is not regarded as unauthorised expenditure.
- 6.3. Any expenditure that has not been budgeted for, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, economic entity or organ of state and expenditure in the form of a grant that is not permitted in terms of the MFMA is regarded as unauthorised expenditure.
- 6.4. Unauthorised expenditure would include:
- a) Any overspending in relation to both the operational budget and capital budget of the municipality;
 - b) Overspending in relation to each of the votes on both the operational budget and capital budget;
 - c) Use funds allocated to one department for purposes of another department or for purposes that are not provided for in the budget;
 - d) Funds that have been designated for a specific purpose or project within a departments vote may not be used for any other purpose;
 - e) Any use of conditional grant funds for a purpose other than that specified in the relevant conditional grant framework is classified as unauthorised expenditure;
 - f) Any grant to an individual or household unless it is in terms of the municipality's indigent policy, bursary scheme, corporate social responsibility policy, councillors discretionary grant or the grants-in-aid ;
 - g) Unforeseen and unavoidable expenditure not authorised within an adjustments budget within 60 days after the expenditure was incurred; and
 - h) Any overspending on non-cash items, for example depreciation, impairments, provisions.

6.5. Officials and councillors must ensure that all instances of fruitless and wasteful expenditure are prevented where possible, and are detected and reported in a timely manner

6.6. **Expenditures that are NOT classified as unauthorized expenditure**

Given the definition of unauthorised expenditure, the following are examples of expenditure that are NOT unauthorised expenditure:

- i. Any over-collection on the revenue side of the budget as this is not an expenditure; and
- ii. Any expenditure incurred in respect of:
 - any of the transactions mentioned in section 11(1)(a) to (j) of the MFMA;
 - re-allocation of funds and the use of such funds in accordance with a council approved virement policy;
 - overspending of an amount allocated by standard classification on the main budget Table A2 (Budgeted Financial Performance: revenue and expenditure by standard classification), as long as it does not result in overspending of a „vote“ on the main budget Table A3 (Budgeted Financial Performance: revenue and expenditure by municipal vote) and Table A4 (Budgeted Financial Performance: revenue and expenditure (read in conjunction with supporting Table SA1) of the MBRR; and
 - overspending of an amount allocated by standard classification on the main budget Table A5 (Budgeted Capital Expenditure by vote, standard classification and funding) of the MBRR so long as it does not result in overspending of a „vote“ on the main budget Table A5.

6.6.1 Money withdrawn from a bank account under the following circumstances, without appropriation, in terms of an approved budget, is not regarded as unauthorised expenditure:

- a) To defray expenditure authorised in terms of section 26 (4) of the MFMA, [*Section 26: Consequences of failure to approve a budget before the start of the budget year*];
- b) To defray unforeseen / unavoidable expenditure circumstances strictly in accordance with Section 29 (1) of the MFMA [*Section 29: Unforeseen and unavoidable expenditure*] failing which the unforeseen /unavoidable expenditure is unauthorised;
- c) re-allocation of funds and the use of such funds in accordance with a council approved virement policy;

- d) Expenditure incurred from a special bank account for relief, charitable or trust purposes provided of course that it is done strictly in accordance with Section 12 of the MFMA [*Section 12: Relief, charitable, trust or other funds*];
- e) To pay over to a person or organ of state money received by the Polokwane Municipality on behalf of that person or organ of state, including—
 - (i) money collected by the Polokwane Municipality on behalf of that person or organ of state by agreement; or
 - (ii) any insurance or other payments received by the Polokwane Municipality for that person or organ of state;
- f) To refund money incorrectly paid into a bank account;
- g) To refund guarantees, sureties and security deposits;
- h) For cash management and investment purposes in accordance with section 13 [*Section 13: Cash Management and Investments*]; and
- i) To defray increased expenditure in terms of section 31 [*Section 31: Shifting of funds between multi-year appropriations*].

6.6.2 Any expenditure approved in terms the Municipal Budget and Reporting Regulations (MBRR).

7 IRREGULAR EXPENDITURE

- 7.1. Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality's supply chain management policy.
- 7.2. Irregular expenditure is actually expenditure that is in violation of some or other procedural/legislative requirement as specified in the MFMA.
- 7.3. Irregular expenditure excludes unauthorised expenditure.
- 7.4. Although a transaction or an event may trigger irregular expenditure, a Council will only identify irregular expenditure when a payment is made. The recognition of irregular expenditure must be linked to a financial transaction.
- 7.5. If the possibility of irregular expenditure is determined prior to a payment being made, the transgression shall be regarded as a matter of non-compliance.

7.6. Remuneration of councillors

7.6.1 Payments to POLOKWANE MUNICIPALITY councillors cannot exceed the upper limits of the salaries, allowances and benefits for those councillors as promulgated in the Public Officers Bearers Act.

7.6.2 Any remuneration paid or given in cash or in kind to a person as a councillor or as a member of a political structure of POLOKWANE MUNICIPALITY otherwise than in accordance with 7.6.1 including any bonus, bursary, loan, advance or other benefit, must be classified as irregular expenditure.

7.7. Irregular staff appointments

7.7.1 No person may be employed in POLOKWANE MUNICIPALITY unless the post to which he or she is appointed, is provided for in the POLOKWANE MUNICIPALITY's staff establishment of the municipality as approved by the council.

7.7.2 Any person who takes a decision contemplated in subparagraph (7.7.1) knowing that such decision is unlawful, will be held personally liable for any irregular or fruitless and wasteful expenditure that the municipality may incur as a result of such invalid decision.

7.8. Officials and councillors must ensure that all instances of fruitless and wasteful expenditure are prevented where possible, and are detected and reported in a timely manner.

8 FRUITLESS AND WASTEFUL EXPENDITURE

8.1. All officials and councillors must always act cautiously when spending public money and ensure that they abide by the public and accountability principles which are to promote "efficient, economic and effective use of resources and the attainment of value for money".

8.2. Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised.

8.3. This type of expenditure is incurred where no value for money is received for expenditure or the use of resources. No particular expenditure is explicitly identified by the MFMA as fruitless and wasteful.

8.4. Expenditure incurred that has been budgeted for (authorised) and was not regarded as irregular expenditure could be classified as fruitless and wasteful expenditure.

8.5.1 An expense is only fruitless and wasteful in terms of this policy if:

- (i) It was made in vain (meaning that the municipality did not receive value for money) and;
- (ii) and would have been avoided had reasonable care been exercised (meaning that the official or councillor concerned did not carelessly or negligently cause the expenditure to be incurred by the municipality furthermore another official or councillor under the same circumstances would not have been able to avoid incurring the same expenditure).

8.5.2 In determining whether expenditure is fruitless and wasteful, officials and councillors must apply the requirement of reasonable care as an objective measurement to determine whether or not a particular expenditure was fruitless and wasteful, that is-

- a) Would the average man (in this case the average experienced official or councillor) have incurred the particular expenditure under exactly the same conditions or circumstances? and
- b) Is the expenditure being incurred at the right price, right quality, right time and right quantity?

8.6 Officials and councillors must ensure that all instances of fruitless and wasteful expenditure are prevented where possible, and are detected and reported in a timely manner.

REPORTING ON UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

- 9.1. Reporting of unauthorised, irregular, fruitless and wasteful expenditure must be done at the appropriate level, as this could constitute financial misconduct as follows:
- a) a Councillor of a municipality, must be reported to the Speaker of the council;
 - b) the municipal manager and speaker, must be reported to the mayor;
 - c) executive managers or the chief financial officer, or the chief operating officer of a municipality, must be reported to the municipal manager;
 - d) All cases of prohibited expenditure reported as per a), b) and c) above must be referred to MPAC for investigation unless the allegations are frivolous, vexatious, speculative or obviously unfounded; and
 - e) officials below executive management level of the municipality must be reported to the CFO unless in the professional opinion of the CFO or MM the nature or the amount of the prohibited expenditure warrants the case to be referred to MPAC.
- 9.2. All reports made by officials, councillors must be treated with utmost confidentiality.
- 9.3. The MM must promptly inform the Mayor, the MEC for local government in the Province and the Auditor-General, in writing, of any unauthorised, irregular or fruitless and wasteful expenditure incurred by the municipality:
- a) whether any person is responsible or under investigation for such unauthorised, irregular or fruitless and wasteful expenditure; and
 - b) the steps that have been taken:
 - To recover or rectify such expenditure; and
 - To prevent a recurrence of such expenditure.
- 9.4. All expenditure classified as unauthorised, irregular, fruitless and wasteful expenditure must be reported to:
- a) The Finance Portfolio Committee on a monthly basis;
 - b) Mayoral Committee on a monthly basis;
 - c) Council on a quarterly basis;

- d) MPAC on a quarterly basis; and
- e) Audit Committee on a quarterly basis.

9.5. In accounting for unauthorised, irregular, fruitless and wasteful expenditure, municipal manager or delegated officials (as may be relevant) must ensure that:

- a) All confirmed unauthorised, irregular, fruitless and wasteful expenditure must be recorded in separate account, in the accounting system of Polokwane Municipality, created for each of the above types of expenditure;
- b) All such expenditure is disclosed in the annual financial statements as required by the MFMA and treasury requirements; and
- c) Details pertaining to unauthorised, irregular, fruitless and wasteful expenditure must be disclosed in the Municipality's Annual Report.

10 MAINTAINING OF REGISTER FOR UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

10.1. Council must maintain a register of all incidents of unauthorised, irregular, fruitless and wasteful expenditure:

- a) This register will be maintained by the CFO for all officials other than the CFO and MM;
- b) A separate register must be maintained by the MM for expenditure incurred by CFO;
- c) A separate register must be maintained by the Mayor for expenditure incurred by the MM; and
- d) The Speaker will maintain a register for expenditure incurred by the Mayor and Councillors.

10.2. These registers must be updated on a monthly basis.

11 INVESTIGATION OF UNAUTHORISED AND IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

11.1. MPAC must institute an investigation of all prohibited expenditure reported in terms of clause 9.1. (d), above.

- 11.2. The CFO must seek the Municipal Managers approval to investigation all prohibited expenditure reported to him/her in terms of clause 9.1(e) unless the allegations are frivolous, vexatious, speculative or obviously unfounded.
- 11.3. Once the nature of the expenditure is confirmed as unauthorised, irregular, fruitless and wasteful expenditure, the person to whom the prohibited expenditure was reported in terms of clause 9.1 above must institute the necessary procedures which could include disciplinary as well criminal proceedings.
- 11.4. The user department responsible for initiation of the transaction shall be responsible for the UIF.

12 DISCIPLINARY AND CRIMINAL CHARGES FOR UIF

IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

- 12.1. After having followed a proper investigation, as per paragraph 11 above, the MPAC or the Municipal Manger as the case may be must determine whether there is a prima facie case and that a Councillor or official made, permitted or authorized prohibited expenditure.
- 12.2. If a prima facie case has been established, as per paragraph 12.1 above, then MPAC, mayor or municipal Manager (as may be relevant) must institute disciplinary action as follows:
 - a) *Financial misconduct in terms of section 171 of the MFMA*: in the case of an official that deliberately or negligently:
 - (i) contravened a provision of the MFMA which resulted in prohibited expenditure; or
 - (ii) made, permitted or authorised an irregular expenditure (due to non- compliance with any of legislation mentioned in the definition of irregular expenditure);
 - b) *Breach of the Code of Conduct for Municipal Staff Members*: in the case of an official whose actions in making, permitting or authorizing an prohibited expenditure constitute a breach of the Code; and
 - c) *Breach of the Code of Conduct for Councillors*: in the case of a Councillor, whose actions in making, permitting or authorizing an irregular expenditure constitute a breach of the Code. This would also include instances where a councillor knowingly voted in favour or agreed with a

resolution before council that contravened legislation resulting in prohibited expenditure when implemented, or where the Councillor improperly interfered in the management or administration of the municipality.

12.3. The MPAC, mayor or municipal manager or delegated officials (as may be relevant) must promptly report to the SAPS all cases of alleged:

- a) Irregular expenditure that constitute a criminal offence; and
- b) Theft and fraud that occurred in the municipality.

12.4. The Mayor must take all reasonable steps to ensure that all cases referred to in the above paragraph are reported to the South African Police Service if:

- a) The charge is against the MM; or
- b) The MM fails to comply with the above paragraph.

13. RECOVERY UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

13.1. The MM or delegated person must recover unauthorised, irregular or fruitless and wasteful expenditure from the person liable for that expenditure unless the expenditure:

- a) in the case of unauthorised expenditure, is
 - I. authorised in an adjustment budget, OR
 - II. certified by the municipal council, after investigation by MPAC, as irrecoverable and is written off by council; and
- b) in the case of irregular or fruitless and wasteful expenditure, is after investigation by MPAC, certified by council as irrecoverable and written off by council.

13.2. Irregular expenditures resulting from breaches of the Public Office-Bearers Act must be recovered from the Councillor to whom it was paid.

13.3. Once it has been established who is liable for the unauthorised, irregular, fruitless and wasteful expenditure, the Municipal Manager must in writing request that the liable Councillor or official pay the amount within 30 days or in reasonable instalments.

13.4. Without limiting liability in terms of the common law or other legislation, the MM must recover any such expenditure, in full, from official or Councillor where:

- a) In the case of a Councillor, the Councillor knowingly or after having been advised by the MM that the expenditure is likely to result in unauthorised, irregular or fruitless and wasteful expenditure, instructed an official of Polokwane Municipality to incur the expenditure; and
- b) In case of the official, the official deliberately or negligently incurred such expenditure.

13.5. The fact that the Council may have approved the expenditure for writing off or deemed it to be irrecoverable is no excuse in:

- a) Either disciplinary or criminal proceedings against a person charged with the commission of an offence or a breach of the MFMA relating to such unauthorised, irregular or fruitless and wasteful expenditure; or
- b) Recovery of such expenditure from such person.

13.6. If the official or councillor fails to make satisfactory payment arrangements or fails to honour payment arrangements made, the amount owed for prohibited expenditure must be recovered through the normal debt collection process of the municipality.

14 CONSEQUENCES OF NON-COMPLIANCE

14.1. Any official or councillor who does not comply with their reporting duties in terms of this policy could be found guilty of Financial Misconduct.

14.2. Any councillor or official of Polokwane Municipality will be committing an act of financial misconduct if that councillor or official deliberately or negligently makes or permits, or instructs another official of Polokwane Municipality to make, an unauthorised, irregular or fruitless and wasteful expenditure.

15 PROTECTION OF OFFICIALS OR COUNCILLORS WHO HAVE REPORTED UNAUTHORIZED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

15.1. If any official or councillor who has complied with this policy and as a result thereof has been subjected to intimidation, victimisation, threats such official or councillor should immediately report such threats, victimisation or intimidation immediately to the MM or the Mayor where applicable.

15.2. The MM or Mayor must immediately take appropriate action to ensure that protection of the official or councillor after receiving the above report.

15.3. Where the nature of the threats warrants such action, the threats should be reported to the SAPS by the official concerned, the MM or the Mayor, where applicable.

16 REVIEW OF POLICY

- a) Annually in line with the budget cycle and submitted with the budget policies; or
- b) Sooner if new legislation, regulation or circulars are issued that will impact this policy.

DATE OF IMPLEMENTATION

This policy takes effect from 1 July 2022 and will be reviewed annually during the budgetary process of the Municipality.

ANNEXURE F:

Final Tariffs

POLOKWANE

LOCAL MUNICIPALITY



2023/2024

FINAL TARIFFS



AUTHORITY NOTICE:

POLOKWANE MUNICIPALITY

REVOCATION AND DETERMINATION OF TARIFFS FOR THE 2023/2024 FINANCIAL YEAR.

Notice is hereby given in terms of the provisions of the Local Government Municipal Finance Management Act 56 of 2003 as well as Chapter 4 and section 75A of the Local Government Municipal Systems Act 32 of 2000 that the Polokwane Municipality has on 20 July 2020 adopted its annual budget, as well as the tariffs to be charged for municipal services as indicated in this notice.

In relation to the 2023/2024 budget, the Municipal Council also determined the municipal property rates to be charged on property i.t.o. section 17 of the Local Government Municipal Finance Management Act 56 of 2003 and section 14(1) and (2) of the Local Government Municipal Property Rates Act of 2004 as amended; that the council resolved by way of council resolution as above, to levy the rates on properties reflected in the schedule of tariffs.

Subsequently the municipal tariffs and property rates for the financial year 2021/2022 published in the Provincial Gazette No 3297 of 8 July 2022 are henceforth revoked.

Tariffs for municipal services and property rates contained in this notice shall be effective from 1 July 2023.

The relevant property rates and tariffs have been determined as follows: SCHEDULE:

- 1 MUNICIPAL PROPERTY RATES
- 2 DRAINAGE TARIFFS
- 3 SANITARY & REFUSE REMOVAL TARIFFS
- 4 WATER SUPPLY TARIFFS
- 5 ELECTRICITY SUPPLY TARIFFS
- 6 COMMUNITY CENTRES, DEVELOPMENT CLINICS, SPORT FACILITIES, SWIMMING POOLS, SHOWGROUND, OCCASSIONAL LEASING OF FACILITIES
- 7 CEMETERIES, TOWN LANDS, GRAZING, GRASS, RENTAL OF LAND ON OCCASIONAL BASIS, NURSERY (DECORATIONS), PARKS, FLEA MARKET AREAS, ART MARKET AREAS, STALLS AT PUBLIC MUNICIPAL FUNCTIONS, GAME RESERVE & CARAVAN PARK, BIRD SANCTUARY, WEIGHBRIDGE AT WELTEVREDEN LANDFILL SITE
- 8 FIRE FIGHTING COURSES, FIRE RESCUE AND SPECIAL SERVICES
- 9 TRAFFIC & LICENSING FEES, TRAFFIC ESCORTING SERVICES, MOTOR AND ANIMAL POUND FEES AND OTHER GENERAL CHARGES
- 10 DANIE HOUGH CULTURE CENTRE FACILITIES, ALL ACTIVITIES ROOMS, BAKONE MALAPA OPEN AIR MUSEUM – ENTRANCE FEES, CONFERENCE & “BOMA” FACILITIES & LIBRARIES
- 11 TOWN PLANNING APPLCIATIONS, ADVERTISING & INSPECTION FEES, OTHERFEES, FEES WHERE MUNICIPAL INPUT REQUIRED ON APPLICATIONS, REPRODUCTION OF DOCUMENTATION & MAPS
- 12 BUILDING & STRUCTURAL PLANS, OCCUPATION CERTIFICATES, REINSPECTION FEES, PAVEMENT DEPOSITS
- 13 TARIFFS PAYABLE BY HAWKERS FOR SELLING OF PRODUCTS AND OTHER ACTIVITIES
- 14 ISSUING OF CERTIFICATES AND FURNISHING OF INFORMATION
- 15 LEETO LA POLOKWANE FARE TARIFFS

SCHEDULE 1:

PROPERTY RATES ON THE MARKET VALUE OF RATEABLE PROPERTY RECORDED IN THE VALUATION ROLL AND FIXED DATES FOR PAYMENT IN RESPECT OF THE FINANCIAL YEAR 1 JULY 2023 TO 30 JUNE 2024

The Polokwane Municipality will levy from **1 July 2023** the following property rates in respect of the different categories of rate able property recorded in the valuation roll.

	Category	Approved tariff From 1/07/2022	Recommended tariff From 1/07/2023
	Residential Properties	0.00630	0.00668
	Industrial Properties	0.01260	0.01336
	Business and Commercial	0.01260	0.01336
	Agricultural Properties	0.00156	0.00165
	Properties owned by organ of state and used for public service purposes	0.01260	0.01336
	Municipal Properties	Exempted	Exempted
	Public Service Infrastructure	0.00156	0.00165
	Mining	0.01260	0.01336
	Private open space	0.00630	0.00668
	Properties owned by public benefit organizations and used for specified public benefits activities	0.00156	0.00165
	Places of worship	Impermissible	Impermissible
	NonPermitted Use/Illegal land use	0.05044	0.05347

SECTION 78. MUNICIPAL PROPERTY RATES ACT:

	Per Section 78 application outside time frame	R928.72	R984.44
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INDIGENT FEE:

	INDIGENT BASIC LEVY	R112.88	R119.65
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- To qualify as Indigent, the household income must not exceed R4 970.00 per month.
- Indigents will receive a 100% rebate on property rates and other basic charges.

o ***The indigent write off will not include the penalty for by passing supply on the meters unless as incentive program.***

The following exemptions/rebates/reductions will come into operation from 1 July 2023:

1. In terms of the property Rates Act, the first R15 000 of the property's market value of owners of residential premises and sectional titles which are used exclusively for residential purposes are excluded from the levying of property rates.

Market Value R0 - R15 000 **Impermissible**

2. All residential premises and sectional titles who are used exclusively for residential purposes (guesthouse excluded) are further granted a reduction of R85 000 from the payment of property rates.

Market Value R15 001 - R100 000 **Reduction**

3. A further rebate of **80%** on property rates will be granted to owners of residential premises and sectional titles who are depended on government pensions or social grants or other revenue and whose combined income does not exceed **R10 400.00**per month on application.

Subject to the following conditions:

- 3.1 An applicant must on **2023/07/01** be at least **60** years of age and or disabled except in the case of owners depended on social grants.
- 3.2 An applicant or his/her wife/husband must be the registered owner as well as the occupant of the property concerned.
- 3.3 The total household monthly income from all resources of an applicant and his/her wife/husband may not be more than **R10 400.00** per month and should the total monthly income be more than the amount of **R10 400.00** during the financial year in respect of which the rebate is allowed, such rebate will lapse as from the date on which the income is exceeded.
- 3.4 An application for rebate on the prescribed application form should reach the office of the Chief Financial Officer during the financial year, or when invitation is done by the municipality for registration or renewal.
- 3.5 Should any incorrect information be furnished in the application document; property rates will be levied at the normal tariff as from the date of benefits.
- 3.6 A rebate will only be granted in respect of a property on which only one dwelling is erected and such dwelling be occupied by the applicant and his/her dependents.
- 3.7 The rebate will only be granted on the property occupied by the applicant.
- 3.8 The required information must be confirmed by a sworn affidavit.

4 Indigents:

The said further rebate of 80% shall not be applicable on any applicant who is registered as an Indigent and who receives an indigent subsidy from the Polokwane Municipality.

5 Business and Industrial:

Owners of Business or Industrial property's whose improved property's market value is R50 000 000.00 or above will receive the following rebate (only limited to one rebate, not on the sliding scale).

Market value	R50 000 000 – R99 000 000	2% Rebate
Market value	R100 000 000 – R499 999 999	5% Rebate
Market value	R500 000 000 and above	10% Rebate

6. Property rates will be levied in twelve more or less equal monthly installments, the first of which is payable on 2023-08-25 and thereafter on the twenty fifth day (25th) of every month towards 2024-08-20.

7. **0% VAT is charged on property rates.**

SCHEDULE 2:

DRAINAGE/SEWER CHARGES: 2023/2024

1. APPLICATION FEES

The Engineer shall determine application fees in terms of the provisions of section 23(1) of the By Laws.

The assessment of the charges shall be based upon the total square area of the building, addition, or alteration to an existing building. The charges are incorporated in the building plan fees and shall be payable in advance when the building plans are submitted. In case of any dispute arising in respect of the assessment of the application fees, the matter shall be subject to the right of appeal as determined in Section 3 of the By Laws.

2. SEWERAGE CHARGES

The owner of any erf or piece of land, with or without improvements, which is, or in the opinion of the Council can be, connected to the sewer, shall monthly pay to the Council, in terms of the provisions of Section 5 of the ByLaws the following charges:

SEWERAGE		Approved tariff from 1/07/2022	Recommended tariff from 1/07/2023
		Per calendar month or Part Thereof	Per calendar month or Part Thereof
1	AVAILABILITY CHARGE		
	(i) For the first 500m ² or part thereof, of surface area of the erf:	R128.81	R136.54
	(ii) Thereafter, per 500m ² or part thereof, up to 2 000m ² of the surface area of the erf:	R20.87	R22.12
	(iii) Thereafter, per 1 000m ² or part thereof, of the surface area of the erf:	R16.94	R17.96
	(iv) Additional charge per unimproved erf:	R23.47	R24.88
	(v) Maximum charge (887 000m ²):	R15,025.78	R15,927.33
2	ADDITIONAL CHARGES		
1	Dwelling houses, churches, church halls as well as buildings used exclusively by and registered in the name of the Boy Scouts, Girl Guides, Voortrekkers or similar organization.		
	(i) For the first dwellinghouse, church, church hall or other building mentioned in 2(1) above erected on any erf or piece of land, per building	R23.47	R24.88
	(ii) For the second or subsequent dwellinghouse, church, church hall or other building mentioned in 2(1) above, per building	R86.08	R91.24
2	Flats – per flat	R86.08	R91.24
3	State supported schools, Technikons, colleges, universities and related amenities, excluding hostels, per 35 personnel and pupils or part thereof:	R126.51	R134.10
(8) Nonresidential properties.			
1	BASIC CHARGE		
	The owner of any Nonresidential erf or piece of land, with or without improvements, which is, or in the opinion of the Council can be, connected to the sewer, shall monthly pay to the Council, in terms of the provisions of Section 5 of the ByLaws the following charges	R700.00	R742.00
	Customer who are experiencing an increase of more than 10% as result of implementation of the new tariff shall receive 75% discount in 2022/23 financial year		
2	ADDITIONAL CHARGES		
	(i) For the first 500m ² or part thereof, of surface area of the erf:	R127.44	R135.09
	(ii) Thereafter, per 500m ² or part thereof, up to 8000m ² of the surface area of the erf:	R127.44	R135.09
	(iii) Thereafter, per 1 000m ² or part thereof, of the surface area of the erf:	R19.89	R21.08
3	CONSERVANCY TANKS		
	Erven that cannot be connected to the main sewer and where a conservancy tank is installed:		

	Per month, regardless of the number of removals	R114.77	R121.66
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9. CONNECTION FEES

For every sewer connection as referred to in section 7(3) of the ByLaws, the estimated cost plus 10 % shall be payable in advance together with the application fees as set out in item 1 of this schedule.

10. CHARGES FOR INDUSTRIAL EFFLUENT

The monthly charge for the discharge of industrial effluent into the municipal drain, in terms of section 78 of the By Laws, is calculated according to the following formula:

COST PER KILOLITRE:

1	SA Breweries:		
	Cost per Kiloliter (c/Kl)	$(166.14+0.15 \times \text{COD})$	$(194.38+0.15 \times \text{COD})$
2	All Other Industries & Dept of Public Works (Old Air Force Base)		
	2.1 Cost per Kiloliter (c/Kl)	$(218.04+0.200 \times \text{COD})$	$(255.11+0.200 \times \text{COD})$
	2.2 Additional Cost:		
	Industrial effluent whereof the average pH value of the representative samples taken during that period is less than 6 or more than 11, per kiloliter, per month.	R115.11	R122.02

11. CHARGES FOR CHEMICAL & BACTERIOLOGICAL ANALYSIS

Units	ANALYSIS	Tariff 1	Tariff 2	Tariff 1	Tariff 2
mg/l	C.O.D.	143.48	R71.71	R152.09	R76.01
mg/l	Petroleum ether soluble subst.	84.78	R41.74	R89.87	R44.24
	R76.97Eijkman	97.82	R48.25	R103.69	R51.15
ug/l	Phosfatase	84.78	R42.39	R89.87	R44.93
mg/l	Sodium	85.83	R42.39	R90.98	R44.93
mg/l	Potassium	84.78	R42.39	R89.87	R44.93
mg/l	Suspended solids	84.78	R42.39	R89.87	R44.93
mg/l	T.D.S.	85.83	R42.39	R90.98	R44.93
mg/l	Oxygen absorbed	104.33	R52.13	R110.59	R55.26
mg/l	Ammonia:n	84.78	R42.39	R89.87	R44.93
mg/l	Phosphate:p	84.78	R42.39	R89.87	R44.93
mg/l	Chloride	84.78	R42.39	R89.87	R44.93
ml	Total viable organisms	123.91	R61.95	R131.34	R65.67
100ml	Total coliform organisms	123.91	R61.95	R131.34	R65.67
100ml	Faecal coliform organisms/Ecoli	123.91	R61.95	R131.34	R65.67
mg/l	Total kjeldahl nitrogen	142.85	R71.13	R151.42	R75.40
mS/m	Conductivity	45.65	R22.82	R48.39	R24.19
mg/l	Sulphate	78.26	R39.11	R82.96	R41.46
mg/l CaCO3	m-Alkalinity	78.26	R39.11	R82.96	R41.46
ml/h	Settleable solids	84.78	R44.79	R89.87	R47.48
mg/l as N	Nitrate	95.74	R48.73	R101.48	R51.65
mg/l	Fluoride	117.39	R58.69	R124.43	R62.21
NTU	Turbidity	45.65	R22.82	R48.39	R24.19
mg/l CaCO3	Total hardness	78.26	R39.11	R82.96	R41.46
mg/l CaCO3	Calcium hardness	78.26	R39.11	R82.96	R41.46
pH value	PH	45.65	R22.82	R48.39	R24.19
	Flocculation test	182.6	R91.30	R193.56	R96.78
	Chlorine demand	110.85	R55.42	R117.50	R58.75
	Methylene blue reduction test	58.69	R28.35	R62.21	R30.05
ml	Coliform organisms	123.91	R61.95	R131.34	R65.67
mg/l	Chromium	84.78	R42.39	R89.87	R44.93
mg/l	Cadmium	97.89	R48.94	R103.76	R51.88
mg/l	Lead	117.39	R58.69	R124.43	R62.21
mg/l	Cyanide	97.89	R48.94	R103.76	R51.88
mg/l	Boron	97.89	R48.94	R103.76	R51.88
mg/l	Antimony	97.89	R48.94	R103.76	R51.88
mg/l	Arsenic	97.89	R48.25	R103.76	R51.15
mg/l	Copper	97.89	R48.94	R103.76	R51.88
mg/l	Iron	91.3	R45.65	R96.78	R48.39
mg/l	Manganese	91.3	R45.65	R96.78	R48.39
mg/l	Aluminium	91.3	R45.65	R96.78	R48.39
mg/l as N	Nitrite	97.89	R48.94	R103.76	R51.88
mg/l	Zinc	97.89	R48.94	R103.76	R51.88

mg/l	Free chlorine	52.16	R48.94	R55.29	R51.88
mg/l	Combined chlorine	52.16	R26.07	R55.29	R27.63
mg/l	Volatile suspended solids	84.78	R42.39	R89.87	R44.93
mg/l	MIss	84.78	R42.39	R89.87	R44.93
mg/l	Phenol	104.33	R52.16	R110.59	R55.29

Tariff 1 is the cost charged for either the first or second sample, and tariff 2 is the cost charged for the 3rd sample and any subsequent sample that is received on the same day.

12. SUPPLY OF DISTILLED WATER

Distilled Water: per liter	R9.27	R9.83
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13. SELLING OF DRIED SLUDGE

Selling of dried sludge: per ton	R314.35	R333.21
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SCHEDULE 3:

SANITARY & REMOVAL CHARGES: 2023/2024

1. REFUSE REMOVAL

The owner of any erf, stand, premises or other area shall monthly pay to the Council the following refuse removal charges, which, unless otherwise stated, shall be levied per calendar month or part thereof.

		Approved tariff from 1/07/2022	Recommended tariff 1/07/2023
		Per calendar month or part thereof	Per calendar month or part thereof
1.	BASIC CHARGE Basic charge per month on any erf, stand premises or other area per month	R65.21	R69.12
2.	ADDITIONAL CHARGES		
2.1	Residential		
	(a) On an erf with a surface area not exceeding 500m ²	R52.16	R55.29
	(b) All erven with a surface area in excess of 500m ² :		
	(i) For the first 500m ² of the surface area of the erf	R83.47	R88.48
	(ii) Thereafter, for the following 500m ² or part thereof, of the surface area of the erf	R56.07	R59.43
	(iii) Thereafter, per 500m ² or part thereof, of the surface area of the erf	R28.68	R30.40
	Provided that where more than one dwelling-unit is erected on an erf, the area of such erf shall be divided by the number of dwelling-units thereon, and the charge, for each portion so obtained, shall be calculated in terms of the above formula as if such portion constitutes a separate erf.		
	(iv) Maximum charge (11 000m ²)	R713.49	R756.30
2.2	Flats		
	PER UNIT		
	(a) On an erf with a surface area not exceeding 500m ²	R52.16	R55.29
	(b) Up to and including 500m ² of the surface area of the erf	R83.47	R88.48
	(c) Thereafter, for the following 500m ² or part thereof, of the surface area of the erf	R56.07	R59.43
	(d) Thereafter, per 500m ² or part thereof, of the surface area of the erf	R28.68	R30.40
-3	ADDITIONAL CHARGES		
	(i) For the first 300m ² or part thereof, of surface area of the erf:	R441.57	R468.06
	(ii) Thereafter, per 300m ² or part thereof, up to 9300m ² of the surface area of the erf:	R122.64	R130.00
	(iii) Thereafter, per 1 000m ² or part thereof, of the surface area of the erf:	R87.00	R92.22
	This charge shall apply to nonresidential properties, with or without improvements		
4	REBATE FOR IMPLEMENTATION OF NEW TARIFF		
	Customer who are experiencing an increase of more than 10% as result of implementation of the new tariff shall receive 50% discount in 2022/2023 financial year		
5	Garden Refuse Removal:		
	(i) For the removal of garden refuse in plastic bags on the day which refuse removal normally takes place		
	(ii) For the removal of garden refuse other than placed in plastic bags, per removal	R893.51	R947.12
6	For the removal of non-perishable refuse, excluding garden refuse:		
i	Per removal	Estimated cost + 10%	Estimated cost + 10%
11	Occasional Services:		
	Per removal	R965.24	R1,023.15
7	Weltevreden Landfill Site		
	Weighbridge fees per ton or part thereof	R63.91	R67.74
8	Grass cutting of private stands per square meter (M2) or part thereof	R6.52	R6.91
9	Cleaning of illegal dumping on private stands per ton	R288.03	R305.31
10	Re-issuing of 240 litre refuse containers per bin	R860.90	R912.55
11	Re-issuing of 770 litre refuse containers per bin	R6,743.76	R7,148.39
12	Emptying of 30, m3 skip containers per removal	R2,152.26	R2,281.40

2 **CARCASS REMOVAL AND DISPOSAL OF SUCH**

1	Calf, foal, sheep, goat, lamb, pig, dog, cat or poultry, per carcass	R127.73	R135.39
2	Any other animal, per carcass	R255.66	R271.00
3	Maximum charge, per removal	R766.98	R813.00

3. GENERAL

1	The expiry date for payment in respect of services rendered, shall be the first working day after the 24 th day of the month, following the month during which such service was rendered, and shall be recoverable from the owner of the premises in respect of which services were rendered or otherwise as determined under Section 49 of the Local Government Ordinance, 1939.
2	Any amount due in respect of sanitary services rendered by the Council shall be paid on or before the first working day after the 24 th of the month following on the month in respect whereof levies were raised.

SCHEDULE 4:

WATER SUPPLY CHARGES: 2023/2024

PART I

WATER SUPPLY

1. BASIC CHARGE

A basic charge of R236.75 for the first 2 000m² or part thereof with an additional charge of R35.35 for every additional 1 000m² or part thereof per month shall be levied per erf, stand, premises or other area, not zoned as residential 1,2,3 or 4 or not used for residential purposes, with or without any improvements, which is or, in the opinion of the council can be, connected to the main waterline, whether water is consumed or not and shall be payable by the owner of such property: provided that in the case of agricultural holdings, farm lands as well as property situated outside the municipality the maximum charge shall be R327.27 per month and R55 736.25 per month in the case of other premises: the tariff will also be applicable for properties not utilizing municipal water such as bore hole water users. Provided further that no basic charge shall be levied on property belonging to the Council unless it is leased for purposes other than residential. The tariffs increases may round to the nearest 10 cents.

2 DOMESTIC SUPPLY

1. For the supply of water to an erf, stand, premises or other area, that is being served by a separate meter, for consumption since the previous monthly meter reading, postpaid and prepaid meters.

		Approved tariff from 1/07/2022	Recommended tariff from 1/07/2023
(i)	For the first 5Kl; per Kl:	R10.55	R11.18
(ii)	For the following 10Kl; per Kl:	R16.59	R18.08
(iii)	For the following 15Kl; per Kl:	R18.10	R20.27
(iv)	For the following 20Kl; per Kl:	R24.14	R27.76
(v)	For the following 50Kl; per Kl:	R28.68	R32.98
(vi)	Thereafter, for consumption in excess of 100Kl, per Kl:	R34.72	R39.93

2. Where water is supplied to more than one customer per erf, stand, premises or other area that is served by a communal meter, the following charges shall be levied, for consumption since the previous monthly meter reading:

(i)	For the first (5 x A) Kl or part thereof (where A is the sum of the number of customers served by such communal meter) per Kl	R10.55	R12.21
(ii)	For the following (10 x A) or part thereof (where A is the sum of the number of customers served by such communal meter) per Kl	R16.59	R19.20
(iii)	For the following (15 x A) or part thereof (where A is the sum of the number of customers served by such communal meter) per Kl	R18.10	R20.95
(iv)	For the following (20 x A) or part thereof (where A is the sum of the number of customers served by such communal meter) per Kl	R24.14	R27.94
(v)	For the following (50 x A) or part thereof (where A is the sum of the number of customers served by such communal meter) per Kl	R28.68	R33.20
(vi)	Thereafter, for consumption in excess of 100Kl, per Kl:	R34.72	R40.19

3. For the supply of water to customers from water hydrants:

(i)	Per dwelling, building, structure or room separately occupied notwithstanding the fact that more than one such dwelling, building, structure or room is under one roof, for 5Kl per Kl per month	R10.59	R12.26
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3. CONCERNS ON INDUSTRIALLY ZONED ERVEN

1 For the supply of water to an erf, stand, premises or other area, by a separate meter, postpaid and prepaid, for consumption since the previous monthly meter reading:

(i)	For the first 30Kl; per Kl:	R24.14	R27.94
(ii)	For the following 20Kl; per Kl:	R31.70	R36.69
(iii)	For the following 50Kl; per Kl:	R36.23	R41.94
(iv)	For the following 19 900Kl; per Kl:	R40.76	R47.18
(v)	Thereafter for consumption in excess of 20 000Kl, per Kl	R30.20	R34.96

- 2 Where water is supplied to more than one customer per erf, stand, premises or other area served by a communal meter, the following charges shall be levied, for consumption since the previous monthly meter reading:

(i)	For the first (30 x A) KI or part thereof (where A is the sum of the number of customers served by a communal meter) per KI	R24.14	R27.94
(ii)	For the following (20 x A) KI or part thereof (where A is the sum of the number of customers served by a communal meter) per KI	R31.70	R36.69
(iii)	For the following (50 x A) KI or part thereof (where A is the sum of the number of customers served by a communal meter) per KI	R36.23	R41.94
(iv)	Thereafter, for consumption in excess of 100KI, per KI	R40.76	R47.18

4. **SILICON SMELTERS**

(i)	Service charge per month	R81,627.99	R94,484.40
(ii)	For the supply of water, for the first 20 000KI, per KI	R40.75	R47.68
(iii)	For consumption in excess of 20 000KI, per KI	R28.68	R33.56
(iv)	Minimum charge, per month – (17 700 KI). The amount is reduced to R160 350.00 per Council resolution 92/11/19. (Special Joint Finance/LED & Admin Governance). Account 10992553. (5000 CR92/1119)	R661,803.00 R172350.00 Until rescind, then the R610 119.00 shall apply.	R843 936.00 R238 400.00 Until rescind, then the R843 936.00 shall apply.

5 **DEPARTMENT OF PUBLIC WORKS (AIRFORCE BASE)**

(i)	For the supply of water, per KI	R40.76	R47.18
(ii)	Minimum charge, per month – (15 340 KI)	R625,258.40	R731,564.60

6 **DALMADA WATER CO-OPERATION & BROADLANDS**

(i)	For the supply of water, per KI	R24.14	R27.94
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7 **SCHOOLS AND SCHOOL HOSTELS**

(i)	For the supply of water, per KI	R28.68	R33.20
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8 **POTGIETERSRUS PLATINUMS LIMITED**

(i)	For the supply of water (treated effluent), per KI	R3.01	R3.48
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9 **KOLOBE CIVILS & PLUMBING cc (LEZMIN 3535)**

(i)	For the supply of backwash water for Dalmada water treatment plant, per KI (10% escalation pa)	R3.10	R3.59
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10 **BUSINESS/ COMMERCIAL AND ANY OTHER CUSTOMER**

- 1 For the supply of water to an erf, stand, premises or other area, that is served by a separate meter, for consumption since the previous monthly meter reading:

(i)	For the first 30KI, per KI:	R24.14	R27.94
(ii)	For the following 20KI, per KI:	R31.70	R36.69
(iii)	For the following 50KI, per KI:	R36.23	R41.94
(iv)	Thereafter, for consumption in excess of 100KI, per KI:	R40.76	R47.18

- 2 Where water is supplied to more than one customer per erf, stand, premises or other area that is served by a communal meter the following charges shall be levied, for consumption since the previous monthly meter reading:

(i)	For the first (30 x A) KI or part thereof (where A is the sum of the number of customers served by a communal meter) per KI	R24.14	R27.94
(ii)	For the following (20 x A) KI or part thereof (where A is the sum of the number of customers served by a communal meter) per KI	R31.70	R36.69
(iii)	For the following (50 x A) KI or part thereof (where A is the sum of the number of customers served by a communal meter) per KI	R36.23	R41.94
(iv)	Thereafter, for consumption more than 100KI, Per KI	R40.76	R47.18

11. CONNECTION FEES

For the provision and installation of a connection pipe, meter, and accessories. For all sizes: Estimated cost plus 10 % of such amount for administration costs.

Description / Size	Approved tariff from 1/07/2022	Recommended tariff from 1/07/2023
15mm	R1,784.84	R2,065.95
20mm	R1,784.84	R2,065.95
25mm	R3,365.71	R3,895.81
40mm	R4,929.58	R5,705.99
50mm	R11,899.00	R13,773.09
75mm	R16,148.63	R18,692.04
100mm	R19,548.34	R22,627.20
150mm	R30,597.41	R35,416.50
200mm	R34,847.06	R40,335.47
Stolen water meter	R1,784.84	R2,065.95
Shifting of water meter	R744.12	R861.32
Sewer connection	R1,861.25	R2,154.40
Fire hydrant connection	R4,617.25	R5,344.47
50mm	R11,899.00	R13,773.09
75mm	R16,148.63	R18,692.04
100mm	R19,548.34	R22,627.20
Connection fee	R37.23	R43.09
Low cost housing connection fee	R250.00	R289.38

12. MUNICIPAL DEPARTMENTS

Charges for water if not on the water tariffs above may be charged at cost price of the previous financial year. Or R6.9402

13. REPLACEMENT OF A CUSTOMER INTERFACE UNIT (CIU)

Replacement of a CIU	R830.59	R961.41
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**PART 2
GENERAL CHARGES**

The following charges and conditions shall apply in respect of general services rendered by the Council

1. CHARGES FOR A CONNECTION FOR FIRE FIGHTING PURPOSES

For the provision and installation of a 100 mm connection pipe, meter or, if a meter is not required, a sealed valve:

At cost plus 10 % of such amount for administration costs: Provided that if the seal of a sealed valve is broken by any person, other than an official of the Council, the customer shall pay:	R255.52	R295.76
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2. ADMIN CHARGES – INCLUDING NORMAL DISCONNECTION AND RECONNECTION

1. The charge for disconnection because of non-payment of account or for non-compliance with any of the regulations or by laws of the Council shall be as follows:

(i)	During working hours: normal reconnection	R830.59	R961.41
(ii)	During working hours: request for urgent reconnection	R1,245.91	R1,442.14
(iii)	After working hours: request for reconnection	R1,245.91	R1,442.14

1. Charge for temporary disconnection at the request of any customer:

(i)	During working hours	R830.59	R961.41
(ii)	After working hours: request for reconnection	R1,245.91	R1,442.14

2. Charge when customers change:

For every application for rendering the service, irrespective of whether the service has been discontinued or not:

(i)	During working hours: Domestic and Business users	R33.35	R38.60
(ii)	After working hours	R69.45	R80.39

3. PRE-PAID METER ADMINISTRATION FEE.

When using an incorrect meter number when purchasing water	R830.59	R961.41
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GENERAL SERVICES

Any service rendered upon request by a customer and not provided for in this tariff, shall be charged for at the estimated cost to the council, plus 10% administration costs.

4 SPECIAL METER READINGS

1	The charge for a special reading of a meter at the request of a customer (Refundable if faulty)	R123.83	R143.33
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5. TESTING OF METERS

1	The charge for testing a meter at the request of a customer (Refundable if faulty)	R830.59	R961.41
2	The percentage referred to in section 38(4) of the Standard Water Supply By Laws shall be	5%	5%

6. WATER LEAKAGE

1	When the Water Department is called upon to rectify a water leakage and such leakage is found to be on private property and due to any cause other than a fault in the Council's main or apparatus, a charge shall be payable by the customer for each such attendance.	R830.59	R961.41
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7. DEPOSIT FOR ESTIMATES

1	When an extension of the main is requested, a deposit shall be payable for estimating the cost. This amount shall be subtracted from the total connection charges and if the connection is not made, the amount shall be forfeited.	R830.59	R961.41
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8. DEPOSITS FOR SUPPLY OF WATER

1	The minimum deposit payable in terms of section 12 (1) (a)of the by-laws shall be:		
	Domestic users/South African citizens	R986.33	R1,141.68
	Domestic users /Non South African citizens	R5,919.15	R6,851.42
	Business users/South African citizens	R4,934.01	R5,711.12
	Business users/Non South African citizens	R4,934.01	R5,711.12

9. ADMIN FOR TELEPHONE REMINDER SERVICE

The charge payable in respect of a telephone reminder for overdue account is as follows:

The charge payable in respect of a telephone or cell phone reminder (including text sms) is as follows: For every telephone reminder	R35.48	R41.07
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10. ADMINISTRATION COSTS IN RESPECT OF WRITTEN REMINDER SERVICES.

The charge payable in terms of Council's Credit Control Policy is as follows:

For every notice in respect of an unpaid customer account after the due payment date of the month. A written notice, letter or email reminder.	R76.87	R88.98
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BY LAW OFFENCES:

CHAPTER 2

APPLICATIONS AND AGREEMENTS FOR WATER SERVICES:

<i>Clause</i>		Approved tariff from 1/07/2022	Recommended tariff from 1/07/2023
5	Where the purpose or extent for which water services are used is changed, the customer must inform the Council, and must enter into a new agreement with the Council, expressed to be effective from the date on which such change of use took or will take effect.	Level R1,760.87 Level R3,521.76	Level R2,038.21 Level R4,076.44

		Level	Level
		R8,804.46	R10,191.16
19	Access to water services other than through Council prohibited No person is permitted to have access to water services from a source other than the Council without the Council's written approval.	R8,804.46	R10,191.16

22	<p>Unauthorized use of water services prohibited</p> <p>No person may gain access to water services from the water Supply system, sewage disposal system or any other sanitation services unless an agreement has been entered into with the Council for the rendering of those services. (Illegal water connection) plus an estimated consumption fee, to be determined by the Finance Department.</p> <p>Refer CR/49/09/19</p>	<p>First bridge R73,710.00</p> <p>Second bridge R179,010.00</p> <p>Third bridge R526,500.00</p> <p><u>Renting rooms:</u></p> <p>First bridge R231,660.00</p> <p>Second bridge R652,860.00</p> <p><u>Business: total</u> disconnection from the grid R1,053,000.00</p>	<p>First bridge R78,132.60</p> <p>Second bridge R189,750.60</p> <p>Third bridge R558,090.00</p> <p><u>Renting rooms:</u></p> <p>First bridge R245,559.60</p> <p>Second bridge R692,031.60</p> <p><u>Business: total</u> disconnection from the grid R1,116,180.00</p>
23	<p>1. Interference with water supply system or sanitation services prohibited</p> <p>Unless he or she has been authorized to do so by the Council in writing, no person may-</p> <ul style="list-style-type: none"> · Operate or maintain any part of the water supply system. · Operate any sewage disposal system. · Effect a connection or reconnection to the water supply system or sewage disposal system; or · render any other sanitation services. <p>Refer CR/49/09/19</p>	<p>First bridge R73,710.00</p> <p>Second bridge R179,010.00</p> <p>Third bridge R526,500.00</p> <p><u>Renting rooms:</u></p> <p>First bridge R231,660.00</p> <p>Second bridge R652,860.00</p> <p><u>Business:</u> total disconnection from the grid R1,053,000.00</p>	<p>First bridge R78,132.60</p> <p>Second bridge R189,750.60</p> <p>Third bridge R558,090.00</p> <p><u>Renting rooms:</u></p> <p>First bridge R245,559.60</p> <p>Second bridge R692,031.60</p> <p><u>Business:</u> total disconnection from the grid R1,116,180.00</p>
	<p>2. No person may interfere with or willfully or negligently damage or permit damage to or interference with any part of the water supply system or sewage disposal system belonging to the Council.</p>	<p>First bridge R73,710.00</p> <p>Second bridge R179,010.00</p> <p>Third bridge R526,500.00</p> <p><u>Renting rooms:</u></p> <p>First bridge R231,660.00</p> <p>Second bridge R652,860.00</p> <p><u>Businesses:</u></p> <p>First bridge R231,660.00</p> <p>Second bridge R652,860.00</p>	<p>First bridge R78,132.60</p> <p>Second bridge R189,750.60</p> <p>Third bridge R558,090.00</p> <p><u>Renting rooms:</u></p> <p>First bridge R245,559.60</p> <p>Second bridge R692,031.60</p> <p><u>Businesses:</u></p> <p>First bridge R245,559.60</p> <p>Second bridge R692,031.60</p>
24	<p>Obstruction of access to water supply system or sanitation service prohibited.</p> <p>No person may prevent or restrict physical access by any employee of the Council to the water supply system or sewage disposal system of the Council.</p>	R3,425.45	R3,964.96

**CHAPTER 5 PART A
WATER SUPPLY SERVICE**

31	<p>Unauthorized interconnection between premises or water installations prohibited</p> <p>Unless he or she has obtained the prior written consent of the Council and complies with any conditions that may have been imposed by the Council in this regard, an owner of premises must ensure that no interconnection exists between-</p> <ul style="list-style-type: none"> · The water installation on his or her premises and the water installation on any other premises; or · By several dwelling or business units are situated on the same premises, the water installations of such units 	R8,077.49	R9,349.69
33	<p>Water may be supplied from hydrant in certain circumstances</p> <p>1) The Council may authorize a temporary supply of water to be taken from one or more fire hydrants specified by it, subject to such conditions and for such period as may be generally prescribed or specifically imposed by it in respect of such supply.</p> <p>2) Except in an emergency, a person who requires a temporary supply of water referred to in subsection (1) must apply, therefore.</p>	R8,804.46	R10,191.16

3) The Council may, for the purpose of supplying water from a hydrant, provide a portable water meter to be returned to the Council on termination of the temporary supply, which portable meter and all other fittings and apparatus used for the connection of the portable water meter to a hydrant remains the property of the Council and will be provided subject to any conditions imposed by the Council.		
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PART C			
MEASURING QUANTITY OF WATER SUPPLIED			
34 (5)	Measuring quantity of water supplied d) ensure that no connection is made to the pipe in which the measuring device is installed, between the measuring device and the connection pipe or water main serving the installation. f) Not use nor permit to be used on any water installation, any fitting, machine, or appliance which causes damage or, in the opinion of the Council, is likely to cause damage to any meter.	R8,804.46	R10,191.16
34(6)	No person other than an authorized official of the council may- · Disconnect a measuring device and its associated apparatus from the pipe in or o which they are installed or connected. · Break a seal which the Council has placed on any meter; or · In any other way interfere with a measuring device and its associated apparatus.	R3,521.77	R4,076.45
35	Determining quantity of water supplied to customer 3. If water is supplied to or taken by a customer without it passing through a measuring device, the estimate by the Council of the quantity of such water must be deemed to be correct.	R3,521.77	R4,076.45
	4. Where water supplied by the Council to any premises is in any way taken by the customer without such water passing through any measuring device provided by the Council, the Council may for the purpose of rendering an account, make an estimate, in accordance with subsection (4), of the quantity of water supplied to the customer during the period that water is so taken by the customer.	R8,804.46	R10,191.16

PART D			
APPROVAL OF INSTALLATION WORK			
41	Approval of installation work 7) If installation work has been done in contravention of subsections (1), (2) or (3), a designated officer may, subject to the provisions of these By-laws, issue a compliance notice requiring the owner of the premises concerned- a) to comply with the relevant subsection, within a specified period; b) if the work is still in progress, to cease the work; and c) to remove all such work as does not comply with these By-laws.	R3,521.77	R4,076.45
42	Persons permitted to do installation and other work 1) No person who is not a qualified plumber may be permitted to- a) Do any installation work other than the replacement or repair of an existing pipe or water fitting, b) Replace a fixed water heater or its associated protective devices. c) Inspect, disinfect, or test a water installation, fire installation or storage tank. d) Service, repair or replace a back flow preventer; or e) Install, maintain, or replace a meter provided by an owner in a water installation. 2) No person may require or engage a person who is not a qualified plumber to do the work referred to in subsection (1).	R8,804.46	R10,191.16
43	Provision and maintenance of water installations. 2) Before doing work in connection with the maintenance of a portion of his or her water installation, which is situated outside the boundary of his premises, an owner must obtain the written consent of the Council or the owner of the land on which such portion is situated, as the case may be.	R1,760.87	R2,038.21
45	Installation or use of pipes and water fittings in water installations. 1) No person may, without the prior written permission of the Council, install or use a pipe or water fitting in a water installation within the Council's area of jurisdiction unless it is of a type that is included in the schedule of approved pipes and fittings as compiled by the Council.	R1,760.87	R2,038.21
46	Unlawful water installation work. Where any installation work has been constructed in contravention of these By-laws, the owner must on receiving a compliance notice by the Council, carry out such alterations to the installation as prescribed in the notice.	R8,804.46	R10,191.16
48	Owner to prevent pollution of water. An owner must provide and maintain effective measures to prevent the	R8,804.46	R10,191.16

An owner must provide and maintain effective measures to prevent the entry of any substance or matter which may be a danger to health or may adversely affect the portability of water or affect its fitness for use in-

- a) The water supply system or plant; and
- b) any part of the water installation on his or her premises.

PART E			
PROTECTION OF WATER SUPPLY SYSTEM FROM BACKFLOW AND BACK SIPHONAGE			
49	Protection of water supply system from backflow 1) The owner must take any of the measures referred to in subsection (2) to prevent the backflow of water from the water installation to the water supply system in the case of- a) fire or combined installation on premises; and	R31,678.85	R36,668.27
49	b) a general installation serving the following activities- medical treatment of people or animals; medical, pharmaceutical or chemical research and manufacturing; agriculture, including dairies and nurseries; photographic processing; laundering and dry-cleaning; metal plating; treatment of skins and hides; and c) a general installation serving-mortuaries; abattoirs; sewage purification works; refuse processing plants; oil processing and storage facilities; wineries, distillers, breweries, yeast and cold drink factories; sports facilities; or any other premises on which an activity is carried out which in the opinion of the Council is likely to cause a danger to health or affect the portability of water in the event of a substance resulting from such activity entering the water supply system; and d) a general installation on any premises after a compliance notice by the Council to do so.	R34,529.94	R39,968.41
51	Inspection and service of backflow preventers 1) The owner of premises on which a reduced pressure or double check backflow preventer is installed must, at his own expense, cause the backflow preventer to be- inspected and serviced not less than once in every 12 months to ensure that it is in working order; and	R3,434.20	R3,975.09

PART F			
WATER RESTRICTIONS			
54	Waste of water unlawful 1) No customer may permit a) the purposeless or wasteful discharge of water from terminal water fittings. b) pipes or water fittings forming part of a water installation to leak. c) the use of maladjusted or defective water fittings in a water installation. d) an overflow of water from a water installation to persist; or e) a wasteful use of water to persist. 2) An owner must repair or replace any part of his or her water installation which is in such a state of disrepair that it is either causing or is likely to cause an event referred to in subsection 3) If an owner fails to take measures as contemplated in subsection (2), a designated officer may issue an enforcement notice in connection therewith. 4) Every customer must ensure that any equipment or plant connected to his or her water installation uses water in an efficient manner.	R8,804.46 R3,521.76 R3,531.76 R3,230.98 R3,521.76	R10,191.16 R4,076.44 R4,088.01 R3,739.86 R4,076.44
55	Prohibition of use of certain equipment in water installations A designated officer may, by compliance notice, prohibit the use by a customer of any equipment in a water installation if, in his or her opinion, its use of water is wasteful, and such equipment must not be returned to use until its efficiency has been restored, and a written application to do so has been approved by the Council. The minimum penalty herewith will be imposed for contravention or waste of borehole water.	R3,521.76	R4,076.44
58	Pipes in streets or public places No person may, for the purpose of conveying water derived from whatever source, lay or construct a pipe or associated component on, in or under a street, public place or other land owned by, vested in, or under the control of the Council, except with the prior written permission of the Council, and subject to such conditions as may be imposed by it on granting permission.	R8,804.46	R10,191.16
59	Use of water from source other than water supply system Except with the prior permission of the Council, no person may use or permit the use of water obtained from a source other than the water supply system, other than rain water tanks which are not connected to the water installation, and in accordance with such conditions as the Council may	R17,608.95	R20,382.36

impose, for domestic, commercial or industrial purposes, and except with the approval of any other authority required by any law.

PART H

SPECIAL PROVISIONS REGARDING FIRE SERVICES

63	<p>Connection pipes for fire installation systems</p> <p>3) Where there is an existing connection pipe for the sole purpose of fire installation services, such connection pipe may only be used for that purpose.</p> <p>4) No take-off of any kind from any connection pipe referred to in subsection (3) may be made, nor may any water there from be used except in connection with an automatic sprinkler and drencher installation, a hydrant connection or a hose-reel connection, or for any pressure tank connection therewith, and such tank must be controlled by an approved fitting for firefighting purposes.</p>	R8,804.46	R10,191.16
64	<p>Inspection an approval of automatic sprinkler installation for firefighting purposes</p> <p>No water may be supplied to any fire installation until- It has been inspected and tested by the Council; the Council has certified in writing that such water installation is complete and complies With the requirements of the By-Laws.</p>	R3,521.76	R4,076.44
69	<p>a) Objectionable discharges to sewage disposal system</p> <p>1) No person may discharge or cause or permit the discharge or entry into any sewer of any storm water and underground seepage water. Nor shall any person discharge or cause or permit the discharge or entry into any sewer of any sewage, industrial effluent or other liquid or substance-</p> <p>b) which may be offensive to, or may cause a nuisance to the public;</p> <p>c) which is in the form of steam or vapour or has a temperature exceeding 44 degrees Celsius at the point where it enters the sewer;</p> <p>d) which has a pH value less than 6.0 or more than 10.0;</p> <p>e) which contains any substance of whatsoever nature likely to produce or give off explosive, flammable, poisonous or offensive gases or vapours in any sewer;</p> <p>f) which contains any substance having an open flash point of less than 93 degrees Celsius or which gives off a poisonous vapour at a temperature below 93 degrees Celsius;</p> <p>g) Which contains any material of whatsoever nature, including oil, grease, fat or detergents capable of causing an obstruction to the flow in a sewer, to a drain or interference with the proper operation of a sewage treatment plant?</p> <p>h) Which may inhibit the unrestricted conveyance of sewage through the sewage disposal system;</p> <p>i) which contains any substance in such concentration as is likely in the final treated effluent from any sewage treatment plant to produce an undesirable taste after chlorination, or an undesirable</p>	<p>R1,733.76 to R3,472.64</p> <p>R1,733.76 to R3,472.64</p> <p>R3,472.64 to R8,681.63</p> <p>R8,681.63 to R17,363.26</p> <p>R1,736.15 to R3,472.64</p> <p>R8,681.63 to R17,363.26</p> <p>R1,736.15 to R3,472.64</p> <p>R8,681.63 to R17,363.26</p>	<p>R2,006.83 to R4,019.58</p> <p>R2,006.83 to R4,019.58</p> <p>R4,019.58 to R10,048.99</p> <p>R10,048.99 to R20,097.97</p> <p>R2,009.59 to R4,019.58</p> <p>R10,048.99 to R20,097.97</p> <p>R2,009.59 to R4,019.58</p> <p>R10,048.99 to R20,097.97</p>
	<p>a) odour or colour, or excessive foam;</p> <p>b) which contains any substance of whatsoever nature?</p> <p>c) whether listed in Schedule B of these By-laws or not, either alone or in combination with other matter may-</p> <p>d) COD > 2000 mg/L</p>	<p>R8,681.63 R17,363.26</p> <p>R3,472.64 R8,681.63</p> <p>R8,681.64 R17,363.26 For COD>5000mg/l</p>	<p>R10,048.99 R20,097.97</p> <p>R4,019.58 R10,048.99</p> <p>R10,049.00 R20,097.97 For COD>5000mg/l</p>
	<p>2) No person may cause or permit any solid, liquid or gaseous substance, other than storm water or underground seepage water to enter-</p> <p>a) any storm water drain, storm water sewer or excavated or constructed water course;</p> <p>b) Any river, stream, or natural water course or any public water, whether</p>	<p>R4,340.00 to R17,363.26</p> <p>R4,340.00</p>	<p>R5,023.55 to R20,097.97</p> <p>R5,023.55</p>

	ordinarily dry or otherwise, except in accordance with the provisions of the National Water Act; or	to R17,363.26	to R20,097.97
	c) Any street or premises.	R3,472.64 R8,681.64	R4,019.58 R10,049.00

PART B			
ON-SITE SANITATION SERVICES			
71	Septic tanks and treatment plants No person may construct, install, maintain or operate any septic tank or other plant for the treatment, disposal or storage of sewage, without the prior written permission of the Council.	R8,681.64	R10,049.00
77	Disused conservancy and septic tanks 1) If an existing conservancy tank or septic tank is no longer required for the storage or treatment of sewage, or if permission for such use is withdrawn, the owner must either cause it to be completely recovered, or to be completely filled with earth or other suitable material, and the land involved to be rehabilitated.	R8,681.64	R10,049.00

PART C			
CONNECTION TO SEWAGE DISPOSAL			
78	Provision of connecting sewers 3)The discharge of any substance whatsoever other than clean water for testing purposes may not be permitted to enter any drainage installation until the drainage installation has been connected to the sewage disposal system.	R3,472.64	R4,019.58
80	Interconnections between premises Every owner of premises must ensure that no interconnection exists between the drainage installation on his or her premises and any drainage installation on other premises, unless he or she has obtained the prior written permission of the Council and complies with any conditions that may have been imposed in granting such permission.	R3,472.64	R4,019.58

PART D			
ROAD HAULAGE OF SEWAGE			
83	Written permission for delivery of sewage by road haulage No person may discharge sewage into any Council sewage treatment plant by road haulage except with the written permission of the Council, and subject to such terms and conditions as may be imposed in terms of the written permission.	R8,681.63	R10,048.99
84	When sewage is delivered by road haulage- a) the time of delivery must be arranged with the Council; b) the nature and composition of the sewage must be established to the satisfaction of the Council prior to the discharge thereof from the container in which it is delivered, and no person may deliver sewage that does not comply with the standards laid down in or in terms of these By-laws; and	R8,681.63	R10,048.99

PART E			
DISPOSAL OF INDUSTRIAL EFFLUENT			
86	1) Every person desiring to dispose of industrial effluent must apply in writing and in duplicate on the form prescribed by the Council for that purpose, for written permission to discharge industrial effluent into the sewage disposal system of the Council, and must thereafter provide such additional information and submit such sample as the Council may require.	R8,681.63	R10,048.99

PART F			
MEASURING OF EFFLUENT DISCHARGED			
91	1) The quantity of standard domestic effluent discharged must be determined as a percentage of the water supplied to those premises by the Council. 2) If the Council is of the opinion that the percentage referred to in subsection (1), in respect of specific premises is excessive, having regard to the purposes for which water is consumed on those premises, the Council may reduce the percentage applicable to those premises to a figure which, in its opinion and in the light of the available information,	R3,472.64	R4,019.58

reflects the proportion between the likely quantity of sewage discharged from the premises and the quantity of water supplied thereto.

PART G
DRAINAGE INSTALLATION AND DRAINAGE WORK

94	<p>Construction or installation of drainage installation Any drainage installation must comply with <i>SANS Code 0400-1990 Part P, Drainage</i> and any amendments thereto.</p>	R8,681.63	R10,048.99
95	<p>Use of pipes and fittings in drainage installations to be authorized</p> <p>1) No person may, without the prior written permission of the Council install or use a pipe or fitting in a drainage installation within the Council's area of jurisdiction, unless it is of a type included in the schedule referred to in section 45(1).</p>	R8,681.63	R10,048.99
96	<p>Approval of drainage work</p> <p>1) No person may construct, reconstruct, alter, add to or make any permanent disconnection in or of any drainage installation without first having obtained the permission of the Council in writing.</p> <p>2) No drainage work mentioned in subsection (1) for which permission has been given in terms of these By-laws, may be commenced until after the expiration of two clear days after notice in writing has been served on the Council stating the day on and time at which it is intended to commence the work.</p> <p>3) Before any part of a drainage installation is permanently covered or otherwise rendered practically inaccessible to visual inspection, it must be inspected and approved by the Council.</p>	R8,681.63	R10,048.99
97	<p>Unlawful drainage work</p> <p>1) Where any drainage work has been constructed without complying with the provisions of these By-laws concerning the submission and approval of plans, the owner must subject to the provisions of these By-laws, on receiving a compliance notice from a designated officer, so to do, comply with the said provisions within the period prescribed in that notice.</p> <p>2) Where any drainage installation has been constructed or any drainage work has been carried out which fails in itself in any respect to comply with any of these By-laws other than those referred to in subsection (1), the owner must, on receiving a compliance notice from the Council, and notwithstanding that he or she may have received approval of the plans in respect of the said installation or work in terms of these By-laws, carry out such alterations to the installation, remove such parts thereof, and carry out such other work as and within the time which the notice may specify</p>	R3,472.64	R4,019.58
98	<p>Ingress of storm water into drainage installations prohibited</p> <p>No part of a drainage installation may at any time be constructed or designed to allow or be capable of allowing water from any source, not being soil water or waste water, both as defined in the national regulations published in Government Notice R 2378 of 12 October 1990, as amended, to enter the drainage installation.</p> <p>1) No person may discharge or cause or permit to be discharged any substance other than sewage into a drainage installation.</p> <p>2) No pipe, channel or other device used for conducting or capable of being used to conduct rainwater from any roof or other surface may be permitted to discharge into any gully forming part of a drainage installation</p>	<p style="text-align: center;">Residential R3.44 per square meter of stand area per month</p> <p style="text-align: center;">Industrial/business R5.18 per square meter of stand area month</p>	<p style="text-align: center;">Residential R3.98 per square meter of stand area per month</p> <p style="text-align: center;">Industrial/business R6.00 per square meter of stand area month</p>
100	<p>Industrial grease traps</p> <p>1) Industrial effluent which contains or, in the opinion of the Council, is likely to contain, grease, oil, fat or inorganic solid matter in suspension, must, before it is allowed to enter any sewer, be passed through one or more tanks or chambers of approved type, size and capacity designed to intercept and retain such grease, oil, fat or solid matter.</p> <p>2) Oil, grease or any other substance which is contained in any industrial effluent or other liquid which gives off a flammable or noxious vapour at a temperature of or exceeding 20 degrees Celsius, must be intercepted and retained in a tank or chamber so as to prevent the entry thereof into the sewer.</p>	R8,681.63	R10,048.99

3) The tank or chamber must be regularly cleaned of such grease, oil, fat or solid matter and the person discharging effluent to the tank or chamber must maintain a register in which shall be recorded.		
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PART H GENERAL			
105	Drains in streets or public places No person may, for the purpose of conveying sewage derived from whatever source, lay or construct a drain on, in or under a street, public place or the land owned by, vested in, or under the control of the Council, except with the prior written permission of the Council and subject to such conditions as it may impose.	R8,681.63	R10,048.99
107	Protection from ingress of floodwater Where premises constructed within, or any portion of a property lie within the 1 in 50 years flood plain, the top level of any manhole, inspection chamber and gully located below the level of such flood plain must be above the 1 in 50 years flood level, except in the case of a manhole and inspection chamber the cover of which is secured in place by approved means.	R8,681.63	R10,048.99

CHAPTER 7 POWERS AND FUNCTIONS OF DESIGNATED OFFICERS			
111	Entry of premises for carrying out of works & inspections The owner of premises in a municipality must give a designated officer of the municipality or of a service provider access at all reasonable hours to the premises in order to carry out works of reading, inspecting, installing or repairing any meter or service connection or to disconnect, stop or restrict the provision of any service.	R8,681.63	R10,048.99
115	Duty to produce documents Any person who holds any document relevant to the execution of any work or inspection contemplated in this Chapter must produce it at the request of a designated officer.	R3,472.64	R4,019.58

CHAPTER 8 MISCELLANEOUS			
119	Sinking of boreholes 1) Any owner of a premise who wishes to sink a borehole on such premises shall do so only within the parameters of the erf-boundaries of his/her premises, and then only on weekdays, Monday to Saturday between 7h00 and 17h00. 2) No person shall sink a borehole on the sidewalk of his/her premises without the prior written consent of the Council 3) Any owner of a premise will be responsible to ensure that a drilled borehole be properly closed and safe guarded at all times for safety and security reasons.	R8,681.64 R17,363.26 R8,681.63	R10,049.00 R20,097.97 R10,048.99
123	False statements or information No person may make a false statement or furnish false information to the Council, an authorized official, a designated officer or an employee of the Council or falsify a document issued in terms of these By-laws.	R8,681.63	R10,048.99
126	Offences and penalties 1) It is an offence for any person to- a) refuse to grant a designated officer access to premises to which that designated officer is duly authorized to have access; b) Obstruct, interfere or hinder a designated officer who is exercising a power or carrying out a duty under these By-laws; c) Fail or refuse to provide a designated officer with a document or information that the person is required to provide under these By-laws; d) give false or misleading information to a designated officer. e) Unlawfully prevent the owner of any premises f) or a person working for that owner, from entering the premises in order to comply with a requirement of these By-laws; g) Pretend to be a designated officer. h) Falsely alter an authorization to a designated officer or written authorization, compliance notice or compliance certificate issued in terms of these By-laws; i) Contravene or fail to comply with any provisions of these By-laws; j) Fail to comply with any notice issued in terms of these By-laws; k) Fail to comply with any lawful instruction given in terms of these By-	R17,363.26	R20,097.97

laws; or

l) Obstruct or hinder any authorized official of the Council in the execution of his or her duties under these By-laws.

m) Any person convicted of an offence contemplated in subsection (1) is liable on conviction.

SCHEDULE 5:

ELECTRICITY SUPPLY CHARGES: 2023/2024

PART 1

SUPPLY OF ELECTRICITY

This tariff shall be subject to NERSA Approval.

DEFINITIONS.

Service charge:

Is a fixed R/day charge payable per account over the billing period, whether electricity is consumed or not used. Where applicable, this charge will be based on the sum of the monthly utilised capacity linked to an account. It is a contribution towards fixed costs such as customer service costs. For the domestic, departmental, and small business tariffs the service and administration charges are combined to make up the basic and are charged per metering point.

Time-of-use tariff:

Is a tariff that has different energy rates for different time periods and seasons in order to reflect the shape of the municipality's long run marginal energy cost of supply at different times more accurately.

Voltage surcharge:

Is a percentage surcharge levied to consumers with lower supply voltages as a contribution to the cost to transform electricity from 66 kV to lower voltages. It is calculated as a percentage of the energy charge and the demand charge (where applicable) to reflect the cost at lower voltages.

1. DOMESTIC SUPPLY (CONVENTIONAL AND PREPAID)

This tariff shall apply to erven, stands, premises or any other area/property zoned as residential 1, 2, 3 or 4 and which are used for residential purposes.

1.1. BASIC CHARGE:

This charge shall apply to all **residential** properties, with improvements, which is connected to the supply mains: whether electricity is consumed or not, and shall be levied on the consumption account with the exemption of registered indigent consumers.

		Approved tariff from 1/07/2022	Recommended tariff 1/07/2023
1.2.1	Basic charge, per single phase connection. Charged per month.	R129.31	R148.84
1.2.2	Availability charge, per single phase connection. Charged per month		R119.07
1.2.2	Basic charge per 3 phase connection. Charged per month.	R133.73	R153.92
1.2.4	Availability charge, per three phase connection. Charged per month		R123.14

1.3. ENERGY CHARGE (electricity consumed per kWh)

1.3.1	Block1(0-50)	50units	126.62	145.74
			Cents/kWh	Cents/kWh
1.3.2	Block2(51-350)	300units	165.3	190.26
			Cents/kWh	Cents/kWh
1.3.3	Block3(351-600)	250units	244.03	280.88
			Cents/kWh	Cents/kWh
1.3.4	Block4(>600)		286.94	330.27
			Cents/kWh	Cents/kWh

2. NON- DOMESTIC AND COMMERCIAL (CONVENTIONAL AND PREPAID)

This tariff shall apply to erven, stands, premises or any other area/property zoned as commercial 1, 2, 3 or 4 and which are used for commercial purposes:

2.1. Basic and Energy charge

This tariff shall apply to electricity supplied to an erf, stand, premises, or any other area, irrespective whether it is served through a separate meter or a communal meter and is applicable to:

- (a) Any building with a maximum demand of not exceeding 100 amperes single phase supply; or

- (b) Any building with a maximum demand of not exceeding 100 amperes per phase on a three- phase supply; or
- (c) Any other customer not provided for under any other item of these tariffs.

2.1.1	Basic charge, per single phase connection; connected or not connected, whether electricity is consumed or not, per month.	R675.34	R777.32
2.1.2	Basic charge per 3 phase connection; connected or not connected, whether electricity is consumed or not, per month.	R738.90	R850.47
2.1.3	Energy charge per kWh	251.44 Cents/kWh	289.41 Cents/kWh

3. INDUSTRIES (CONVENTIONAL AND PREPAID)

This tariff shall apply to erven, stands, premises or any other area/property zoned as industrial 1, 2, 3 & 4 and which are used for commercial purposes:

3.1 BASIC AND ENERGY CHARGE

This tariff shall apply to industries with a maximum demand of not exceeding 100 amperes per phase on a single or three phase supply as well as customers for agricultural purposes that cannot be classified under item 1

3.1.1	Basic charge, per single phase connection, connected or not connected, per month.	R776.59	R893.86
3.1.2	Basic charge, per three phase connection, connected or not connected, per month.	R1,680.21	R1,933.92
3.1.3	Energy charge per kWh.	251.44 Cents/kWh	289.41 Cents/kWh

4. BULK SUPPLY

- 4.1. This tariff shall apply to any customer who applies for it and shall be applicable to all consumers with a demand in excess of 100 amperes per phase on a three-phase supply.

Whenever a consumer effects extensions to his electrical installation which will increase his average maximum demand of the previous 12-months by more than 10% he shall notify the Director Energy Services timeously, in writing, of such increase as well as the date upon which the increased demand will be required.

4.1.1	Basic charge, per month.	R2,031.98	R2,338.81
4.1.2	Low voltage: Demand charge, per kVA, per month.	R307.61	R354.06
4.1.3	High voltage: Demand charge, per kVA, per month	R303.22	R349.01
4.1.4	Low voltage: Energy charge per kWh.	111.38 Cents/kWh	128.20 Cents/kWh
4.1.5	High voltage: Energy charge per kWh.	109.45 Cents/kWh	125.98 Cents/kWh
4.1.6	Minimum charge, per month: (13 000 kWh)	R14,228.50	R16,377.00

5. MUNICIPAL DEPARTMENTS

Charges for electricity are raised at cost price of the previous financial year.

6. ITINERANT CUSTOMERS' SUPPLY

- 1 This tariff shall apply to itinerant or temporary customers such as carnivals, fêtes, circuses, and other supply of a similar nature.

2	For electricity consumed, per kWh	558.44 cents	642.76 cents
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7. UNMETERED CUSTOMERS SUPPLY

This tariff shall apply where it is impractical to meter installations such as telephone call boxes and similar uses.

1	A fixed monthly charge in respect of the supply to every unmetered point shall be levied.	R152.70	R175.76
2	In addition to the fixed monthly charge in 1, above, the energy consumption shall be charged at a fixed rate per 100 Watt per month installed capacity or portion thereof to a maximum of 1000 Watt where after a metered supply must be applied for	R215.80	R248.39

8. OUTSIDE AREA SUPPLY

This tariff shall apply to customers situated outside the municipality.

The charges payable shall be according to the tariffs applicable within the municipality.

9. TELEPHONE REMINDER SERVICE

The charge payable in respect of a telephone reminder is as follows:

The charge payable in respect of a telephone or cell phone reminder (including text sms) is as follows: For every telephone reminder	R33.72	R35.74
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10. REMINDER SERVICE

The charge payable in terms of Council's Credit Control Policy is as follows:

For every notice in respect of an unpaid customer account after the due payment date of the month (including written notice/letter or email):	R73.06	R77.44
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PART 2

GENERAL CHARGES

The following charges and conditions shall apply in respect of general services rendered by the Council.

1. INSTALLATION TEST CHARGES

1	For the first test and inspection of a new installation or of additions or alterations to an existing installation on receipt of a written request to do so.	R281.03	R297.89
2	If the installation fails to pass the test or is not approved of, a charge shall be paid for each subsequent test or inspection.	R314.75	R333.64
3	On the failure of the contractor or his authorized agent to keep an appointment made for the purpose of testing or inspecting an installation a charge shall be paid for each additional visit necessitated thereby.	R314.75	R333.64

2. CHARGES FOR ADMIN RELATING TO CREDIT CONTROL ACTION (INCLUDING NORMAL DISCONNECTION AND RECONNECTION)

1. The charges for credit control admin relating to disconnection/reconnection of conventional meters and unblock of pre-paid meters because of non-payment of account or for non-compliance with any of the regulations or by laws of the Council shall be as follows:

(i)	(a) During working hours: ordinary reconnection:	R786.89	R834.10
	(b) During working hours: request for urgent reconnection:	R1,174.72	R1,245.20
(ii)	After working hours: Request for reconnection:	R1,174.72	R1,245.20
(iii)	After working hours: Request for unblock of pre-paid card:	R1,174.72	R1,245.20
(iv)	Removal of meter	R2,192.06	R2,323.58

2. Charges for temporary disconnection on request of any customer:

(i)	During working hours:	R786.89	R834.10
(ii)	After working hours: Request for reconnection:	R1,174.72	R1,245.20

GENERAL SERVICES

Any service rendered at the request of a customer and not provided for in these tariffs shall be charged for at the estimated cost of the Council, plus 10%.

4 SPECIAL METER READINGS

The charge for the special reading of a meter at the request of a customer shall be:	R118.03	R125.11
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5 TESTING OF METERS

The charge for testing a meter at the request of a customer is (Refundable if faulty). SABS has a 10% increase therefore the 10% increase and not 4.6%;

(a)	Maximum demand meter, per meter:	R3,025.00	R3,327.50
(b)	kWh three phase meter, per meter:	R1,815.00	R1,996.50
(c)	kWh single phase meter, per meter:	R786.50	R865.15

6. POWER FAILURE

When the energy services department is called upon to rectify a failure of the supply and such failure is found to be due to any cause other than a fault in the Council's mains or apparatus, a charge shall be payable by the customer for each such attendance.

R786.90

R834.11

7. EXTENSION OF SUPPLY MAINS

- 7.1. Where a customer's premises are so located with reference to the supply mains as to require an extension of the supply mains, such customer shall, in addition to any other charges applicable in terms of these tariffs, be required to pay the cost of any extension to the existing supply mains which may be necessary to make supply available to such premises.
- 7.2. The customer shall pay in advance the full estimated cost of any extension of the supply mains for his purposes. Where supply is given to a new customer or group of customers and the cost of the extension of the local distribution system is exceptionally high in proportion to the initial electricity demands of the customer or group of customers, the Council may apply additional levies by means of a system of extension charges which shall be payable by the individual customer or customers. The extension charges shall be such as to cover the capital liabilities incurred to extend the distribution system to supply electricity to the said customers: Provided that no such charges shall be payable by the customer if the total cost of the connection is paid in cash to the Council before the connection is made.

14. DEPOSIT FOR ESTIMATES.

When a new connection or an extension of a main is required, a deposit shall be payable for estimating the cost. This amount shall be subtracted from the total connection charges and if the connection is not made, the amount shall be forfeited.	R786.90	R834.11
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15. DEPOSITS FOR SUPPLY OF ELECTRICITY.

1	Minimum deposit payable in terms of section : 12 (1) (a) of the by laws shall be:		
	Domestic users/South African citizens	R3,082.37	R3,547.81
	Domestic users /Non South African citizens	R9,249.38	R10,646.04
	Business users/South African citizens	R6,165.88	R7,096.93
	Business users/Non South African citizens	R9,249.38	R10,646.04

16. CASH POWER.

	For the issuing of a pre-paid electricity card upon registration	Free of charge	Free of charge
	For the issuing of a duplicate card	R78.68	R83.40

11 PENALTIES.

The following penalties shall be payable:

Connecting illegally to the electricity grid without a supply agreement or tampering with or interfering with any service

11.1	Charge for residential consumers CR/49/09/19	First bridge: R75,229.00	First bridge: R79,742.74
		Second bridge: R182,699.00	Second bridge: R193,660.94
		Third bridge R537,350.00	Third bridge R569,591.00
11.2	Business/Industrial, including renting of rooms CR/49/09/19	First bridge R220,000.00	First bridge R233,200.00
		Second bridge R620,000.00	Second bridge R657,200.00
		Third bridge R1,074,700.00	Third bridge R1,139,182.00
11.2	Total connection off the grid – Business/Industrial and Non-domestic. CR/49/09/19		
The average electricity consumption shall be back charged for 36 months after monitoring of the consumption on a meter for three consecutive months.			
11.3	Excavations within areas leading to damage to electricity cables, including attempts of theft:		
11.3.1	95mm ² 11kV cable, per cable plus additional cost incurred of material, labor & transport.	R16,322.45	R17,301.80
11.3.2	185mm ² 11kV cable, per cable plus additional cost incurred of material, labor & transport.	R19,290.17	R20,447.58

11.3.3	10mm ² Airdac 230V cable, per cable plus additional cost incurred of material, labor & transport.	R1,483.85	R1,572.88
11.3.4	16mm ² Airdac 230V cable, per cable plus additional cost incurred of material, labor & transport.	R1,780.62	R1,887.46
11.3.5	16mm ² 230V armored cable, per cable plus additional cost incurred of material, labor & transport.	R2,374.17	R2,516.62

11.3.6	25mm ² 230V armored cable, per cable plus additional cost incurred of material, labor & transport.	R2,670.94	R2,831.20
11.3.7	35mm ² 230V armored cable, per cable plus additional cost incurred of material, labor & transport.	R2,819.32	R2,988.48
11.3.8	16mm ² 420V armored cable, per cable plus additional cost incurred of material, labor & transport.	R2,670.94	R2,831.20
11.3.9	25mm ² 420V armored cable, per cable plus additional cost incurred of material, labor & transport.	R2,819.32	R2,988.48
11.3.10	35mm ² 420V armored cable, per cable plus additional cost incurred of material, labor & transport.	R2,967.71	R3,145.77
11.3.11	50mm ² 420V armored cable, per cable plus additional cost incurred of material, labor & transport.	R3,264.48	R3,460.35
11.3.12	70mm ² 420V armored cable, per cable plus additional cost incurred of material, labor & transport.	R3,412.87	R3,617.64
11.3.13	95mm ² 420V armored cable, per cable plus additional cost incurred of material, labor & transport.	R1,780.62	R1,887.46
11.3.14	150mm ² 420V armored cable, per cable plus additional cost incurred of material, labor & transport.	R2,374.17	R2,516.62
11.3.15	185mm ² 420V armored cable, per cable plus additional cost incurred of material, labor & transport.	R4,599.96	R4,875.96
11.3.16	240mm ² 420V armored cable, per cable plus additional cost incurred of material, labor & transport.	R5,193.50	R5,505.11
11.3.17	300mm ² 420V armored cable, per cable plus additional cost incurred of material, labor & transport.	R5,935.43	R6,291.56
11.3.18	1.5mm ² x 19, 230V armored traffic light cable, per cable plus additional cost incurred of material, labor & transport.	R1,483.85	R1,572.88
11.4	Connect Connecting illegally to the electricity grid without a supply agreement, including all electricity generation. (Fixed fine).	R75,229.00 for residential and R161,205.00 for business and industrial consumers	R79,742.74 for residential and R170,877.30 for business and industrial consumers
11.5	Reselling electricity at excessive charges which are not justified to the satisfaction of the Council, following a written notice comply (Fixed fine plus charged per month since date of notice).	R7,419.29	R7,864.45
11.6	Painting, defacing, pasting posters, tampering or interfering with any service connection or service protection device or supply or any other equipment of the Council. (Fixed fine plus cleaning/re-painting/repairing cost incurred).	R14,838.59	R15,728.91
11.7	Willfully hindering, obstructing, interfering with or refusing admittance to any duly authorized official of the Council in the performance of his duty under these By-laws or of duty connected therewith or relating thereto, per incident. (Fixed fine).	R7,419.29	R7,864.45
11.8	Damages to streetlights, traffic lights, meter boxes or any other electrical equipment of the Council, due to vandalism, theft or accidents. (Fixed fine, plus material, labor & transport plus 10% admin fee).	R14,838.59	R15,728.91
11.9	Any theft, attempting theft or vandalism at any Electrical Substation. (Fixed fine, plus material, labor & transport plus 10% admin fee).	R148,385.97	R157,289.13
11.1	Replacement of stolen electricity meter (payable by the occupant/Owner of the premises)		R1,945.48
11.11	Replacement of stolen premises electricity connection cable (payable by the occupant/Owner of the premises)		R500.00
11.12	First Test for Inspection. (Fixed cost)	R292.27	R309.81
11.13	Second Test for Inspection. (Fixed cost)	R325.99	R345.55
11.14	Third Test for Inspection. (Fixed cost)	R359.72	R381.30

SCHEDULE 6:

TARIFFS PAYABLE I.R.O. COMMUNITY CENTRES, SPORT FACILITIES, SWIMMING POOLS, DEVELOPMENT CLINICS, SHOWGROUND, OCASSIONAL LEASING OF FACILITIES, RENTAL PETER MOKABA STADIUM: 2023/2024

1. Community Centres

1. A Jack Botes Hall

VAT INCLUSIVE IN SCHEDULE 6:

		Approved tariff from 1/07/2022	Recommended tariff 1/07/2023
	Rental		
1	The use of the Community Hall by individuals, schools, sport clubs, NGO's and other cultural organisations, per day	R4,815.00	R5,103.90
2	The use of the Community Hall by Government Organisations and other organisations, per day	R5,222.00	R5,535.32
3	The use of the Community Hall by Business, per day	R5,617.00	R5,954.02
	15% of ticket sales for events that charge entrance fees with a minimum payment of :	R5,617.00	R5,954.02
4	The use of equipment:		
	Microphone and stand	R803.00	R851.18
	Bain marine	R54.75 per item	R58.04
	Round tables	R54.75 per table	R58.04
	Kitchen and equipment	R1,826.95 per occasion	R1,936.57
	Deposit(Events where entrance fee is not charged)	R4,533.00	R4,804.98
	Cleaning per event	R2,741.00	R2,905.46
5	Deposit for events where entrance fee is charged	R9,600.00	R10,176.00

1.B Nirvana Community Hall

	Rental		
1	The use of the Community Hall by individuals, schools, sport clubs, NGO's and other cultural organisations per day	R3,861.00	R4,092.66
2	The use of the Community Hall by Government Organisations and other organisations per day	R4,042.00	R4,284.52
3	The use of the Community Hall by Businesses per day	R4,655.00	R4,934.30
4	15% of ticket sales for events that charge entrance fees with a minimum payment of :	R4,655.00	R4,934.30
5	Deposit(Events where entrance fee is not charged)	R3,702.00	R3,924.12
6	Use of equipment:		
	- Round table per table	R56.00	R59.36
	- Sound System	R758.00	R803.48
7	Cleaning per event	R2,741.00	R2,905.46
8	Deposit for events where entrance fee is charged	R9,600.00	R10,176.00

1.C Westenburg Community Hall

	Rental		
1	The use of the Community Hall by individuals, schools, sport clubs, NGO's and other cultural organisations per day	R3,861.00	R4,092.66
2	The use of the Community Hall by Government organisations and other organisations per day	R4,042.00	R4,284.52
3	The use of the Community Hall by Businesses per day	R4,615.00	R4,891.90
4	15% of ticket sales for events that charge entrance fees with a minimum payment of :	R4,655.00	R4,934.30
5	Use of equipment:		
	Round table per table	R55.00	R58.30
	Sound system	R758.00	R803.48
6	Deposit(Events where entrance fee is not charged)	R3,677.00	R3,897.62
7	Cleaning per event	R2,741.00	R2,905.46
8	Deposit for events where entrance fee is charged		

0	Deposit for events where entrance fee is charged	R9,601	R10,177
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1.D Mankweng Community Hall

	Rental		
1	The use of the Community Hall by individuals, schools, sport clubs, NGO's and other cultural organisations per day	R3,338.00	R3,538.28
2	The use of the Community Hall by Government Organisations and other organisations per day	R4,021.00	R4,262.26
3	The use of the Community Hall by businesses per day	R4,415.00	R4,679.90
4	15% of ticket sales for events that charge entrance fees with a minimum payment of :	R4,415.00	R4,679.90
5	Use of equipment:		
	Round table per table	R55.00	R58.30
	Deposit (Events where entrance fee is not charged)	R3,263.00	R3,458.78
6	Deposit for events where entrance fee is charged	R9,600.00	R10,176.00

1.E Moletji Community Hall

	Rental		
1	The use of the Community Hall by individuals, schools, sport clubs, NGO's and other cultural organisations per day	R574.00	R608.44
2	The use of the Community Hall by Government Organisations and other organisations per day	R2,417.00	R2,562.02
3	The use of the Community Hall by businesses per day	R2,812.00	R2,980.72
4	Deposit	R574.00	
5	Cleaning per event	R143.00	R151.58

2 Sport facilities

A. Lease agreements and clubhouses

	Lease agreements are for training purposes only for 3 times per week for 2 hours per facility		
1.1	Athletic Club		
	Use of the stadium for practise purposes once a week for a period of 2 hours (including one set of cloakrooms)	R3,907.00 pa	R4,141.42 pa
	For the use of the Olympic swimming pool during week days from 06:00 – 07:00	R1,955.00 pa	R2,072.30 pa
1.2	Indoor Sports Complexes		
	Wrestling club / Judo (880 sqm) A tariff of per sq metre per month is levied Wrestling facilities in Suid Street	R7.00 R834.00 pa	R7.42 R884.04 pa
	Racing Dove Club hall (360 sqm) A tariff of per sq metre per month is levied Racing Pigeon Club hall in Suid Street per month	R110.00 R428.00 pm	R116.60 R453.68 pm
1.3	Recreation Centre		
1.3 a	Gymnastics		
	A tariff of per sq metre per month is levied	R7.00	R7.42
	Hall 4: 760 sqm (Polokwane Gymnastics Academy) per month	R4,926.00 pm	R5,221.56 pm
	Hall 1: 360sqm (Polokwane Gymnastics Academy) per month	R2,353.00 pm	R2,494.18 pm
1.3 b	Karate		
	A tariff of per sqm per month is levied	R7.00	R7.42
	Hall 2: Ekstein Karate club - 360 sqm	R2,352.00 pm	R2,493.12 pm
	Hall 3: Ekstein Karate club – 360 sqm	R2,352.00 pm	R2,493.12 pm
1.3 c	Badminton		
	Per court per annum	R3,001.00 pa	R3,181.06 pa

1.3 d	Squash Court		
	Squash court per court per year	R3,081.00 per court	R3,265.86 per court

1.4	Other sports activities		
a.	Shooting Association	R4,546.00 pa	R4,818.76 pa
b.	Go-cart track per year	R9,719.00 pa	R10,302.14 pa
c.	Off road track per year	R9,719.00 pa	R10,302.14 pa
d.	Radio controlled aeroplanes per year	R3,907.00 pa	R4,141.42 pa
e.	Radio controlled car track per year	R3,244.00 pa	R3,438.64 pa
f.	4 x 4 Track per year	R9,748.00 pa	R10,332.88 pa
g.	Jimmy Moulder Shooting Range	R4,546.00 pa	R4,818.76 pa
1.5	Climbing Wall		
	Lease tariff per year	R835.00	R885.10
6	Grass Surfaced Areas		
6:00 AM	Jukskei courts (48 pitts) per pit per year	R162.00 per pit per year	R171.72 per pit per year
6 b	Rugby field		
bi.	Basic tariff per field year	R3,240.00 pa	R3,434.40 pa
6 c	Soccer field		
ci.	Basic tariff per field per year	R3,240.00 pa	R3,434.40 pa
6 d	Hockey		
di.	Basic tariff per field per year	R3,240.00 pa	R3,434.40 pa
6 e	Cricket field / Cricket wickets		
ei.	Basic tariff per field per year	R3,240.00 pa	R3,434.40 pa
eii.	Basic tariff per wicket per year (concrete wickets only)	R1,339.00 pa	R1,419.34 pa
6 f	Softball		
fi.	Basic tariff per field per year	R3,240.00 pa	R3,434.40 pa
6 g	Bowling green per bowling green per year (3 courts)	R1,606.00 court pa	R1,702.36 court pa
6 h	Golf Club per year	R73,195.00	R77,586.70
1.7	All-weather surfaces		
a.	Korfball courts per court per year	R1,955.00 pa	R2,072.30 pa
b.	Netball courts per court per year	R1,955.00 pa	R2,072.30 pa
c.	Ring tennis per court per year	R674.00 pa	R714.44 pa
d.	Tennis courts		
di.	Tennis courts per court per year	R1,748.00 pa	R1,852.88 pa
dii.	Coaching at tennis courts per month	R674.00 pa	R714.44 pa
diii.	Playball per court per month	R345.00 pm	R365.70 pm
e.	Practice wall at tennis court per practise wall per year	R1,955.00 pa	R2,072.30 pa
f.	Volleyball court per court per year	R1,955.00 pa	R2,072.30 pa
g.	Basketball per court per year	R1,955.00 pa	R2,072.30 pa
1.8	All-weather surfaces (Combination courts)		
a.	Volleyball, ring tennis combination court per year.	R1,312.00 pa	R1,390.72 pa
b.	Tennis court / netball court combination court per year	R1,312.00 pa	R1,390.72 pa
c.	Tennis / Soccer combination court per court per year	R1,312.00 pa	R1,390.72 pa
1.9	Ground surface fields / courts	R1,312.00 pa	R1,390.72 pa
a.	Soccer field per field per year	R1,312.00 pa	R1,390.72 pa

b.	Baseball court per court per year	R1,018.00 pa	R1,079.08 pa
c.	Netball field per field per year	R1,018.00 pa	R1,079.08 pa

Leasing of areas where clubhouses are erected			
	Bushveld Hunting Association (905 m ²)	R17.00 per m ² pa	R18.02 per m ² pa
	Polokwane Rugby Club (370 m ²)	R17.00 per m ² pa	R18.02 per m ² pa
	Polokwane Golf Club (1 475 m ²)	R17.00 per m ² pa	R18.02 per m ² pa
	Polokwane Cricket Club (578 m ²)	R17.00 per m ² pa	R32.35 per m ² pm
	Polokwane Bowling Club (725 m ²)	R17.00 per m ² pa	R18.02 per m ² pa
	Polokwane Jukskei Club (198m ²)	R17.00 per m ² pa	R18.02 per m ² pa
	Polokwane Tennis Club (239 m ²)	R17.00 per m ² pa	R18.02 per m ² pa
	Motocross Clubhouse (260m ²)	R17.00 per m ² pa	R18.02 per m ² pa
	Noordelike Rugby Club (456 m ²)	R17.00 per m ² pa	R18.02 per m ² pa
	Polokwane Athletic Club (178 m ²)	R17.00 per m ² pa	R18.02 per m ² pa
	Polokwane Police Social Club (532 m ²)	R17.00 per m ² pa	R18.02 per m ² pa
	Polokwane Diving Club (30 m ²)	R17.00 per m ² pa	R18.02 per m ² pa
	Polokwane Squash Club (100 m ²)	R17.00 per m ² pa	R18.02 per m ² pa
1.1	Preparation of these facilities (subject to lease agreements) per occasion		
1.10 a	Jukskei courts		
ai.	Renting of the facility per 24 hours	R266.00	R281.96
aii.	Administrative booking fee per 24 hour period/day (not refundable)	R71.00	R75.26
1.10 b	Rugby field		
bi.	Renting of the facility per 24 hours	R402.00	R426.12
bii.	Administrative booking fee per 24 hour period/day (not refundable)	R85.00	R90.10
1.10 c	Soccer field		
ci.	Renting of the facility per 24 hours	R402.00	R426.12
cii.	Administrative booking fee per 24 hour period/day (not refundable)	R85.00	R90.10
1.10 d	Hockey		
di.	Renting of the facility per 24 hours	R402.00	R426.12
dii.	Administrative booking fee per 24 hour period/day (not refundable)		
1.10 e	Cricket field		
ei.	Renting of the facility per 24 hours	R339.00	R359.34
eii.	Renting of the facility. Practice nets per occasion (grass)	R92.00	R97.52
eiii.	Sinthetic surface per game	R152.00	R161.12
eiv.	Administrative booking fee per 24 hour period/day (not refundable)	R71.00	R75.26
ev.x	Putting out of pitch covers per pitch	R313.00 per occasion	R331.78 per occasion
1.10 f	Softball		
fi.	Renting of the facility per 24 hours	R335.00	R355.10
fii.	Administrative booking fee per 24 hour period/day (not refundable)	R71.00	R75.26
1.10 g	All-weather surfaces (Combination and other courts)		
gi.	Renting of the facility per 24 hours	R162.00	R171.72
gii.	Administrative booking fee per 24 hour period/day (not refundable)	R71.00	R75.26
1.10 h	Ground surface fields/courts		
hi.	Renting of the facility per 24 hours	R335.00	R355.10
hii.	Administrative booking fee per 24 hour period/day not refundable)	R71.00	R75.26
1.10 i	Advertisement Boards at Sport Facilities		
	Sport clubs are allowed to erect advertisement boards at their sport fields, in accordance with the sport policy, per advertisement board per year	R162.00 Per advertisement board pa	R171.72 Per advertisement board pa

B. Leasing of facilities on occasional basis

1	SPORTS FACILITIES		
	06:00 – 24:00		
1.1	OLD PETER MOKABA STADIUM		
1.1.1a	Professional Sports per match (e.g. PSL Premier Soccer League and Rugby games), competitions All stadium facilities, including parking area and lights	15 % of the gate takings with a minimum of R54,493.00	15 % of the gate takings with a minimum of R57,762.58
1.1.1b	PSL First division league per match	15 % of the gate takings with a minimum of R5,897.00	15 % of the gate takings with a minimum of R6,250.82
1.1.1c	Events such as cultural festivals, social meetings, religious gatherings, Entertainment events, political events/rallies and Music festivals	15 % of the gate takings with a minimum of R54,493.00 With a Deposit of R50,000.00	15 % of the gate takings with a minimum of R57,762.58 With a Deposit of R50,000.00
	Cleaning fee	R4,782.00	R5,068.92
	Deposit for Sports matches	R19,203.00	R20,355.18
	Deposit kitchen appliances	R1,153.00	R1,222.18
	3 Phase electricity (calculated from time of connection)	R85.00 per hour	R90.10 per hour
1.1.2	Amateur Sport		
1.1.2 a	Ball games (rugby, hockey, amateur soccer)		
	Deposit	R1,607.00	R1,703.42
	Day match	R714.00	R756.84
	Night match	R4,126.00	R4,373.56
	Additional 3 phase electricity	R90.00 per hour	R95.40 per hour
	Deposit kitchen appliances	R968.00	R1,026.08
	Development clinics	R968.00	R1,026.08
	Marking of facility for clinics	R335.00	R355.10
	PA System	R342.00	R362.52
1.1.2 b	Athletics meeting		
	Deposit	R1,607.00	R1,703.42
	Electronic timing	R1,607.00	R1,703.42
	Morning: 07:00 - 12:00	R835.00	R885.10
	Afternoon: 12:00 - 18:00	R835.00	R885.10
	All day : 07:00 - 18:00	R1,488.00	R1,577.28
	Evening : After 18:00 Facilities and lights included	R497.00 per hour with a minimum of R965.00	R526.82 per hour with a minimum of R1,022.90
	Development clinics	R322.00	R341.32
	Deposit on athletics equipment	R1,607.00	R1,703.42
	Additional 3 phase electricity	R90.00 per hour	R95.40 per hour
	Deposit kitchen appliances	R916.00	R970.96
	PA System	R290.00	R307.40
1.1.3	Events at other Sports and Recreation facilities		
1.1.3 ai	Where entrance fees is not charged: Events such as cultural festivals, meetings, religious gatherings, military parades and music festivals		
	Deposit	R19,203.00	R20,355.18
	All day	R10,176.00	R10,786.56
	Additional 3 phase electricity	R90.00 per hour	R95.40 per hour
	Deposit kitchen appliance	R968.00	R1,026.08
	Cleaning	R4,571.00	R4,845.26
1.1.3aii	Where entrance fees is charged: Events such as cultural festivals, meetings, religious gatherings, military parades and music festivals		
	Deposit	R21,524.00	R22,815.44
	All day	R20,350.00	R21,571.00
	Additional 3 phase electricity	R90.00 per hour	R95.40 per hour

Deposit kitchen appliance	R96.00	R101.76
Cleaning	R4,570.00	R4,844.20

1.1.3 b	Kiosks outside Stadium Per kiosk per day	R162.00	R171.72
	Key Deposit	R258.00	R273.48
1.1.4	Rental of Oom Koos Smit hall When the hall is not in use, it is leased to individuals / organizations.		
	Renting of hall	R1,607.00	R1,703.42
	Rent sound system	R290.00	R307.40
	Deposit hall	R968.00	R1,026.08
	Deposit for use of sound equipment	R1,344.00	R1,424.64
	Leasing of the hall by sports clubs, sports bodies, and sports unions, with the purpose of having a meeting.		
	Leasing of hall	R162.00	R171.72
	Deposit hall	R540.00	R572.40
	Deposit kitchen appliances	R968.00	R1,026.08
	Deposit for use of sound equipment	R1,332.00	R1,411.92
1.1.5	Road races and Cross Country meetings		
	Use of toilets and change-rooms during road races and cross country meetings at a time (no equipment will be available)	R835.00	R885.10
	Deposit	R1,515.00	R1,605.90
1.1.6	Practice at the Stadium		
1.1.6 a	Rugby practice Professional		
	Rugby practice session for 2 hours at a time – Practice lights and marking of field included.	R674.00	R714.44
	Pre-match training (match day minus one)	R644.00	R682.64
	Deposit	R12,459.00	R13,206.54
1.1.6 b	Soccer practice Professional		
	Soccer practice session by a professional soccer team for 2 hours at a time – practice lights and marking of field included	R674.00	R714.44
	Pre –match training(match day minus one)	R644.00	R682.64
	Deposit	R12,459.00	R13,206.54
1.1.6 c	Athletics practice		
i.	Practice session of 2 hours or less	R16.00 per athlete	R16.96 per athlete
ii.	Group bookings All schools which fall within the Polokwane municipal area, per year ticket, upon presentation of a year ticket, entry will be allowed to the stadium for athletics practice purposes for the period between the 1 st of July and 30 th of June of the following year	R16.00 per athlete with a minimum of R2,282.00 per annum	R16.96 per athlete with a minimum of R2,418.92 per annum
iii.	Season Ticket A person who is not a member of an athletic club but who regularly practices at the stadium can obtain a seasonal ticket which will be valid for the period between the 1 st of July and 30 th of July of the following year and which will, upon presentation thereof, allow access to the athletic track for practice purposes.		
	Per seasonal ticket per person per year	R672.00 pa	R712.32 pa
1.1.6 d	Squash Courts at Stadium Practice per individual for 2 hours	R40.00	R42.40
	Seasonal tickets per club per individual	R714.00	R756.84
	Per individual plus lights (Tokens to be bought) Practice 3 times per week for a maximum of two hours daily	R3,081.00	R3,265.86
	Key Deposit	R258.00	R273.48
1.1.7	Parking Areas		
	Per occasion:	R672.00	R712.32
	Peter Mokaba Stadium – Parking		
	Peter Mokaba Stadium – VIP Area		
	B + C Rugby Fields – Parking		
1.1.8	Office space		
	Lease of office space per square meter per month	R40.00	R42.40
1.2	REGIONAL SPORT FIELDS (POLOKWANE)		
1.2.1	Netball clubhouse		
	Renting of the clubhouse by sports clubs for meetings		

		R162.00	R171.72
	Renting of clubhouse by sports clubs for functions	R489.00	R518.34
	Deposit for equipment (tables and chairs)	R489.00	R518.34

1.2.2	Rental of Sports facilities by Schools / clubs without leasing contract at the Municipality		
1.2.2 a	Use of grass per court per match Lights included	R162.00 not marked R322.00 marked	R171.72 not marked R341.32 marked
1.2.2 b	Use of all-weather per court per match Lights included	R155.00	R164.30
1.2.2 c	Use of grass surfaces for practice purposes per grass surface <u>per season</u> , (unmarked), for a maximum of 2 hours daily, 2 times per week; per club Schools Clubs Lights included	R766.00 R3,055.00	R811.96 R3,238.30
1.2.2 d	Use of all-weather court surfaces for practice purposes: per all-weather surface court <u>per season</u> ; for a maximum of 2 hours daily, 3 times a week; per club Schools Clubs Lights included	R714.00 R1,923.00	R756.84 R2,038.38
1.2.2 e	Practice for (2 hours per session)		
ei.	Grass Surface: Amateur Professional	R108.00	R114.48
eii.	All-weather Surface: Amateur Professional	R70.55 131.62	R74.78 139.5172
1.2.2 f	Cricket pitch per match	R264.00	R279.84
1.2.2 g	Synthetic cricket pitch per match	R132.00	R139.92
1.2.2 h	Practice nets per net per match	R90.00	R95.40
1.2.3	Events where entrance fees is not charged		
1.2.3 a	Rental of grass surface (per field)at sports fields for presenting a <u>sports day</u> by sport organizations or other business or cultural organizations, per day Deposit lights included	R1,770.00 Sport organizations R3,540.00 Business Organizations R3,217.00	R1,876.20 Sport organizations R3,752.40 Business Organizations R3,410.02
	Deposit	R11,238.00	R11,912.28
1.2.3 b	Use of change room facilities per meeting Lights included Deposit	R835.00 R1,517.00	R885.10 R1,608.02
1.2.3 c	Hiring of the mobile sound system to sports clubs and institutions Deposit Hiring per occasion	 4,592.00 R1,283.00	 4,867.52 R1,359.98
1.2.4	Recreation Centre	R1,770.00 Sport organizations R3,563.00 Business organizations R3,217.00	R1,876.20 Sport organizations R3,776.78 Business organizations R3,410.02
1.2.4 a	Rental of all halls in the recreation centre by a sports club to present a tournament Rental per day Deposit	 R1,607.00 R1,607.00	 R1,703.42 R1,703.42
1.2.4 b	Rental of hall for other functions Per hall per day Deposit per hall	 R1,607.00 R1,607.00	 R1,703.42 R1,703.42
1.2.4 c	Kiosk Rental of kiosk by sports clubs when presenting a sports tournament: Per day Deposit	 R162.00 R162.00	 R171.72 R171.72
1.2.5	Pigeon Club Hall Leasing of hall per occasion other than the pigeon club Per occasion Deposit	 R804.00 R1,607.00	 R852.24 R1,703.42
1.2.6	Tennis Courts Use of court per individual – non club members (net supplied) Use of court per individual – non club members (net supplied) Seasonal ticket. 2 hours two times per week.	 R12.00 match (2 hours) R674.00	 R12.72 match (2 hours) R714.44
1.2.7	Tennis complex Burger Street Kiosk		

Lease of kiosk per month

R1,153.00

R1,222.18

1.3	NIRVANA STADIUM		
1.3.1	Semi Professional Sport (e.g. Soccer,Rugby, League)	15 % of the gate taking with a minimum of	15 % of the gate taking with a minimum of
	All stadium facilities, parking area and lights	R2,443.00	R2,589.58
	Cleaning fee	R3,840.00	R4,070.40
	Deposit	R19,203.00	R20,355.18
1.3.2	Amateur Sports		
1.3.2 a	Ball games (Rugby, hockey and amateur soccer)		
	(Field not marked)		
	Matches		
	Deposit	R1,607.00	R1,703.42
	Day match	R335.00	R355.10
	Night match	R672.00	R712.32
1.3.2 b	Athletics meetings		
	Deposit	R1,728.00	R1,831.68
	Morning : 07:00 - 12:00 (marking included)		
		R319.00	R338.14
	Afternoon : 12:00 - 18:00 (marking included)		
		R336.00	R356.16
	All day : 07:00 - 18:00 (marking included)		
		R645.00	R683.70
	Evening : 18:00 - 23:00 Facilities and lights included (Marking of track extra)	R319.00	R338.14
1.3.2 c	Events		
	Occasions such as cultural festivals, meetings, church gatherings, military parades, drum majorettes etc.		
	Deposit	R6,432.00	R6,817.92
	All day	R6,432.00	R6,817.92
	Cleaning	R3,971.00	R4,209.26
1.3.2 d	Athletics Practice		
i.	Practice session of 3 hours or less 3 times per week allowed	R7.00 per athlete	R7.42 per athlete
ii.	Group bookings		
	All schools which fall within the Polokwane municipal area, per year ticket, upon presentation of a year ticket, entry will be allowed to the stadium for athletics practice purposes for the period between the 1 st of July and 30 th of June of the following year	R7.00 per athlete with a minimum of R913.00 per annum	R7.42 per athlete with a minimum of R967.78 per annum
iii.	Season Ticket		
	A person who is not a member of an athletic club, but who regularly practices at the stadium, can obtain a seasonal ticket which will be valid for the period between the 1 st of July and 30 th of July of the following year and which will, upon presentation thereof, allow access to the athletic track for practice purposes.		
	Per seasonal ticket per person per year	R287.00 p.a	R304.22 p.a
1.4	NIRVANA SPORTS FACILITIES		
1.4 a	Various Ball Games/Soccer field		
ai.	Renting of field for a <u>match</u> by schools / clubs without leasing contract with Municipality. Lights included	R162.00 not marked R322.00 marked	R171.72 not marked R341.32 marked
1.4 b	Cricket Field		
bi.	Cricket pitch per game	R266.00	R281.96
bii.	Synthetic pitch per game	R137.00	R145.22
biii.	Practice nets per net per 2 hours.	R67.00	R71.02
biv.	Hire of clubhouse per occasion	R808.00	R856.48
	Deposit	R1,345.00	R1,425.70
1.4 c	Tennis courts		
ci.	Renting of court for a <u>match</u> by schools / clubs without leasing contract per court for 2 hours Lights included	R162.00	R171.72
cii.	Renting of court for <u>practice</u> by schools / clubs without leasing contract per court per occasion Lights included	R90.00	R95.40
ciii.	Use of all-weather court surface for practice purposes per all-weather court <u>per season</u> for a maximum of 2 hours daily, 3 times per week, per club Individuals and Schools Clubs Lights included	R714.00 R1,645.00	R756.84 R1,743.70

civ.	Per individual – non members (2 hours) 3 times a week Lights included	R8.00	R8.48
1.4 d	Action soccer (all weather court)		
di.	Renting of soccer court for a <u>match</u> by schools / clubs without leasing contract per match Lights included	R162.00	R171.72

dii.	Renting of soccer court for <u>practice</u> purposes by schools / clubs without leasing contract per court for 2 hours. Lights included	R90.00	R95.40
diii.	Use of all-weather court surface for practice purposes per all-weather surface <u>per season</u> for a maximum of 2 hours daily, 2 times a week, per club Schools Clubs Lights included	R714.00 R1,932.00	R756.84 R2,047.92
div.	Use of all-weather court surface (<u>meetings</u>) per court per occasion – schools and clubs Lights included	R162.00	R171.72
1.4 e	Basketball court		
ei.	Renting the basketball court for a <u>match</u> by Schools / clubs without leasing contract per court per match. Lights included	R162.00	R171.72
eii.	Renting of the basketball court for <u>practice</u> purposes by Schools / clubs without leasing contract per court per match. Lights included	R162.00	R171.72
eiii.	Use of all-weather court surface for practice purposes per all-weather court <u>per season</u> for a maximum of 2 hours daily, 3 times a week, per club Schools Clubs Lights included	R714.00 R1,932.00	R756.84 R2,047.92
eiv.	Use of all-weather court surface (meetings) per court per occasion – schools and clubs Lights included	R162.00	R171.72
1.4 f	Squash court		
	Practice per individual for 2 hours	R41.00	R43.46
	Seasonal ticket per club	R3,081.00	R3,265.86
	Practice 3 times per week for a maximum of 2 hours daily	R714.00	R756.84
	Per individual		
	Key Deposit		
1.5	SESHEGO STADIUM		
1.5.1	Professional Sport (e.g. PSL Soccer League) All stadium facilities, parking area and lights	15 % of the gate takings with a minimum of R2,441.00	15 % of the gate takings with a minimum of R2,587.46
	Cleaning fee	R3,840.00	R4,070.40
	Deposit	R19,203.00	R20,355.18
1.5.2	Amateur sports		
1.5.2 a	Ball games (Rugby, hockey and amateur soccer)		
	Practice – 2 hours (practice lights included) - Professional	R322.00	R341.32
	Matches		
	Deposit	R1,607.00	R1,703.42
	Day match (marking included)	R335.00 per match	R355.10 per match
	Night match (Marking of field not included)	R669.00 per match	R709.14 per match
1.5.2 b	Athletics meetings		
	Deposit on athletics equipment	R1,607.00	R1,703.42
	Morning 07:00 - 12:00 (marking included)	R335.00	R355.10
	Afternoon 12:00 - 18:00 (marking included)	R335.00	R355.10
	All day 07:00 – 18:00 (marking included)	R669.00	R709.14
	Evening After 18:00 – 23:00 Facilities and lights included (Marking of track not included)	R161.00 per hour minimum of	R170.66 per hour minimum of
		R321.00	R340.26
1.5.2 c	Events		
	Occasions such as cultural festivals, meetings, church gatherings, military parades, drum majorettes etc.		
	Deposit	R6,434.00	R6,820.04
	All day	R6,434.00	R6,820.04
	Cleaning	R3,840.00	R4,070.40
1.5.2 d	Athletics Practice		
i.	Practice session of 2 hours	R12.00 per athlete	R12.72 per athlete
ii.	Group bookings		

	All schools which fall within the Polokwane municipal area, per year ticket, upon presentation of a year ticket, entry will be allowed to the stadium for athletics practice purposes for the period between the 1st of July and 30th of June of the following	R10.00 per athlete with a minimum of R1,096.00 p.a	R10.60 per athlete with a minimum of R1,161.76 p.a
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iii.	Season Ticket	R287.00	R304.22
	A person who is not a member of an athletics club but who regularly practises at the stadium, can obtain a seasonal ticket which will be valid for the period between the 1st of July and 30th of July of the following year and which will, upon presentation thereof, allow access to the athletic track for practise purposes per seasonal ticket per person per year	R137.00 per athlete with a minimum of R1,096.00 p.a.	R145.22 R per athlete with a minimum of R1,161.76 p.a.
1.6	<u>SESHEGO SPORT COMPLEX</u>	R287.00	R304.22
1.6 a	<u>Netball courts</u>		
ai.	Rental of court for <u>match</u> by schools / clubs without leasing contract with the Municipality, per court per match Lights included	R137.00	R145.22
aii.	Rental of the court for <u>practice</u> purposes by schools / clubs without leasing contract per court for 2 hours. Lights included	R67.00	R71.02
aiii.	Use of all-weather court surface for practice purposes per season for a maximum of 2 hours daily, 3 times a week, per club Schools Clubs Lights included	R490.00 R1,932.00	R519.40 R2,047.92
aiv.	Use of all-weather surface (<u>meetings</u>) <u>per court</u> per match – schools and clubs Lights included	R137.00	R145.22
1.6 b	<u>Basketball court</u>		
bi.	Rental of court for <u>match</u> by schools / clubs without leasing contract per court for 2 hours Lights included	R137.00	R145.22
bii.	Rental of the court for <u>practice</u> purposes by schools / clubs without leasing contract per court for 2 hours daily, Lights included	R67.00	R71.02
biii.	Use of all-weather court surface for practice purposes per all-weather court <u>per season</u> for a maximum of 2 hours daily, 3 times a week; per club Schools [lights included] Clubs [lights included]	R490.00 R1,932.00	R519.40 R2,047.92
biv.	Use of all-weather surface (<u>meetings</u>) <u>per court</u> per match. Lights included. per court per occasion – schools and clubs Lights included	R137.00	R145.22
1.6 c	<u>Volleyball courts</u>		
ci.	Rental of court for <u>matches</u> by schools / clubs without leasing contract per court per match. Lights included	R137.00	R145.22
cii.	Rental of the court for <u>practice</u> by schools / clubs without leasing contract per court per court for 2 hours. Lights included	R67.00	R71.02
ciii.	Use of all-weather court surface for practice purposes per all-weather surface <u>per season</u> for a maximum of 2 hours daily, 3 times a week (Lights included), per club Schools Clubs	R490.00 R1,932.00	R519.40 R2,047.92
civ.	Use of all-weather surface (<u>meetings</u>) <u>per court</u> per match – schools and clubs Lights included	R137.00	R145.22
1.6 d	<u>B - Soccer field (grass) and Zone 6 soccer fields</u>		
di.	Rental of field for <u>match</u> by schools / clubs without leasing contract per field per match. Lights included	R137.00 not marked R279.00 marked	R145.22 not marked R295.74 marked
dii.	Rental of the field for <u>practice</u> by schools / clubs without leasing contract per field for 2 hours. Lights included	R137.00 not marked R274.00 marked	R145.22 not marked R290.44 marked
diii.	Use of grass surface for practice purposes per grass surface <u>per season</u> (unmarked), for a maximum of 2 hours daily, 2 times a week, per club Schools Clubs Lights included	R490.00 R3,517.00	R519.40 R3,728.02
div.	Use of grass surface (<u>meetings</u>) <u>per field</u> per occasion – schools and clubs Lights included	R137.00 not marked R274.00 marked	R145.22 not marked R290.44 marked
1.6 e	<u>Softball court</u>		
ei.	Rental of the field for <u>matches</u> by schools / clubs without leasing contract	R137.00	R145.22

	with the Municipality per court per match.	not marked	not marked
	Lights included	R274.00	R290.44
		marked	marked
eii.	Rental of the field for <u>practice</u> by schools / clubs without leasing contract per court per occasion		
	Lights included	R67.00	R71.02

eiii.	Use of grass surface for practice purposes per grass surface <u>per season</u> for a maximum of 2 hours daily, 3 times a week; per club Schools Clubs Lights included	R491.00 R3,217.00	R520.46 R3,410.02
eiv.	Use of all-weather surface (<u>meetings</u>) per court per court – schools and clubs Lights included	R147.00 R301.00 not marked marked	R155.82 R319.06 not marked marked
1.6 f	Tennis courts		
fi.	Rental of court for <u>matches</u> by Schools / clubs without leasing contract per court per match. Lights included	R137.00	R145.22
fii.	Rental of the court for <u>practice</u> by Schools / clubs without leasing contract per court for 2 hours. Lights included	R67.00	R71.02
fiii.	Use of all-weather court surface for practice purposes per all-weather court <u>per season</u> for a maximum of 2 hours daily, 3 times a week; per club Individuals and Schools Clubs Lights included	R491.00 R1,932.00	R520.46 R2,047.92
fiv.	Use of all-weather surface (<u>meetings</u>) per court schools and clubs Lights included	R144.00	R152.64
fv.	Per individual – non members (2 hours) Lights included	R13.00	R13.78
1.6 g	CRICKET PRACTICE NETS:		
	Hire of practice nets per occasion	R55.00	R58.30
1.6 h	OTHER:		
	Clubhouse rental for sport meetings	R47.00	R49.82
	Clubhouse rental for functions	R145.00	R153.70
	Deposit	R458.00	R485.48
1.7	NGOAKO RAMATHLODI INDOOR CENTRE		
1.7 a	SPORT EVENTS:		
	Rental		
1	International sports event	R11,623.00 per day	R12,320.38 per day
	Deposit	R11,623.00 per booking	R12,320.38 per booking
2	National sports event	R8,687.00 per day	R9,208.22 per day
	Deposit	R8,687.00 per booking	R9,208.22 per booking
3	Provincial sports event	R5,798.00 per day	R6,145.88 per day
	Deposit	R5,798.00 per booking	R6,145.88 per booking
4	Club sports event	R1,447.00 per day	R1,533.82 per day
	Deposit	R1,447.00 per booking	R1,533.82 per booking
1.7 b	Sport training		
	Monday to Thursdays only maximum of 3 hours per week		
1	National sports code	R913.00 morning (08:00 – 13:00)	R967.78 morning (08:00 – 13:00)
		R968.00 afternoon (13:00 – 18:00)	R1,026.08 afternoon (13:00 – 18:00)
		R868.00 evening (18:00 – 22:00)	R920.08 evening (18:00 – 22:00)
	Deposit	R5,476.00 per booking	R5,804.56 per booking
2	Provincial sports code	R722.00 morning (08:00 – 13:00)	R765.32 morning (08:00 – 13:00)
		R722.00	R765.32

		afternoon (13:00 – 18:00)	afternoon (13:00 – 18:00)
		R722.00	R765.32
		evening (18:00 – 22:00)	evening (18:00 – 22:00)

	Deposit	R1,365.00 per booking	R1,446.90 per booking
3	Club level (all codes)		
	Seasonal ticket	R3,216.00	R3,408.96
	Deposit	R1,365.00 per booking	R1,446.90 per booking
4	Schools (all codes)		
	Seasonal ticket	R239.00 morning (08:00 – 12:00) R239.00 afternoon (13:00 – 18:00)	R253.34 morning (08:00 – 12:00) R253.34 afternoon (13:00 – 18:00)
	Deposit	R1,365.00 per booking	R1,446.90 per booking
1.7.c	Church services, cultural events, schools, weddings, funerals and meetings etc		
	Rental		
1	The use of the Indoor sport centre by individuals, schools, sport clubs, NGO's and other cultural organisations, per day	R5,164.00 per day	R5,473.84 per day
	Deposit (1)	R5,142.00	R5,450.52
2	The use of the Indoor sport centre by Government Organisations and other organisations, per day	R8,199.00 per day	R8,690.94 per day
	Deposit (2)	R8,199.00	R8,690.94
3	The use of the Indoor sport centre by Business, per day	R11,589.00 per day	R12,284.34 per day
	Deposit (3)	R11,589.00	R12,284.34
1.7 d	Exhibitions		
	Rental		
1	Week days (Monday to Thursday)	R11,589.00 per day	R12,284.34 per day
	Deposit	R11,589.00 per day	R12,284.34 per day
2	Weekend (Friday, Saturday and Sunday)	R14,489.00 per day	R15,358.34 per day
	Deposit	R14,489.00 per day	R15,358.34 per day
1.7 e	Events where entrance fee is charged		
	Rental		
	15% of the ticket sales with a minimum of	R8,199.00	R8,690.94
	Deposit	R8,199.00	R8,690.94
1.8	WESTENBURG SPORT FACILITIES		
1.8 a	Various ball games - Soccer field (Stadium)		
ai.	Renting of field for a <u>match</u> by Schools / clubs without leasing contract at Municipality per field per match. Lights included	R162.00 not marked R322.00 marked	R171.72 not marked R341.32 marked
a ii.	Renting of the field for practice by Schools / clubs without leasing contract at the Municipality per field for 2 hours. Lights included	R162.00	R171.72
a iii.	Use of grass surface for practice purposes per grass surface <u>per season</u> – Lights included schools clubs	R714.00 R3,217.00	R756.84 R3,410.02
a iv.	Use of grass surface (<u>meetings</u>) per field per occasion – schools and clubs	R162.00 not marked R322.00 marked	R171.72 not marked R341.32 marked
a v.	Practise – 2 hours (practice lights included) - Amateur	R162.00	R171.72
a vi.	Practise – 2 hours (practice lights included) – Semi -Professional	R212.00	R224.72
1.8 b	Netball courts		
bi.	Renting of court for a <u>match</u> by schools / clubs without leasing contract with Municipality, per court per match. Lights included	R162.00	R171.72
b ii.	Renting of the court for <u>practice</u> by schools / clubs without leasing contract with Municipality, per court for 2 hours. Lights included	R90.00	R95.40
b iii.	Use of all-weather court surface for practice purposes per all-weather court <u>per season</u> for a maximum of 2 hours daily, 3 times a week; Schools Clubs Lights included	R714.00 R1,930.00	R756.84 R2,045.80

biv.	Use of all-weather surface (<u>meetings</u>) per court– schools and clubs Lights included	R162.00	R171.72
bv.	Per individual – non members Lights included 2 Hours	R12.00	R12.72

1.8 c	Tennis courts		
ci.	Renting of court for a <u>match</u> by Schools / clubs without leasing contract with Municipality, per court per match. Lights included	R162.00	R171.72
cii.	Renting of the court for <u>practice</u> by Schools / clubs without leasing contract with Municipality, per court for 32 hours. Lights included	R90.00	R95.40
ciii.	Use of all-weather court surface for practice purposes per all-weather court <u>per season</u> for a maximum of 2 hours daily, 3 times a week, per club Individuals and Schools Clubs Lights included	R714.00 R1,930.00	R756.84 R2,045.80
	Use of all-weather surface (<u>meetings</u>) per court per occasion – schools and clubs Lights included	R162.00	R171.72
	Per individual – non members (2 hours) Lights included	R12.00	R12.72
1.9	GA-MANAMELA SPORTING COMPLEX		
1.9 a	Athletics meetings		
	Day	R535.00	R567.10
	Deposit	R535.00	R567.10
	Cleaning	R535.00	R567.10
1.9 b	Soccer / Other ball games		
bi.	Rental of field per <u>match</u> schools clubs	R108.00 not marked	R114.48 not marked
		R206.00 marked	R218.36 marked
bii.	Rental of the field for <u>practice</u> by schools clubs	R112.00 not marked	R118.72 not marked
		R217.00 marked	R230.02 marked
	contract per field per occasion	marked	marked
biii.	Use of surface for practice purposes per <u>per season</u> (unmarked), for a maximum of 2 hours daily, 2 times a week, per club Schools Clubs	R1,293.00	R1,370.58
biv.	Events		
	Church services, cultural events, schools, weddings, funerals, and meetings etc		
	The use of the center by individuals, schools, sport clubs, NGO's and other cultural organizations, per day	R5,135.00 per day	R5,443.10 per day
	Deposit (1)	R5,135.00	R5,443.10
	The use of the center by Government Organizations and other organizations, per day	R8,199.00 per day	R8,690.94 per day
	Deposit (2)	R8,199.00	R8,690.94
	The use of the centre by Business, per day	R11,590.00 per day	R12,285.40 per day
	Deposit (3)	R11,590.00	R12,285.40
1.9 c	Tennis courts		
ci.	Rental of court for <u>matches</u> by Schools / clubs without leasing contract per court per match.	R138.00	R146.28
cii.	Rental of the court for <u>practice</u> by Schools / clubs without leasing contract per court for 2 hours.	R68.00	R72.08
ciii.	Use of all-weather court surface for practice purposes per all-weather court <u>per season</u> for a maximum of 2 hours daily, 3 times a week; Schools Clubs	R484.00 R2,043.00	R513.04 R2,165.58
	Use of all-weather surface (<u>meetings</u>) per court per occasion – schools and clubs	R138.00	R146.28
cv.	Per individual – non members (2 hours)	R13.00	R13.78
1.9 d	Netball courts		
di.	Renting of court for a <u>match</u> by schools / clubs without leasing contract with Municipality, per court per match.	R138.00	R146.28
dii.	Renting of the court for <u>practice</u> by schools / clubs without leasing contract with Municipality, per court for 2 hours.	R65.00	R68.90
diii.	Use of all-weather court surface for practice purposes per all-weather court <u>per season</u> for a maximum of 2 hours daily, 3 times a week; per club Schools Clubs	R484.00 R1,932.00	R513.04 R2,047.92
div.	Use of all-weather surface (<u>meetings</u>) per court per match – schools and clubs	R138.00	R146.28

1.1	SWIMMING POOLS		
1.10.1	Entrance Fees		
a.	Non-residents and residents who do not have seasonal tickets, per person per swimming session	R18.00	R19.08

b.	A resident can buy a seasonal ticket which seasonal ticket on presentation allows the holder thereof entry to any municipal swimming pool during a swimming season or part thereof		
1.10.2	Seasonal tickets		
	The period of validity of the seasonal ticket is the period during which the swimming pool is open to the public as stipulated by the Council in Clause 2 (a) of the Council swimming pool regulations. (1 September – 30 April) Cost of ticket: Per person p.a.	R398.00	R421.88
1.10.3	Group Reservations		
	All schools and pre-schools in Polokwane within the municipal boundaries of Polokwane, may buy a seasonal ticket, which would ensure entrance to the swimming pool during the period from the 1st of September to 30th of April of the following year.		
	Cost per year ticket - per institution	R18.00 per child with a minimum of R2,343.00	R19.08 per child with a minimum of R2,483.58
1.10.4	USE OF SWIMMING POOLS BY SPORTS CLUBS		
a.	For practice purpose by an amateur swimming club per swimming season per lane per annum	R1,073.00	R1,137.38
b.	Swimming instruction per instructor per lane per annum	R1,073.00	R1,137.38
c.	Rental of the diving-pool by a diving-instructor for the purposes of presenting a diving-course, per diver, per day.	R27.00 per diver per day	R28.62 per diver per day
d.	Rental of the swimming pool area for swimming galas by the Pietersburg Swimming Club and schools per gala	R675.00	R715.50
e.	Parking Areas per day per occasion	R675.00	R715.50

a. **TARIFFS FOR DEVELOPMENT CLINICS (AGE GROUP 6 – 18 YEARS)**

Ci	FOR CLUBS WHO DO DEVELOPMENT		
	All grass surfaces.		
	Surfaces such as: Soccer, rugby, softball, hockey, etc.		
	Per age group per year for 2 hours 2 times per week. For those who don't charge per age group-per year for 2 hours 2 times per week for those who charge fees	R835.00 pa	R885.10 pa
	Surface such as Netball, volleyball, korfbal, ring tennis, tennis etc.	R1,172.00 pa	R1,242.32 pa
	All weather surfaces		
	Per age group per year 2 hours 3 times per week for those who don't charge fees	R480.00	R508.80
	Per age group per year 2 hours 3 times per week for those who charges fees	R1,172.00 pa	R1,242.32 pa
	Per age group per year	R480.00 pa	R508.80 pa
	Swimming pools		
	Per age group per year	R346.00 per child pa	R366.76 per child pa
Cii	Clubs/individuals which charge for development	R346.43 per child pa	R367.22 per child pa
Ciii	PRIVATE ORGANISATIONS / INDIVIDUALS		
	Cricket Facilities		
	Cricket pitch per occasion	R267.00	R283.02
	Synthetic cricket pitch per occasion	R138.00	R146.28
	Cricket practice nets per net per occasion	R98.00	R103.88
	Concrete cricket practice wicket per wicket per year	R1,344.00	R1,424.64
	All Weather Surfaces		
	Surfaces such as: Netball, volleyball, korfbal, ring tennis, tennis, etc. per occasion (games / practice)	R162.00	R171.72
	Grass Surfaces		
	Surfaces such as: Soccer, rugby, softball, hockey, etc. Unmarked per occasion (game / practice) Marked per occasion (game / practice)	R162.00 R322.00	R171.72 R341.32
	Swimming Pools		
	For practice purposes per lane per occasions	R68.00	R72.08

HEALTH SERVICE TARIFFS			
1	Registration of Social development institutions	R136.00	R144.16
2	Inspections for issuing of Certificate of Acceptability	R272.00	R288.32

SHOWGROUND

1	The leasing of the oval track to host an event including ticket offices, kitchen, kiosk, beer garden, two sets of toilets and commentary box per 24 hours.		
	Category A = individuals schools, sport clubs, NGO's	R5,015.34 (VAT Included)	R5,316.26 (VAT Included)
	And other cultural organisations		
	Category B = Government and other organisations	R7,795.11 (VAT Included)	R8,262.82 (VAT Included)
	Category C = Businesses	R10,573.96 (VAT Included)	R11,208.40 (VAT Included)
	Deposit payable by Category A, B, C -users:	R7,025.52	R7,447.05
	Key Deposit	137.1	R145.33
	Practice on oval track	R137.10 car for two hours	R145.33 car for two hours
2	The leasing of a hall to host an event including ticket offices, kiosk, beer garden, toilets (main block) per 24 hours per hall:	R5,141.94 (VAT Included)	R5,450.46 (VAT Included)
	Category A = individual's schools, sport clubs, NGO's And other cultural organisations	R4,878.51 (VAT Included)	R5,171.22 (VAT Included)
	Category B = Government and other organisations	R4,901.86 (VAT Included)	R5,195.97 (VAT Included)
	Category C = Businesses	R6,960.11 (VAT Included)	R7,377.72 (VAT Included)
	Deposit payable by Category A, B C -users:	R2,842.14	R3,012.67
3	The leasing of the arena to host a musical festival, including ticket offices, kitchen, kiosk, beer garden, toilet facilities, commentary boxes per 24 hour:		
	Category A = individuals schools, sport clubs, NGO's and other cultural organisations	15% of the gate taking with a minimum of R9,155.61 (VAT Included)	15% of the gate taking with a minimum of R9,704.95 (VAT Included)
	Category B = Government and other organisations	15% of the gate taking with a minimum of R14,245.39 (VAT Included)	15% of the gate taking with a minimum of R15,100.11 (VAT Included)
	Category C = Businesses	15% of the gate taking With a Minimum of R20,350.00 (VAT Included)	15% of the gate taking With a Minimum of R21,571.00 (VAT Included)
	Deposit payable by Category A, B C -users:	R14,245.39	R15,100.11
	The use of 3 phase power per hour:		
	Category A = individual's schools, sport clubs, NGO's And other cultural organisations	R40.42 per hour (VAT Included)	R42.85 per hour (VAT Included)
	Category B = Government and other organisations	R57.37 per hour (VAT Included)	R60.81 per hour (VAT Included)
	Category C = Businesses	R97.82 per hour (VAT Included)	R103.69 per hour (VAT Included)
	Additional Fees		
	The following fees are payable if the Council has to clean the toilet facilities and surrounding area during an event mentioned in 1,2 or 3 per 24 hours:	Week days and Saturdays/ Sundays	Week days and Saturdays/ Sundays
	Category A = individual's schools, sport clubs, NGO's And other cultural organisations	R967.86 Week days R1,201.26 Saturdays/Sundays (VAT Included)	R1,025.93 Week days R1,273.34 Saturdays/Sundays (VAT Included)
	Category B = Government and other organisations	R1,425.69	R1,511.23

		Weekdays	Week days
		R1,757.00	R1,862.42
		Saturdays/Sundays (VAT Included)	Saturdays/Sundays (VAT Included)

	Category C = Businesses	R1,917.81 Weekdays R2,499.44	R2,032.88 Week days R2,649.41
		Saturdays/ Sundays (VAT Included)	Saturdays/ Sundays (VAT Included)
4	The lease of all the facilities at the showground to host the annual show.		
	Category C = Businesses	R138,649.08 (VAT Included)	R146,968.02 (VAT Included)
	Deposit halls	R41,917.04	R44,432.06
	Deposit water consumption	R27,406.83	R29,051.24
	Deposit electricity consumption	R64,487.16	R68,356.39
	During the duration of the show, the organiser will be responsible for the following:		
	Cleaning of the site, halls, toilets, and stables. All the rubbish to be put in the skip containers provided by the Council.		
	Toilet paper and cleaning material for toilets, as well as refuse bags to collect rubbish.		
	Own security.		
	Key Deposit		

OCCASIONAL LEASING OF FACILITIES

1	Flea markets		
	Sport facilities.		
	The following conditions will be applicable:		
	Time duration, 07:00 – 22:00;		
	Area of 500 square metres to be leased;		
	Should the area not have toilet facilities the organiser must make provision for toilets, electricity and water;		
	The organisers is responsible for the		
	removal of refuse from the area;		
	Lease tariff per day;	R1,425.70	R1,511.24
	Deposit per occasion.	R1,612.24	R1,708.97
2	Art markets		
	Sport facilities situated in Nirvana, Westenburg and Seshego;		
	The following conditions will be applicable:		
	No foodstuffs / vegetables may be sold here;		
	Maximum duration, 5 days;		
	Exhibitors must provide their own toilet facilities if not available;		
	Area of 50 square meters to be leased;		
	Rental tariff, per day.	R80.86	R85.71
3	Circus or amusement park area		
a.	For the first two days - per day or part thereof	R1,425.70	R1,511.24
b.	Thereafter - per day or part of a day	R713.41	R756.21
	General		
	Should electricity be required Deposit	R1,297.88	R1,375.75
	Consumption for water is paid at the approved tariffs for the current financial year.		
	Provision of services i.e. mowing lawns, water supply and rubbish removal are included in the tariffs, named in 3a and 3b (Circus amusement areas)	Refer 3a and 3b	Refer 3a and 3b

GA-KGOROSHI RECREATIONAL PARK

Entrance into the picnic area.

	Per vehicle	R23.21	R24.60
	Per adult in the vehicle	R17.41	R18.45
	Per person under the age of 18 years in the vehicle	R13.92	R14.76
	School bus entrances – per bus	R87.06	R92.28
	For conferences, meetings, parties and church ceremonies	Deposit of R2,089.64 plus R721.44 fee per day	Deposit of R2,215.02 plus R764.73 fee per day
	For open-air festivals and other income – generating activities	Deposit of R2,321.82	Deposit of R2,461.13

		plus R812.63 fee per day	plus R861.39 fee per day
	Market stalls sites – and area of 50 square meters to be leased	R93.62 per day	R99.24 per day

Usage of Halls.

	For conferences, meetings, parties and church ceremonies	Deposit of R1,741.30 plus R580.45 fee per day	Deposit of R1,845.78 plus R615.28 fee per day
	For in-house/under-roof festivals and other income – generating activities	Deposit of R2,089.64 plus R754.59 fee per day	Deposit of R2,215.02 plus R799.87 fee per day

TARRIFS PAYABLE I.R.O NEW PETER MOKABA STADIUM COMMUNITY DEVELOPMENT FACILITY COMMERCIALISATION

		Approved tariff from 1/07/2022	Recommended tariff 1/07/2023
	Basement		
1	Players Lounge (Theatre style 60)	R6,582.02	R6,976.94
	Bar with Equipment	R2,925.77	R3,101.32
2	TV Studios (Tables and Chairs 80)	R2,925.81	R3,101.36
3	Mixed Zone (Theatre style 300 – tables and Chairs)	R9,141.26	R9,689.74
	Ground Floor		
1	Press Theatre (148 Seated)	R9,141.26	R9,689.74
2	Press Working Room (50 seated)	R4,570.62	R4,844.86
	First Floor		
1	Executive Lounge North (500 Theatre)	R11,729.79	R12,433.58
2	Executive Lounge South (500 Theatre)	R12,433.58	R13,179.59
3	Kitchen	R3,708.32	R3,930.82
	Cold Storage room	R1,828.77	R1,938.50
1	Suites Western side (1-12) 22 seated	R3,656.24	R3,875.61
2	Suites Eastern side (1-14) 22 seated	R3,656.24	R3,875.61
3	VVIP Suite West (no. 13) 48 seated	R7,313.66	R7,752.48
4	Seasonal Suite rental (22) west wing	New	R650,000.00
5	Suite rental per game (22) west wing (Gold)	R46,000.00	R50,000.00
6	Suite rental per game (22) west wing (Silver)	R33,000.00	R38,000.00
7	Seasonal Suite rental (22) East wing	New	R450,000.00
8	Suite rental per game (22) East wing (Gold)	R33,000.00	R40,000.00
9	Suite rental per game (22) East wing (Silver)	R25,000.00	R30,000.00
10	General Ticket Per Game (category A Matches)	R40.00	R60.00
11	VIP (Super Suites Tickets) All games	New	R450.00
	Furniture		
1	Tables	R46.92 per table	R49.74 per table
2	Chairs	R46.95 per chair	R49.77 per chair

	Office Rentals		
1	Blue Bulls Rugby	R24,265.35	R25,721.27
2	Limpopo Cricket	R10,640.03	R11,278.43
3	Limpopo Connexion (POE)	R14,262.30	R15,118.10
4	IMTASA	R5,830.70	R6,180.55
5	Black Leopards FC	N/A	N/A
	Tours/ Educational visits		
1	Adults	R30.00 per adult	R31.80 per adult
2	Children under the age of 15 years	R15.00 per child	R15.90 per child
	Usage of Parking Areas		
1	Exhibitions	R3,656.23 per day	R3,875.60 per day
2	Fun Parks	R3,656.23 per day	R3,875.60 per day
3	Competitions (Excl drag racing and spinning)	R3,656.23 per day	R3,875.60 per day
	Others		
1	Pitch/Bowl Only	R120,000.00 per day	R200,000.00 per day
1	Pitch/Bowl and Hospitality Suites Rental	New per day	R500,000.00 per day
2	Pitch Cover (Excl transport and Installation)	R62.60 per m ² per day	R66.36 per m ² per day
3	Speed Fence (Excl transport and Installation)	R89.98 per section per day	R95.38 per section per day
	Stalls for Hawkers	215.21	300

SCHEDULE 7:

TARIFFS PAYABLE I.R.O. CEMETERIES, TOWN LANDS, GRAZING, GRASS, RENTAL OF LAND ON OCCASIONAL BASIS, NURSERY – DECORATIONS, PARKS, AREAS FOR FLEA MARKETS, AREAS FOR ART MARKETS, STALLS AT PUBLIC MUNICIPAL FUNCTIONS, GAME RESERVE & CARAVAN PARK, BIRD SANCTUARY, WEIGHBRIDGE AT WELTEVREDEN LANDFILL SITE: 2023/2024

The determined tariffs are as follows:

1. CEMETERIES	Approved tariff from 1/07/2022		Recommended tariff 1/07/2023	
1.1 DAHL STREET CEMETERY	Resident	Non Resident	Resident	Non - resident
a) Purchase of a grave for immediate use for such cases as mentioned in Clause 19 (1) (a), (b) and (c): Adult grave Child grave	No more applicable in this cemetery	No more applicable in this cemetery	No more applicable in this cemetery	No more applicable in this cemetery
b) Opening of graves Adult grave Child grave Cremated ashes burial	R906.54 R614.35 R212.59	R996.51 R675.65 R233.48	R960.93 R651.21 R225.35	R1,056.30 R716.19 R247.49
c) For enlarging a grave Per 0,25 sqm or part thereof	R468.26	933.93	R496.36	R989.97
d) Wall of remembrance For the approval of affixing a plate to a niche on the wall of remembrance	R173.46	R190.42	R183.87	R201.85
e) Tombstone approvals Single tombstone approval Double tombstone approval	R173.46 R339.12	R183.93 R357.43	R183.87 R359.47	R194.97 R378.88
1.2 POLOKWANE, SESHEGO, MANKWENG, SEBAYENG CEMETERIES	Resident	Non-resident	Resident	Non-resident
Purchase of a grave for immediate use in cases such as mentioned in Clause 19 (1), (a), (b) and (c) of the Pietersburg Municipality: Cemetery By-Laws Adult grave Child grave Cremated ashes burial	R461.76 R289.55 R219.12	R879.14 R547.82 R436.95	R489.47 R306.92 R232.27	R931.89 R580.69 R463.17
b) Opening of graves Adult Child grave	R605.79 R493.52	R1,300.47 R986.12	R642.14 R523.13	R1,378.50 R1,045.29
c) For enlarging a grave: Per 0,25 sq.m or part thereof	R439.56	R693.92	R465.93	R735.56
d) Tombstone approvals Single tombstone approval Double tombstone approval	R138.25 R267.37	R271.70 R532.17	R146.55 R283.41	R288.00 R564.10
1.3 CHURCH STREET SOUTH CEMETERY				
a) Purchase of a grave for immediate use in cases such as mentioned in Clause 19 (1), (a), (b) and (c) Adult grave Child grave Cremated ashes burial	R640.44 R446.58 R216.80	R1,278.29 R896.11 R438.25	R678.87 R473.37 R229.81	R1,354.99 R949.88 R464.55
b) Opening of graves Adult grave Child grave	R579.14 R614.35	R1,759.61 R1,226.12	R613.89 R651.21	R1,865.19 R1,299.69
c) For enlarging a grave: Per 0,25 sq.m or part thereof	R456.52	R913.07	R483.91	R967.85
d) Tombstone approvals Single tombstone approval Double tombstone approval	R183.90 R365.21	R219.12 R436.95	R194.93 R387.12	R232.27 R463.17
1.4 EXHUMATION	Resident	Non resident	Resident	Non resident
a) Exhumation (Council Cemeteries)	R526.00	R842.00	R557.56	R892.52

2. TOWN LANDS		
2.1 GRAZING		
Tariff structure based on carrying capacity of camp and relevant lease agreement. – Per large stock unit per month. Or as per recommendations of the property valuer and approved by Council.	R106.94	R113.36
Lease of municipal grazing camps or open spaces.	As per recommendations of the property valuer and approved by Council.	As per recommendations of the property valuer and approved by Council.
2.2 GRASS		
Grass, per bundles with a diameter of 15cm per bundle	R15.63	R16.57
2.2.1 WOOD SALES		
a) Per bakkie load		R750.00
<u>NO WOOD TO BE REMOVED FROM THE GAME RESERVE.</u>		
2.3 RENTAL OF LAND ON AN OCCASIONAL BASIS (Circus and amusement park)		
For the occasional rental of land on which to pitch tents, erect structures and/or park vehicles on the natural land surface and for which no foundations or permanent hard floors are erected. Per day or part of a day <u>Areas:</u> - Seshego Zone 7 Open area next to Police Station - Open area next to Peter Mokaba Stadium - Nirvana - Open area next to Nirvana Community Hall - Nirvana Open area next to Nirvana Stadium	R860.89	R912.54
Deposit	R1,434.83	R1,520.92
2.3.1 General		
Should electricity be required -Contact Electrical Department at Municipal Offices, Burger Centre, Landdros Mare Street. Consumption is paid at the stipulated tariffs. Provision of services i.e. mowing lawns, water supply and rubbish removal are included in the tariffs, named in 2.3		
3. NURSERY – DECORATIONS		
3.1 Decoration consisting of 5 large, 25 medium and 300 small plants	R5,524.13	R5,855.58
The provision of a fountain extra at 3.1	R502.17	R532.30
Deposit	R1,865.28	R1,977.20
3.2 For the provision of decoration at the stadium during athletics meetings, and other related sports activities.	R2,152.24	R2,281.37
3.3 The provision of 15 plant containers	R1,434.83	R1,520.92
3.4 Provision of plants individually		
a) Small (per plant)	R49.54	R52.51
b) Medium (per plant)	R86.07	R91.23
c) Large (per plant)	R215.21	R228.12
Deposit	R1,434.83	R1,520.92
3.5 Decorations remaining longer than one day – per day extra	R430.43	R456.26
3.5 General Plant decorations should be booked 14 days in advance and full payment must be received 5 days in advance.		
3.6 Removal of trees on sidewalks Removal per tree	R5,739.36	R6,083.72
4. PARKS		
4.1 AREAS FOR AD HOC CHURCH SERVICES AND OPEN-AIR FUNCTIONS		
§ MacDonald street Park (Park 6149 Flora Park)		
§ River area to the West of Dahl street cemetery		
§ Westenburg Park		
§ RDP Area - Westenburg		
§ Nirvana Park		
§ Zone 1, 2, 3, 4, 5, 7 and Zone 8 Parks, Seshego		

§ Penina Park
§ Annadale Park
§ Mankweng Park

§ Sebayeng Park		
The following conditions will be applicable:		
a) Maximum of 5 days permitted.		
b) Maximum surface of 500 square metres.		
c) No group may use an area / park more than one time per six months for a church service.		
d) Only church services for church groups, weddings and funerals will be allowed. NO AFTER FUNCTIONS.		
e) No activities after 21:00.		
f) The organisers must provide their own toilets, water and electricity and must also clean the area.		
g) The activities are limited to an 85-decibel sound level.		
Tariff per day	R449.43	R476.40
Electricity connection		R495.00
Deposit per occasion	R2,311.69	R2,450.39
4.2 AREAS FOR FLEA MARKETS		
Park situated in Marshall Street (Flora Park Dam)	R123.04 per 50m ² per day	R130.42 per 50m ² per day
City Plaza	R123.04 per 50m ² per day	R130.42 per 50m ² per day
Kobie van Zyl Park	R123.04 per 50m ² per day	R130.42 per 50m ² per day
Sterpark Park	R123.04 per 50m ² per day	R130.42 per 50m ² per day
Welgelegen Park	R123.04 per 50m ² per day	R130.42 per 50m ² per day
Savannah Park	R123.04 per 50m ² per day	R130.42 per 50m ² per day
Grimm Street Park	R123.04 per 50m ² per day	R130.42 per 50m ² per day
Tzaneen Park	R123.04 per 50m ² per day	R130.42 per 50m ² per day
Penina Park	R123.04 per 50m ² per day	R130.42 per 50m ² per day
Annadale Park	R123.04 per 50m ² per day	R130.42 per 50m ² per day
Nirvana Park	R123.04 per 50m ² per day	R130.42 per 50m ² per day
Westenburg Park	R123.04 per 50m ² per day	R130.42 per 50m ² per day
Zone 1, 2, 3, 4, 5, 7 and Zone 8 Parks, Seshego	R130.42 per 50m ² per day	R138.25 per 50m ² per day
The following conditions will be applicable:		
a) Time duration, 07:00 – 22:00;		
b) Area of 500 square metres to be leased;		
c) Should the area not have toilet facilities the organiser must make provision for toilets, electricity and water;		
d) The organisers is responsible for the removal of refuse from the area;		
Tariff per day	R1,633.59	R1,731.61
Electricity connection		R495.00
Deposit per occasion	R1,361.32	R1,443.00
The following conditions will be applicable:		
i) No foodstuffs / vegetables may be sold here;		
ii) Maximum duration, 5 days;		
iii) Exhibitions must provide their own toilet facilities if not available;		
iv) Area of 50 square meters to be leased;		
v) Rental tariff per day		
4.4 STALLS AT PUBLIC MUNICIPAL FUNCTIONS		
Per stall per day	R186.50	R197.69
5. GAME RESERVE / CARAVAN PARK		
ENTRANCE		
Per vehicle	R49.54	R52.51
Per Adult in vehicle	R32.60	R34.56
Per person under the age of 18 in vehicle	R28.17	R29.86
Per Pensioner in vehicle	R27.37	R29.01

Bush braai by qualified Tour operator for 6 people.	R274.83	R291.32
Entrance permit	R263.25	R279.05
A person may obtain a permit allowing entrance to the facility. The validity of the permit is valid for 1 financial year. 1st of July to 30th of June of the following year.	R788.11	R835.40
Persons entering the area on foot. Minimum 2 and maximum 20 per group		

Adults	R32.60	R34.56
Children under the age of 18	R28.17	R29.86
Entering the game reserve by horse Per person with a maximum of 4 persons	R46.94	R49.76
Entering the game reserve by bicycle Per adult with a maximum of 2 persons	R46.94	R49.76
Per adult with a minimum of 2 persons	R33.04	R35.02
Per person under the age of 18 years minimum of 2 persons	R27.00	R28.62
School bus trips Per school bus / visit	R263.00	R278.78
Season ticket game reserve: Season ticket to NPO's, NGO's and Educational institutions within the Polokwane Municipal boundaries may purchase a season ticket to gain access to the game reserve valid for 12 months from the 1 st day of July to the 30 th day of June the following year. This allows for 10 registered members free access without paying individual or per vehicle entrance fees.		
Cost of year-ticket per institution	R3,159.00	R3,348.54
5. ACCOMMODATION		
5.2 CARAVAN PARK		
5.2.1 Caravans		
Caravan stands per night (12m x 12m in size)	R289.28	R306.64
5.2.2 Usage of caravan park by members of the Caravan Club of Southern Africa and Pensioners (Caravan or tent campsites)	R229.55	R243.32
a) For a CSA member, when presenting his / b) her membership card when reserving c) a campsite, per night.		
b) Group reservations arranged by CSA, per caravan site, per night	R207.38	R219.82
c) Pensioners, presenting their pension card when making a reservation, per caravan site, per night	R200.85	R212.90
5.3 TENT CAMPING SITES		
Tent camping site per site per night (12m x 12m in size) Only 6 persons per tent is allowed	R289.28	R306.64
5.4 RONDAVELS		
a) Per 2 bed rondavel per 24 hour period or part thereof	R641.14	R679.61
b) Per 4 bed rondavel per 24 hour period or part thereof	R731.75	R775.66
c) Per 6 bed rondavel per 24 hour or part thereof	R1,096.98	R1,162.80
d) Cahlet visitors entrance fee per person	R31.59	R33.49
e) Reservation and breakage deposit per rondavel	R451.30	R478.38
f) An amount of R250-00 will be forfeited should a reservation not be cancelled 5 days in advance or a rondavel not be utilised, for whatever reason. Rondavels must be evacuated not later than 09:00 on the day of departure	R451.30	R478.38
f) Hiring of mattress Per mattress per night	R92.59	R98.15
g) One 2-bed rondavel for emergency accommodation for Council employees only, per month. (maximum 2 persons for maximum of 30 days)	R4,956.73	R5,254.13
5.5 WASHING AND DRYING EQUIPMENT		
Use of washing machine, per cycle	R57.36	R60.80
Use of tumble dryer, per cycle	R57.36	R60.80
5.6 KUDU HOUSE		
Can accommodate 20 people Reservation and breakage deposit Per 24 hour or part thereof: maximum of 6 persons thereafter per person per night	R913.07 R1,369.53 R167.99	R967.85 R1,451.70 R178.07
5.7 DRIES ABRAHAMSE LAPA (09:00 - 24:00)		
Can accommodate 100 people		

Reservation and breakage deposit	R2,797.93	R2,965.81
Lease tariff per day	R1,219.60	R1,292.78
An amount of R350-00 will be forfeited should a reservation not be cancelled 5 days in advance or a rondavel not be utilised, for whatever reason.		350
Vehicle inclusive and Fire wood exclusive		
5.8 LEASING OF COLD STORAGE FACILITIES		
Per carcass per day	R130.42	R138.25

5.9 NIGHT DRIVES		
a) Per person over the age of 18	R215.21	R228.12
b) Per person under the age of 18 accompanied by parents or legal guardian	R92.59	R98.15
c) Presentation of nature lectures for private groups	R465.57	R493.50
d) Hiring of Game-viewing truck for 3 hours for 20 people	R1,076.12	R1,140.69
e) Hiring of game viewing truck for 2 hours for a couple	R526.50	R558.09
f) Presentation of one-day nature courses per person Per person	R319.56	R338.73
6. BIRD SANCTUARY		
6.1 ENTRANCE		
Only vehicles occupied by the aged and disabled persons may be permitted entrance:		
a) per vehicle	R47.14	R49.97
b) Persons entering the facility per foot; per adult	R32.60	R34.56
c) Per child under the age of 18 years	R26.17	R27.74
d) School bus trips – per school bus visit	R263.25	R279.05
6.2 Season ticket to NPO's, NGO's and Educational Institutions within the Polokwane Municipal boundaries, may purchase a season ticket, to gain access to the bird sanctuary valid for 12 months from the 1 st of July to 30 th June the following year. This allows for 10 registered members free access without paying per individual or vehicle entrance fees. Cost of a season ticket per 10 members		
	R3,159.00	R3,348.54
Months from the 1 st of July to		
LEASING OF THE LAPAS		
6.3 BARN OWL LAPA (NONNETJIES-UIJL LAPA) (07:00 - 19:00)		
Can accommodate 50 persons		
Deposit	R932.64	R988.60
Lease tariff per day	R551.66	R584.76
6.4 FISH EAGLE LAPA (VISAREND LAPA) (09:00 - 24:00)		
Can accommodate 150 persons		
An amount of R350-00 will be forfeited should a reservation not be cancelled 5 days in advance or a rondavel not be utilised, for whatever reason.		350
Deposit	R2,740.53	R2,904.96
Lease tariff per day	R1,363.08	R1,444.86
6.5 GENERAL		
a) Selling of game/ trophy and carcass	R58.69 per kg	R62.21 per kg
b) Lease of tractor-drawn scraper (own transport and excluding the tractor)	R516.51 per day	R547.50 per day

ANIMAL POUND TARIFFS

These tariffs are prescribed in terms of Section 3(a) of Limpopo Pounds Act of 2002.

5.9 ENVIRONMENTAL EDUCATIONAL CENTRE LAPA (EEC LAPA) (09:00 - 24:00) Can accommodate 30 persons		
Deposit	R1,211.58	R1,284.27
Lease tariff per day	R550.71	R583.75

Animal type	Pound fees	Transport cost	Type of transport	Tending fee	Clinical / medical Services	Trespassing
Large stock Cattle, donkey, Horses	R30.00	R14.00	Truck	R50.00	Pending	Pending
Small stock	R20.00	R14.00	Truck	R30.00	Pending	Pending

Goats, sheep						
Pigs	R25.00	R11.00	Light delivery vehicle	R50.00	Pending	Pending
Dogs	R25.00	R11.00	Light delivery vehicle	R30.00	Pending	Pending

SCHEDULE 8:

TARIFFS PAYABLE FOR FIRE EMERGENCY SERVICES: FIRE FIGHTING COURSES, DELIVERY OF FIRE, RESCUE, SPECIAL SERVICES AND FIRE SAFETY SERVICES RENDERED: 2023-2024.

FIRE SERVICES

Tariffs for Courses

1.Course	Approved tariff from 1/07/2022	Recommended tariff 1/07/2023
Fire Fighter 1	R9,142.56	R9,691.11
Fire Fighter 2	R4,570.62	R4,844.86
Hazmat Awareness	R987.43	R1,046.68
Hazmat Operations	R1,545.99	R1,638.75
Dangerous goods transportation	R987.43	R1,046.68
First Aid level 1	R1,266.57	R1,342.56
First Aid level 2	R1,266.57	R1,342.56
First Aid level 3	R1,548.32	R1,641.22
Extinguisher course	R431.75	R457.66
Elementary course	R1,266.57	R1,342.56
Fire Service Instructor 1	R5,224.11	R5,537.56
Vehicle Extrication	R3,482.74	R3,691.70
Breathing Apparatus Operator	R928.72	R984.44
High Angle Rope Rescue	R3,482.72	R3,691.68
Confined Space Rescue	R3,482.74	R3,691.70
Structural Collapse 1 & 2	R12,666.54	R13,426.53
Swift Water Rescue	R6,278.20	R6,654.89
Trench Rescue 1 & 2	R7,489.78	R7,939.17
Fire Officer 1	R3,634.75	R3,852.84
Driver/Pump Operator	R4,956.47	R5,253.86
Driver/ Aerial Operator	R4,956.47	R5,253.86
Hazmat Technician	R9,362.22	R9,923.95
Fire Instructor 2	R5,279.18	R5,595.93
Accommodation	-	

Tariffs for Delivery of Fire, Rescue and Special Services Rendered

Service		
2	Call out fees:	
	Hydraulic Platform	R433.06 R459.04
	Heavy Duty Pump	R283.05 R300.03
	Medium Duty Pump	R232.18 R246.11
	Light Duty Pump	R181.31 R192.19
	Rescue Tender	R240.00 R254.40
	Water Tender	R202.18 R214.31
	Service Vehicle	R220.44 R233.67
	Mobile Control Unit	R283.05 R300.03
3	Service fees per hour or part thereof:	
	Hydraulic Platform	R283.05 R300.03
	Heavy Duty Pump	R220.44 R233.67
	Medium Duty Pump	R169.56 R179.73
	Light Duty Pump	R139.56 R147.93
	Rescue Tender	R170.86 R181.11
	Water Tender	R202.18 R214.31
	Service Vehicle	R89.99 R95.39
	Mobile Control Unit	R263.48 R279.29
	Officer	R314.35 R333.21
	Fire Fighter	R157.83 R167.30
4	Travelling	
	Within Municipal boundaries	R13.04 R13.82
	Outside Municipal boundaries	R19.54 R20.71

DESCRIPTION OF SERVICE		
FLAMMABLE SUBSTANCES AND DANGEROUS GOODS- ANNUAL REGISTRATION		
5. Tariffs for Flammable Liquid Registrations	Approved tariff from 1/07/2022	Recommended tariff 1/07/2023
5.1. Group 1		
Explosives	R315.90	R334.85
6. Group II Gases		
6.1. Bulk Liquefied Petroleum Gas (Class 0)	R1,023.92	R1,085.36
0-50 Kiloliter	R645.44	R684.17
51- 100 Kiloliter	R865.72	R917.66
101-150 Kiloliter	R1,086.01	R1,151.17
151-and above	R1,306.30	R1,384.68
Other flammable gases exceed 50 kg	R315.90	R334.85
Non-Flammable gases exceed 333 kg	R315.90	R334.85
Toxic gases	R315.90	R334.85
The storage, handling, and use		
6.2. Liquefied Petroleum Gas (Class 0)		
42 - 1000 Liters	R333.22	R353.21
1 001 - 2 500	R416.09	R441.06
2 501 - 25 000	R438.27	R464.57
25 001 and above	R639.15	R677.50
7. Group III		
7.1. Bulk flammable liquids storage	R978.89	R1,037.62
200-800 Kiloliter	R617.06	R654.08
801-1400 Kiloliter	R827.66	R877.32
1401-2400 Kiloliter	R1,038.26	R1,100.56
2401- and above	R1,248.86	R1,323.79
The storage, handling and use		
7.2. Flammable Liquids (Class 1, 2 and 3)		
40 - 1000 Liters	R318.57	R337.68
1 001 - 2 500	R397.80	R421.67
2 501 - 25 000	R419.00	R444.14
25 001 and above	R611.05	R647.71
8. Group VI Flammable Solids		
Flammable Solid	R315.90	R334.85
Pyrophoric substances	R315.90	R334.85
Water-reactive substance	R315.90	R334.85
9. Group V Oxidizing and organic peroxides	R315.90	R334.85
Oxidizing agents	R315.90	R334.85
Group I organic exceed 200 kg	R315.90	R334.85
Group II organic exceed 200 kg	R315.90	R334.85
10. Group VI Toxic /Infective substances	R315.90	R334.85
Group I toxic substances in packets exceed 5kg	R315.90	R334.85
Group II toxic substances in packets exceed 50kg	R315.90	R334.85
Group III toxic substances in packets exceed 500kg	R315.90	R334.85
11. Group VII Radioactive materials		
12. Group VIII Corrosive / Caustic Substances		
Group I acids in packets exceed 50 kg	R315.90	R334.85
Group II acids in packets exceed 200 kg	R315.90	R334.85
Group III acids in packets exceed 1000 kg	R315.90	R334.85
Group I alkaline substances in packets exceed 50 kg	R315.90	R334.85
Group II alkaline substances in packets exceed 200 kg	R315.90	R334.85
Group III alkaline substances in packets exceed 1000 kg	R315.90	R334.85
13. Group IX Miscellaneous substances	R315.90	R334.85
Liquids exceed 210 liters	R315.90	R334.85
Solids exceed 210 kg	R315.90	R334.85
14. Spray Booth / Rooms registrations	R422.79	R448.16
a. For each subsequent Spray Booth / Spray room at an additional cost	R105.30	R111.62
15. Restoration of lapsed registration certificate-fee for each year that registration certificate was not renewed, plus current registration fees.	R315.90	R334.85
16. Temporary storage certificate of registration for flammable liquids or Gases	R315.90	R334.85
Restoration of lapsed temporary registration certificate-fee for each period that registration certificate was not renewed, plus current registration fees	R157.95	R167.43

if the registration certificate was not renewed, plus current registration fees.

Annexure VII of the By-Law			
Exemptions for Certificate of Registration			
17. Inspection of Vehicle and issuing of transport Permits (Dangerous Goods)			
a. Flammable Liquids and Gasses			
	0-1500 liters	R526.50	R558.09
	1501-3499 liters	R631.80	R669.71
	3500-9999 liters	R737.10	R781.33
	10000- liters and above	R842.40	R892.94
b. Hazardous Substances			
	0-1000 kilogram	R526.50	R558.09
	1001-3500 kilogram	R631.80	R669.71
	3501-10000 kilogram	R737.10	R781.33
	10001 and above	R842.40	R892.94
	Restoration of lapsed transport permit-fee for each year that transport permit were not renewed, plus current fees.	R315.90	R334.85
18. Annexure VI of the By-Law			
Exemptions for transporting Permit			
19. Charges for inspection (rate per hour or part thereof)			
19.1.	General routine Fire Safety inspection requested.	R263.25	R279.05
19.2.	Certificate of compliance for all public Buildings A-type occupancy for a period of not exceeding one (1) calendar year.	R315.90	R334.85
19.3.	Certificate of compliance for all public Buildings B, C, D, E, F, G, H, - type occupancy for a period of not exceeding one (1) calendar year.	R315.90	R334.85
19.4.	Fireworks Display or Storage	R526.50	R558.09
19.5.	Warehousing/storage of dangerous goods internal or external.	R263.25	R279.05
19.6.	Flammable substances inspection.	R263.25	R279.05
19.7.	Fire Report.	R263.25	R279.05
19.8.	Re-inspection fee.	R263.25	R279.05
19.9.	Certificate of compliance of temporary buildings or structures for a maximum of two inspections		
Public attendance			
	1-2000	R526.50	R558.09
	2001-5000	R631.80	R669.71
	5001-10000	R737.10	R781.33
	10001-30000	R842.40	R892.94
	30001 and above	R947.70	R1,004.56
19. EXEMPTION FROM PAYMENTS OF CHARGES			
No charges shall be payable where –			
(1) A false alarm has been given in good faith;			
(2) The services were required as a result of civil commotion, riot or natural disaster;			
(3) The services were rendered in the interest of public safety;			
(4) The Chief Fire Officer is of the opinion that the services were of purely humanitarian nature or were rendered solely for saving life.			
Fines as indicated below in Annexure VIII of the Fire Emergency By Law, Section 18 of the Fire Services Act (Act 99 of 1987 as amended) and Fire Emergency Services By-Law of the Polokwane Local Municipality Notice No 3011 Section 86 as published in the Provincial Gazette, 28 June 2019.			

ANNEXURE VIII

OFFENCES AND PENALTIES/FINES

(Refer also to Section 48 of these By-laws for further contraventions and penalties)

Art / Section	Description of the Offence	1st Offence	2nd Offence	3rd Offence
5	Illegitimate wearing of fire services uniform or any other way of impersonating a member of the fire services.	R1,000.00	R1,000.00	Court
6	Failing to comply with the instruction given by a member of the service.	R5,000.00	R5,000.00	Court
6.1	Failure at the request of a Chief Fire Officer to render assistance with firefighting or contain a fire or any other emergency.	R5,000.00	R5,000.00	Court
6.1	Failure at the command or instruction of the Chief Fire Officer to stop an existing condition or act in respect of fire.	R5,000.00	R5,000.00	Court
6.3	Failure to leave an area that is closed by the Chief Fire Officer, Traffic Officer or a member of the Police Services for the efficient fighting of a fire.	R5,000.00	R5,000.00	Court
8.1	Storing combustible materials in a manner that create a danger or fire hazard and/or Failure to store combustible, flammable or explosive material in a manner prescribed by the Chief Fire Officer.	R2,500.00	R5,000.00	Court

8.2	Allowing accumulation of saw dust / powder quantities sufficient to pose a fire hazard to persons, animals or property.	R2,500.00	R2,500.00	Court
8.3	Using or allowing sawdust or similar combustible materials to soak up flammable liquid.	R2,500.00	R2,500.00	Court

8.4	Permit soot or other combustible substances to accumulate in a chimney, flue or duct.	R2,500.00	R2,500.00	Court
8.5	Allowing vegetation to become overgrown on the premises with grass, weeds and reeds shrubs and trees to the extent that may pose a fire hazard to persons, animals or property.	R2,500.00	R5,000.00	Court
8.6	Failing to eliminate any fire hazard.	R2,500.00	R2,500.00	Court
9.1	Making a fire in a manner that it will endanger the safety of any person, animal or property.	R2,500.00	R5,000.00	Court
9.1	Failure to take reasonable steps to ensure that fire does not endanger persons or animals.	R2,500.00	R5,000.00	Court
9.2	Burning of rubbish or any combustible materials without written approval from the Service.	R2,500.00	R5,000.00	Court
10.1	Failing to comply with requirements for control of plant growth causing a fire hazard on premises	R500.00	R2,500.00	Court
10.2	Failing to comply with requirements for control of plant growth causing a fire hazard in rural settlements and stands to requirements.	R500.00	R2,500.00	Court
10.3(a)	Failing to provide and/or comply with requirements for fire breaks / belts on agricultural holdings and farms.	R2,500.00	R5,000.00	Court
10.3(b)	Failing to comply with a gradient effected fire break / belt requirements	R2,500.00	R2,500.00	Court
10.3(c)	Burning / creating any fire on an Agricultural holding or farm without permission.	R2,500.00	R2,500.00	Court
10.4	Failing to obtain permission (a fire permit) to make fire breaks / belts by burning.	R2,500.00	R5,000.00	Court
10.6	Failure to comply with all regulations as stipulated towards fire protection in terms of the National Veld and Forest Fires Act (Act 101 of 1998).	R2,500.00	R2,500.00	Court
11.1	Interfering with the activities of a Fire Official or hinder him/her in the execution of his/her duties.	Court	Court	Court
12	Failing to provide accessibility to all firefighting installations and mitigating agents installed.	R5,000.00	R5,000.00	Court
13.2	Failing to design and construct building to allow drainage of water used during fire extinguishing.	R2,500.00	R2,500.00	Court
13.3	Failing to comply with the requirements for a transformer room.	R2,500.00	R2,500.00	Court
13.4	Failing to comply with the requirements for a sprinkler system.	R2,500.00	R2,500.00	Court
13.5(a)	Failing to comply with the requirements for escape doors.	R2,500.00	R2,500.00	Court
13.5(b)	Failing to comply with the requirements for doors in a feeder route.	R2,500.00	R2,500.00	Court
13.5(c)	Failing to provide alternative means of escapes when feeder route is locked.	R2,500.00	R2,500.00	Court
13.5(d)	Failing to keep escape doors unlocked, unblocked and to provide clear approved exit signs.	R2,500.00	R5,000.00	Court
13.6(a)	Allowing electrical supply outlet to be overloaded.	R1,000.00	R2,500.00	Court
13.6(b)	Allowing electrical appliances or extension leads to be used in a manner that may pose a fire hazard	R1,000.00	R2,500.00	Court
13.7	Causing or allowing the use of flame-emitting device that may pose fire hazard to persons or property.	R1,000.00	R2,500.00	Court
14.1	Failing to redress a condition or use that impedes the working of the services or the escape of people to safety.	R2,500.00	R5,000.00	Court
14.1	Failing to design premises so that there is (provide) access for firefighting and rescue appliances for firefighting and rescue purposes.	R5,000.00	R5,000.00	Court
14.2(a)&(b)	Failing to comply with the requirements for easy identification of premises number and maintenance thereof.	R2,500.00	R5,000.00	Court
15.1	Failing to comply with the requirements for the installation and maintenance of fire equipment.	R2,500.00	R5,000.00	Court
15.4	Removing, damaging, misusing or interfering with firefighting equipment.	R2,500.00	R5,000.00	Court
16.1	Failing to comply with the requirements for the design, construction or installation of an extractor fan system.	R2,500.00	R5,000.00	Court
16.2 & 16.3	Failing to maintain an extractor fan system in accordance with the requirements.	R2,500.00	R5,000.00	Court
17.1	Failing to comply with the requirements to design and construct a rational design as contemplated by the National Building Regulations and Building Standards Act.	R5,000.00	R5,000.00	Court
17.2	Failing to comply with the requirements for the construction of aircraft hanger and helicopter pad.	R5,000.00	R5,000.00	Court
18	Failing to comply with the requirements for design and construction of dumping sites.	R5,000.00	R5,000.00	Court
19.1	Failing to keep an emergency evacuation plan for the premises.	R2,500.00	R5,000.00	Court
19.2	Failing to provide an official with a copy of an emergency evacuation plan at a specified time and place.	R2,500.00	R5,000.00	Court
20	Failing to comply with the requirements for public gatherings.	R2,500.00	R5,000.00	Court
20.1	Failing to obtain a certificate of fitness for a building or temporary structure to hold a public gathering.	R2,500.00	R5,000.00	Court

20.3	Failing to ensure that the certificate of fitness contains all required information.	R2,500.00	R5,000.00	Court
20.6	Failing to ensure that the Council is in possession of up to date set of building plans before a certificate of fitness is issued.	R2,500.00	R5,000.00	Court
20.7	Failing to display the certificate of fitness.	R2,500.00	R5,000.00	Court
20.11	Failing to comply with the application requirements for the erection and use of Tents/Marquees for events	R2,500.00	R2,500.00	Court
20.12	Failing to comply with the requirements for the erection of Tents/Marquees for events	R5,000.00	R5,000.00	Court
21.1	Failing to ensure that sufficient water supply for firefighting purposes is Provided when developing a township.	R5,000.00	R5,000.00	Court

21.3	Failing to ensure that all the fire hydrants are plotted on a plan and installed and spaced in accordance with SANS 100 and SANS 11200	R2,500.00	R2,500.00	Court
21.4	Failing to ensure that sufficient water supply is provided in accordance to the risk category.	R 2500 .00	R2,500.00	Court
21.5	Failing to ensure that the fire protection plans for premises is submitted to the Service/Chief Fire Officer for approval.	R2,500.00	R2,500.00	Court
21.5	Failing to ensure that water connection to the water reticulation system of the controlling authority, if premises are to be protected by a sprinkler installation, the supply and requirements are calculated and submitted	R2,500.00	R5,000.00	Court
23.1	Failing to submit fire plans to the fire department for approval.	R5,000.00	R5,000.00	Court
24.1	Failing to comply with the requirements to have a Certificate of Registration in respect of Dangerous Goods for the premises.	R2,500.00	R2,500.00	Court
24.2	Use, handle or store dangers good that endangers the safety of a building and/or person and/or animal.	R2,500.00	R2,500.00	Court
24.4	Failing to complete and submit an application for certificate of registration of flammable liquids and substances.	R2,500.00	R2,500.00	Court
24.5	Failing to comply with the requirements for which certificate of registration was issued.	R2,500.00	R2,500.00	Court
24.5(k)	Transfer of certificate of registration without permission.	R2,500.00	R2,500.00	Court
24.8	Failing to make available certificate of registration for the premises.	R2,500.00	R2,500.00	Court
25.1(a)	Use, store or handling dangerous goods not specified and more than specified on the registration certificate.	R5,000.00	R5,000.00	Court
25.1(b)	Supplying and delivering dangerous goods to premises not in possession of a registration certificate.	R5,000.00	R5,000.00	Court
27.1	Failing to renew a registration certificate.	R2,500.00	R5,000.00	Court
28.1	Failing to apply for temporary Certificate of Registration for storage of dangerous goods on the prescribed form or failure to comply with the requirements in respect of temporary storage.	R2,000.00	R2,000.00	Court
28.2	Failing to comply with the requirements for the temporary storage of dangerous goods.	R2,500.00	R2,500.00	Court
28.2	Failing to comply with the requirements for the temporary certificate of registration.	R2,500.00	R2,500.00	Court
29.1	While delivering dangerous goods let delivery hose lie on or across pavement, public road and other structures as provided, fail to provide 9kg DCP fire extinguisher, physically earthed delivery vehicle to the supplied source, not position vehicle in such a way that it can be moved quickly during an emergency, no spillage and transfer to the source while power source is in operation.	R1,500.00	R2,500.00	Court
30.1(a)	Use, storage or handling of dangerous goods where there is a danger of ignition that may cause a fire or explosion.	R2,500.00	R2,500.00	Court
30.1(b)	Storing or handling dangerous goods that obstructs the escape of persons and/ or animals during an emergency.	R2,500.00	R2,500.00	Court
30.2	Spilling or dumping of dangerous goods.	R2,500.00	R2,500.00	Court
30.4	Bringing fire or device capable of producing an open flame closer than 5 meters of a place where dangerous goods are stored.	R2,500.00	R2,500.00	Court
30.5	Use or allow dangerous goods in a basement level.	R2,500.00	R2,500.00	Court
30.7	Deliver or supply flammable substances to premises that are not in possession of a valid Certificate of Registration.	R2,500.00	R2,500.00	Court
31.1	Failing to display symbolic signs prohibiting smoking and open flames and as the case may be.	R2,500.00	R5,000.00	Court
32.1	Failing to provide the required firefighting equipment.	R2,500.00	R5,000.00	Court
32.2	Failing to provide the necessary maintenance of firefighting equipment.	R1,000.00	R2,500.00	Court
32.3	Failing to satisfactory position and indicate the required firefighting equipment.	R1,000.00	R2,500.00	Court
33.1	Failing to report any fire, accident or dumping of dangerous goods, by the occupier, that might cause harm to humans, animals, the environment or property.	R1,000.00	R2,500.00	Court
34	Failing to comply with the requirements of payment for cost incurred by the council for analysis of samples.	R5,000.00	R5,000.00	Court
35.1	Failing to remove absolute tanks or tanks that are no more in use.	R2,500.00	R5,000.00	Court
36	Failing to comply with the requirement for access to repair and do maintenance on the storage tanks	R2,500.00	R2,500.00	Court
37.1	Failing to comply with the requirements for installing, erecting, and removal and demolishing without prior notice.	R2,500.00	R2,500.00	Court
37.2	Failing to comply with conditions as indicated on the registration certificate.	R2,500.00	R5,000.00	Court
37.3	Failing to reapply for registration and submission of plans for dangerous goods after alterations to the premises.	R2,500.00	R2,500.00	Court
38.3	Failing to ensure that the fireworks license in terms of the Explosives Act and a written authority of the Fire Department is in hand when dealing in fireworks.	R5,000.00	R5,000.00	Court

38.4	Failing to meet the requirements/obtain permission for firework displays.	R5,000.00	R5,000.00	Court
38.5	Lights or ignites fireworks on any day or time unless authorized in terms of section 38.4.	R2,500.00	R2,500.00	Court
38.6	Lights or ignites fireworks at a place where animals are present.	R2,500.00	R500.00	Court
39.1, 39.2 and 39.3	Failing to comply with requirements when handling or storage of dangerous goods Group II in portable containers.	R2,500.00	R2,500.00	Court
39.4	Failing to comply with requirements when handling or storage of dangerous goods Group II in a bulk depot.	R5,000.00	R2,000.00	Court

39.5, 39.6, 39.7 and 39.8	Failing to adhere to the requirements determined by the Chief Fire Officer for the use, handling and storage of Group II cylinders at manifold installations, use of hydrogen gas, welding or underground pipelines.	R2,500.00	R2,500.00	Court
39.1	Failing to report fires, accident and/or dumping involving a Group II dangerous good to the	R2,500.00	R500.00	Court
Chief Fire Officer.				
40	Failing to comply with the requirements under SANS 1535 as to tank manufacture and installation for Group III dangerous goods	R5,000.00	R2,000.00	Court
41.1 and 41.2	Failing to comply with the requirements for storage tanks for Group III dangerous goods.	R2,500.00	R2,500.00	Court
42.1	Failing to comply with the requirements to obtain a permit for the transportation of dangerous goods.	R2,500.00	R5,000.00	Court
42.1(e)	Failing to have the transport permit of dangerous goods available in the vehicle.	R2,500.00	R2,500.00	Court
42.2	Failing to comply with the requirements of the transport permit.	R2,500.00	R2,500.00	Court
42.4	Altering or attempting to alter a transport permit.	R2,500.00	R2,500.00	Court
43.1	Failing to indicate a dangerous goods store room as such and indicating the Group and quantity of the dangerous good.	R1,500.00	R2,500.00	Court
43.2	Failing to comply with the requirements for symbolic safety signs for dangerous goods storeroom.	R2,500.00	R2,500.00	Court
43.3	Failing to display the registration certificate of the dangerous goods.	R1,000.00	R2,500.00	Court
43.4	Failing to comply with the requirements for the construction of a dangerous goods store room.	R2,500.00	R2,500.00	Court
43.5	Failing to comply with the requirements for store room doors.	R2,500.00	R2,500.00	Court
43.6	Failing to comply with the requirements for storeroom windows.	R2,500.00	R2,500.00	Court
43.7	Failing to comply with the requirements for store room catchment pit.	R2,500.00	R2,500.00	Court
43.8, 43.9 and 43.10	Failing to comply with the requirements for ventilation of store room.	R2,500.00	R2,500.00	Court
43.11 & 43.12	Failing to comply with the requirements for electrical equipment in a store room.	R2,500.00	R2,500.00	Court
43.14	Failing to comply with the requirements to use and enter a store room.	R2,500.00	R2,500.00	Court
43.14 (e)	Failing to comply with the requirements for use of intrinsically safe hand tools in a flammable substance storeroom.	R2,500.00	R2,500.00	Court
45.1	Failing to comply with the requirements to register and have a spray permit for spray painting with dangerous goods.	R2,500.00	R5,000.00	Court
45.2	Failing to comply with the general prohibition regarding spraying room.	R2,500.00	R2,500.00	Court
45.3	Failing to comply with the requirements and conditions of the spray permit.	R2,500.00	R2,500.00	Court
46.1-46.21	Failing to comply with the requirements for the construction and design of spray painting rooms.	R2,500.00	R2,500.00	Court
47	Failing to comply with the requirements for the handling of animals during emergencies.	R2,500.00	R2,500.00	Court

EXEMPTION FROM TRANSPORT PERMIT

A transport permit is in terms of section 42 not required for the transport of dangerous goods of the type and not exceeding the quantity stipulated below.

GROUP	DESCRIPTION	QUANTITY
II	GASES	
Flammable gases	Total cylinder capacity may not exceed 50 kilograms	
Non-flammable gases	Total cylinder capacity may not exceed 333 kilograms	
III	FLAMMABLE LIQUIDS	
With flash points < 18°C	Total quantity may not exceed 100 litres	
With flash points > 18°C but < 23°C	Total quantity may not exceed 420 litres	
With flash points > 23°C but < 61°C	Total quantity may not exceed 1100 litres	
With flash points > 61°C but < 100°C	Total quantity may not exceed 1100 litres	
IV	FLAMMABLE SOLIDS	
Flammable solids	Total quantity may not exceed 250 kg	
V	OXIDIZING AGENTS AND ORGANIC PEROXIDES	
Oxidizing agents	Total quantity may not exceed 200 kg	
Group II organic peroxides in packets	Total quantity may not exceed 200 kg	
VI	TOXIC/INFECTIVE SUBSTANCES	
Group I toxic substances in packets	Total quantity may not exceed 5 kg	
Group II toxic substances in packets	Total quantity may not exceed 50 kg	
Group III toxic substances in packets	Total quantity may not exceed 500 kg	
VIII	CORROSIVE/CAUSTIC SUBSTANCES	
Group I acids in packets	Total quantity may not exceed 50 kg	
Group II acids in packets	Total quantity may not exceed 200 kg	
Group III acids in packets	Total quantity may not exceed 1000 kg	
Group I alkaline substances in packets	Total quantity may not exceed 50 kg	
Group II alkaline substances in packets	Total quantity may not exceed 200 kg	
Group III alkaline substances in packets	Total quantity may not exceed 1000 kg	
IX	MISCELLANEOUS SUBSTANCES	
Liquids	Total quantity may not exceed 210 litres	
Solids	Total quantity may not exceed 210 kg	

ANNEXURE VII**EXEMPTION FROM CERTIFICATE OF REGISTRATION**

A certificate of registration is in terms of section 24 not required if the flammable substances concerned are of a type and do not exceed the quantity stipulated below.

GASES		
Class 0	Liquefied petroleum gas	Flat – Total cylinder capacity may not exceed 9kg per flat. Houses or commercial premises – Total maximum of 19kg inside on the premises. Industrial premises – Maximum of 19kg per 600 m ³ .
FLAMMABLE LIQUIDS AND COMBUSTIBLE LIQUIDS		
Class I	Liquids that have a closed cap flash point of below 38°C	Total maximum of 40 litres
Class II	Liquids that have a closed cap flash point of 38°C or above, but below 60.5°C	Total quantity of Class II and Class IIIA together may not exceed the maximum quantity of 210 litres
Class IIIA		Liquids that have a close-cap flash point of 60.5°C or above but below 93°C

SCHEDULE 9

TARIFFS PAYABLE I.R.O. TRAFFIC & LICENSING FEES, TRAFFIC ESCORT SERVICES, MOTOR AND ANIMAL POUND FEES AND OTHER GENERAL CHARGES: 2023/2024

TRAFFIC FINES AND LICENCES

1. PARKING FEES		
Off-site parking VAT inclusive		
0-15 Minutes	Free parking	Free parking
15 Minutes – hour	R8.00	R8.00
1-2 hours	R15.00	R15.00
2-3 hours	R23.00	R23.00
3-4 hours	R30.00	R30.00
> 4 hours	R60.00	R60.00
Any other parking square except City square		
0 – 1 hour	R8.00	R8.00
1-2 hours	R15.00	R15.00
2-3 hours	R23.00	R23.00
3-4 hours	R30.00	R30.00
> 4 hours	R60.00	R60.00
Lost parking ticket at all parking squares	R60.00	R60.00
Bus daily drop and pickup	R75.00	R75.00
Monthly tariff for Busses and any other vehicle	R435.00	R435.00
ONSTREET PARKING – VAT INCLUSIVE		
Per hour up to a maximum of 9 hours. Parking in excess of 9 hours will be clamped.	R8.00	R8.00
Other penalties may be imposed in terms of the National Road Traffic Act 93 of 1996.		
2. License Fees		
The tariffs includes but are not limited to: <input type="checkbox"/> Traffic fines <input type="checkbox"/> Duplicate public motor vehicle clearance receipt <input type="checkbox"/> Duplicate public motor vehicle clearance certificate (disc) <input type="checkbox"/> Furnishing of information <input type="checkbox"/> Instructor Certificates <input type="checkbox"/> Application and issue of driver's license <input type="checkbox"/> Application and issue of roadworthy Certificates	Tariffs will remain as determined by the Provincial Dept. of Transport, Road Safety and Liaison (e-NATIS) and the Judiciary.	
3 Traffic Escort Services		
Funerals	R693.92	R735.56
(Deposit) Sporting Activities	R1,610.03	R1,706.63
Sporting Activities	R14,684.08	R15,565.12
	+ R531.76	+ R563.67
	per hour	per hour
Abnormal Load	R693.92	R735.56
Any other event	R1,386.80	R1,470.01
4 Motor vehicle pound fees		

The following tariffs will be applicable after impoundment of a vehicle and proof of ownership shall be required before releasing the vehicle from the pound.

4.1 Pounding fees		
For the first 8 hours per vehicle:	Free of charge	Free of charge
For the next 16 hours up to 24hours: Release fee per vehicle.	Release fee	Release fee
	R442.26	R468.80
The first 24hours if free. No storage fee will be charged.		
For every hour after 24 hours: Release fee per vehicle		
Light motor vehicle	R26.33	R27.91
Light delivery vehicle	R52.65	R55.81
Minibus	R126.36	R133.94
Midibus	R168.48	R178.59
Bus	R242.19	R256.72
Bus train	R358.02	R379.50
Truck	R315.90	R334.85
Half truck	R263.25	R279.05

		Per day:	Per day:
	Vehicles 3500kg << per day	R107.41	R113.85
	Vehicles 3500kg >> 16000kg per day	R129.52	R137.29
	Vehicles 16001kg >> per day	R179.01	R189.75

5 Animal pound fees			
5.1 Pound fees			
Bovine animals			
Large stock per head per day	R126.51	R134.10	
Small stock per head per day	R79.55	R84.32	
5.2 Tending fees			
Large stock per head per day	R52.16	R55.29	
Small stock per head per day	R24.76	R26.25	
5.3 Fees for dipping, dressing and treating			
Large stock per head per day			
Dipping or spraying	R15.64	R16.58	
Dressing	R10.41	R11.03	
Inoculating	R15.64	R16.58	
Medicine	Actual cost plus 20%	Actual cost plus 20%	
Small stock per head per day			
Dipping or spraying	R11.57	R12.26	
Dressing	R9.12	R9.67	
Inoculating	R9.12	R9.67	
Medicine	Actual Cost plus 20%	Actual Cost plus 20%	
5.4 Trespass fees			
Large stock per head per day			
On fenced land	R73.04	R77.42	
On unfenced land	R52.16	R55.29	
On grazing land	R118.68	R125.80	
Small stock per head per day			
On fenced land	R52.21	R55.34	
On unfenced land	R73.04	R77.42	
On grazing land	R73.04	R77.42	
5.5 Transport fee			
Will be determined by the distance the animal (s) shall be transported up to its destination.	Distance x AA Rate	Distance x AA Rate	
6 Advertisement fees			
Posters: per poster per day	R0		
Banners: per banner per 21 days	R0		
Pamphlets per 1000	R0		
Trailers: per trailer per month	R484.38	R513.44	
7 General Charges			
Accident reports: per reports			
Rent R			
Rent of Auditorium per day			
Law enforcement training per person per course			
Weighbrige for motor vehicles			
Estate agents: per agent per month			
8 Towing fees All Vehicles			
Light Vehicles up to 3500kg	R1,221.48	R1,294.77	
Vehicles from 3501kg up to 5000kg	R1,435.24	R1,521.35	
Vehicles 5001kg and above	Contractor price+ 10%Admin fee payable to the municipality	Contractor price+ 10%Admin fee payable to the municipality	

TARIFFS PAYABLE I.R.O. ROADS & STORM WATER

1 Way Leave			
Application fee	R15,969.81	R16,928.00	
Supervision & Management fee per month	R22,814.02	R24,182.86	
Travelling cost per month	R7,604.66	R8,060.94	
Consumables per month	R3,901.45	R4,135.54	
2 Loading Bay			
Non refundable application fee	R4,562.79	R4,836.56	
Monthly rental	R228.26	R241.96	

	3 Temporary road closure		
3.1	Refundable deposit payable		
	Gravel rural	R143.97	R152.61
	Surfaced	R143.97	R152.61
	Rural Gravel	R143.97	R152.61
	urban	R143.97	R152.61

3.2	Cost per request		
	Gravel rurla	R532.18	R564.11
	Surfaced	R1,138.94	R1,207.28
	Rural gravel	R760.45	R806.08
	Urban	R1,368.30	R1,450.40
	Surfaced urban		
4	Damage of Infrastructure	Cost to repair + 25% admin fee	Cost to repair + 25% admin fee

ACCESS CARD PRINTING

1	First time issue of access/identification card for the officials of Polokwane Municipality.	R0.00	R0.00
2	Replacement of damaged or ruined card as a result of age for the officials of Polokwane Municipality.	R0.00	R0.00
3	Replacement of expired card due to Appointment/contract period for the officials of Polokwane Municipality.	R0.00	R0.00
4	Replacement of damaged or lost card for the officials of Polokwane Municipality.	New	R90.00
5	First time issue of appointment card with a holder and clip for officials of other municipalities and government departments.	New	R120.00
6	Replacement of damaged or lost appointment card for officials of other municipalities and government departments.	New	R150.00
7	Replacement of damaged or ruined appointment card as a result of age for officials of other municipalities and government departments.	New	R150.00

SCHEDULE 10:

TARIFFS PAYABLE I.R.O. DANIE HOUGH CULTURE CENTRE FACILITIES, ALL ACTIVITIES ROOMS, BAKONE MALAPA OPEN AIR MUSEUM ENTRANCE FEES & CONFERENCE & "BOMA" FACILITIES& LIBRARIES: 2023/2024

CULTURAL SERVICES

DANIE HOUGH CULTURE CENTRE FACILITIES

AUDITORIUM

	Services Rendered	Approved tariff from 1/07/2022	Recommended tariff 1/07/2023
	Rent – Standard Day Tariff		
	Monday – Thursday	R2,087.04	R2,212.26
	Friday	R2,791.41	R2,958.89
	Saturday	R2,791.41	R2,958.89
	Deposit	R1,150.48	R1,219.51

AUDIO – VISUAL EQUIPMENT

	Data Projector	R1,460.92	R1,548.58
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KITCHEN/ FOYER FOR CATERING

	Rent – Standard Day Tariff		
	Monday – Saturday	R782.63	R829.59
	Deposit	R456.53	R483.92

FOYER FOR EXHIBITIONS

	Rent – Standard Day Tariff		
	Monday – Saturday	R782.63	R829.59
	Deposit	R456.33	R483.71

ALL ACTIVITIES ROOMS

	Rent – Standard Day Tariff		
	Monday – Saturday	R782.63	R829.59
	Deposit	R456.31	R483.69

BAKONE MALAPA CONFERENCE AND 'BOMA' FACILITIES

Rent			
Monday – Thursday per day during office hrs (8:00 – 16:30)		R600.02	R636.02
Friday – Sunday and after 16:30 weekdays		R821.77	R871.08
In addition to the tariffs above which is for the rental of the facility, an amount of R12 per person is payable		R16.84 Per person	R17.85 Per person

BAKONE MALAPA ENTRANCE FEES

Adults (Entrance for Braai/events per person)		R16.09	R17.06
Children (not Booked)		R10.42	R11.05
The above tariff is for individuals or schools who have not made a group booking in advance.			
Per person (children)			
Tariffs for schools or individuals who has made a booking in advance for a group visit: Adult.		R13.03	R13.81
Tariffs for schools or individuals who has made a booking in advance for a group visit: Children		R9.12	R9.67

LIBRARY FEES

1 MEMBERSHIP FEES			
1.1 Deposit			
For any person/family without a current Municipal account at the Polokwane Municipality.		208.96	221.4976
1.2 Membership fees			
Per adult, per year		R104.48	R110.75
Per child, per year		R52.23	R55.36
1.2.1	Membership fees and deposit are payable in advance. Membership is valid for a period of 12 months from the date of application or renewal.		
1.2.2	No refund of membership fees will be made at early cancellation of the membership.		
1.2.3	Pensioners above 65 or persons receiving a social pension are condoned from membership fees, if sufficient proof is submitted.		
1.2.4	Pensioners without a current municipal account will pay the prescribed deposit.		
2 USER FEES (payable in advance)			
(i)	Inter-library loan, per book request	R87.06	R92.28
	Inter-library loan, photocopies as per SAIS fees (per 15 pages)	R75.46	R79.99
(ii)	Special request, per request	R15.66	R16.60
(iii)	Compact discs, per loan	R10.44	R11.07
(iv)	Photocopies A4, each Inc. Printouts (database/internet),	R1.15	R1.22
	Photocopies A3, each	R2.90	R3.07
	Colour (when available)	R8.70	R9.22
3 FINES			
(i)	Per overdue book, per week or part thereof	R8.11	R8.60
(ii)	Per overdue record/compact disc/art print/video per week or part thereof	R10.44	R11.07
(iii)	Loss of plastic cover, per cover	R19.72	R20.90
(iv)	Reference/Study Collection, per item, per day	R8.11	R8.60
(v)	Replacement of membership card	R34.82	R36.91
4 ADMINISTRATION COSTS REGARDING THE RECOVERY OF OVERDUE/LOST/DAMAGED LIBRARY MATERIAL			
(i)	Reminder (Letter/e-mail/SMS)	R10.44	R11.07
(ii)	Registered letter	R46.43	R49.22
(iii)	Placement on Municipal service account	R91.24	R96.71
(iv)	Further action: (ii) and (iii) plus real expenses incurred		
6 LOST/DAMAGED BOOKS/ OTHER LIBRARY MATERIAL			
(i)	Replace at current publisher/trade price		
(ii)	If publishers prices are not obtainable e.g. book out of print, replace at average replacement value for applicable category as per Table 1:		
Table 1 – Average replacement value of books per category			
Category			

Vernacular	R142.17	R150.70
Afrikaans Fiction	R225.65	R239.19
English Fiction	R436.96	R463.18
Non Fiction	R532.19	R564.12
Study Collection	R832.19	R882.12

Reference	R948.30	R1,005.20
Junior Non Fiction	R202.18	R214.31
Junior Fiction	R202.18	R214.31
Toddlers' Books	R178.69	R189.41
Compact Discs/DVD	R356.09	R377.46
Audio books	R712.30	R755.04
CD-Rom	R285.66	R302.80
Videos	R236.07	R250.23
Newspapers & periodicals	Publishers price plus R14.32 admin cost	Publishers price plus R15.18 admin cost

INTERNET CAFE

	Browsing/downloads: per half-hour or part thereof	Free service provided by the Dept of Sport, Arts & culture, on condition that it must be free for all users in order to promote reading and learning.	Free service provided by the Dept of Sport, Arts & culture, on condition that it must be free for all users in order to promote reading and learning.
	Printing: A4 black & white	R1.09	R1.16
	A4 colour	R9.91	R10.50

SCHEDULE 11.

TARIFFS PAYABLE I.R.O. TOWN PLANNING APPLICATIONS, ADVERTISING & INSPECTION FEES, FEES OTHER THAN ADVERTISING & INSPECTION FEES, FEES PAYABLE WHERE MUNICIPALITY'S INPUT REQUIRED ON APPLICATIONS, GENERAL REPRODUCTION OF DOCUMENTATION & MAPS: 2022/2023.

The determined tariffs are as follows:

PLANNING AND ECONOMIC DEVELOPMENT

Type of fee	Approved tariff from 1/07/2022	Recommended tariff from 1/07/2023
1. Application for consent of Local Authority: Polokwane Integrated Land Use Scheme, 2022 (read together with the provisions of Section 73 of the Polokwane Municipal Planning By-Law, 2017)		
(a) Written consent i.t.o. -		
(i) Clause 37.1(a) & (b)	R1,807.90	R1,916.37
(ii) Clauses 37.1(a) (Household Enterprise)	R1,807.90	R1,916.37
(iii) Clause 37.1(a) (Spaza/kiosk)	R1,806.79	R1,915.20
(iv) Clause 37.1(c); 37.1(d); 37.1(e) and 37.1(h)	R1,806.79	R1,915.20
(v) Clauses 37.1(f); 37.1(g); 37.1(i – n)	R1,172.46	R1,242.81
(b) Special consent i.t.o. -		
(i) Clause 36.1(a) for Tavern and Household Enterprise.	R1,807.90	R1,916.37
(ii) Clause 36.1(a) for all other uses excluded uses mentioned in (a) above.	R2,740.54	R2,904.97
(iii) Clause 36.1(b) & (c)	R1,807.90	R1,916.37
2. Application for amendment of Town Planning/Land Use Scheme [Sec 56(1)], which include any *application i.t.o. any other law where the scheme is/can be ultimately amended. (See note) (read together with the provisions of Section 61 of the Polokwane Municipal Planning By-Law, 2017)	R5,678.06	R6,018.74
3. Application for establishment of township [Sec 96(1)], which include any *application i.t.o. any other law where the scheme is/can be ultimately amended. (See note) (read together with the provisions of Section 54 of the Polokwane Municipal Planning By-Law, 2017)	R12,299.20 plus R125.20 per 100 erven (rounded off to the nearest 100)	R13,037.15 plus R132.71 per 100 erven (rounded off to the nearest 100)
4. Application for extension of boundaries of approved township [Sec 88(1)] (read together with the provisions of Section 54 of the Polokwane Municipal Planning By-Law, 2017)	R5,494.14 plus R125.20 per 100 Ervin (Rounded off to the nearest 100)	R5,823.79 plus R132.71 per 100 Ervin (Rounded off to the nearest 100)
5. Application for subdivision and/or consolidation: (read together with the provisions of Section 67 of the Polokwane Municipal Planning By-Law, 2017)		
(a) (i) Subdivision of erf into 5 or lesser portions [Sec 92(1)(a)]	R1,224.82	R1,298.31
(ii) Subdivision of erf in more than 5 portions [Sec 92(1)(b)]	R1,162.08 Plus R101.73	R1,231.80 Plus R107.83
(b) Consolidation of erven [Sec 92(1)(b)]	R851.77	R902.88
(c) Division of a Township (read together with the provisions of Section 55 of the Polokwane Municipal Planning By-Law, 2017)	R1,224.82	R1,298.31
(d) Exemption of subdivision or consolidation (read together with the provisions of Section 70 of the Polokwane Municipal Planning By-Law, 2017)	R580.45	R615.28
6. Preparation of Town Planning/Land Use Scheme by local authority i.r.o. establishment of township:		
(i) by Local Authority [Sec 125(3)]	R3,498.39 plus R16.93 Erf for each Erf in the township	R3,708.29 plus R17.95 Erf for each Erf in the township
(ii) if applicant prepare document [Sec 125(3)]	None	None
7. Application for Council's reasons [Sec 57(3) and with regard to applications as contemplated in Sec 96]	R1,827.46	R1,937.11
The following fees shall be paid in addition to the fees prescribed in Part A hereof to:		

(a) If the Local Authority gives notice of an application in:		
(i) the Provincial Gazette	R2,623.70 Per notice	R2,781.12 Per notice
(ii) a news paper	R4,877.15 Per notice	R5,169.78 Per notice

(b) If the Local Authority or a committee of the Local Authority inspects the property to which an applicant relates and conducts a hearing.	The costs incurred by the municipality in respect of the records of proceeding as well as other administration costs in this regard.	
A. Fees other than advertising and inspection fees		
1. Application for division [Sec 6(1)]:		
(a) in 5 of lesser portions	R657.39	R696.83
(b) in more than 5 portions	R657.39 R28.67 per portion	R696.83 R30.39 per portion
B. Advertising and Inspection fees		
2. Application for reasons.	R586.97	R622.19
The following fees shall be paid in addition to the fees prescribed in Part A hereof to:		
(a) If the Local Authority gives notice of an application in:		
(i) the Provincial Gazette	R2,495.85 Per notice	R2,645.60 Per notice
(ii) a newspaper	R4,877.15 Per notice	R5,169.78 Per notice
(b) If the Local Authority or a committee of the Local Authority inspects the property to which an applicant relates and conducts a hearing:	The costs incurred by the municipality in respect of the records of proceeding as well as other administration costs in this regard.	

FEES PAYABLE WHERE THE MUNICIPALITY'S INPUT AND/OR COMMENTS ARE REQUIRED ON APPLICATIONS IN ITS

	Approved tariff from 1/07/2022	Recommended tariff from 1/07/2023
1. Applications for change in land use, any consent or permit to be granted by any other controlling authority, any permission i.t.o. the Title Deed, any land development application for:		
1.1 Application for second dwelling unit where Title Deed permits such consent	R1,807.89	R1,916.36
1.2 Application for any household enterprise conducted from dwelling unit similar to "Household Enterprise" contemplated in the Polokwane/Perskebult Town Planning Scheme, 2016.	R1,807.89	R1,916.36
1.3 Application for spaza or kiosk conducted similar to "Spaza" contemplated in the Polokwane/Perskebult Town Planning Scheme, 2016 and/or application for a shop restricted to 300m ²	R4,704.97 up to a total building floor area of 300m ² plus R245.21 for every additional 50m ² or part thereof.	R4,987.27 up to a total building floor area of 300m ² plus R259.92 for every additional 50m ² or part thereof.
1.4 Application for tavern or kiosk conducted similar to "Tavern" contemplated in the Polokwane/Perskebult Town Planning Scheme, 2016.	R1,807.89	R1,916.36
1.5 Applications for guests' houses, overnight accommodation and/or any game lodge, hotel, conference facility, place of amusement, private club, restaurant, and recreation facility.	R1,807.89	R1,916.36
1.6 Applications for place of instruction, place of public worship (church), charitable institution, clinic.	R4,704.97 up to a total building floor area of 300m ² plus R245.21 for every additional 50m ² or part thereof.	R4,987.27 up to a total building floor area of 300m ² plus R259.92 for every additional 50m ² or part thereof.
1.7 All other uses excluding uses contemplated in 1.1 to 1.6 above, which may include uses such as shops exceeding 300m ² , service industries, filling station, public garage, offices, warehouse and commercial use, institution, medical consulting rooms & offices other than household enterprise, scrap yard, panel beating and industrial uses.	R4,704.97 up to a total building floor area of 300m ² plus R245.21 for every additional 50m ² or part thereof.	R4,987.27 up to a total building floor area of 300m ² plus R259.92 for every additional 50m ² or part thereof.
1.8 Subdivision of land to be granted by any other controlling authority		

other than the municipality, any permission i.t.o. the Title Deed, any land development application into the following portions:		
1.8.1 3 or lesser portions	R987.41	R1,046.65

1.8.2 More than 3 portions	R987.41 plus R28.67 per portion	R1,046.65 plus R30.39 per portion
2. Consolidation of land to be granted by any other controlling authority, any permission i.t.o. the Title Deed, any land development application	R210.89	R223.54

MONIES AND DEPOSITS PAYABLE IN TERMS OF OUTDOOR ADVERTISING

ADVERTISEMENT/APPLICATION TYPE.	Approved tariff from 1/07/2021	Approved tariff from 1/07/2022
Billboard including LED	For signs < 18m2 R2,450.24 For signs > 18m2 R2,450.24	For signs < 18m2 R2,597.25 For signs > 18m2 R2,597.25
Banners	50% of collected revenue as per signed SLA	
Posters	R197.77 Per Event	R209.64 Per Event
On premises business advertisement	R1,389.86	R1,473.25
Election poster	50% of collected revenue as per signed SLA	
Temporary Sign	R3,854.98	R4,086.28
Street name adverts	25% of collected revenue as per signed SLA	
Transit Advertising Sign	R2,873.89	R3,046.32

MONIES AND DEPOSITS PAYABLE IN PROPERTY MANAGEMENT

Consent Title Conditions	R241.29	R255.77
Application for land purchase	R161.73	R171.43
Lease agreement admin fee	R564.79	R598.68
Deed of sale fee	R564.79	R598.68
R293 APPLICATIONS		
Small Developments/Applications: Spaza, Tavern, Crèche, Day Care	R403.05	R427.23
Medium Developments/Applications: Place of Worship, Old Age Centre, Overnight Accommodation (Guest House/Lodge),	R806.12	R854.49
Big Developments/Applications: Filling Station, Shopping Complex, Office building, Institutional (New School or College), Business Related Uses	R5,678.03	R6,018.71
Other/ Special use:	R806.10	R854.47

The tariff outlined above does not include advertisement costs. The applicants will be responsible for advertising.

GENERAL REPRODUCTION OF DOCUMENTATION AND MAPS AND PROVISION OF INFORMATION I.R.O. TOWN PLANNING MATTERS.

1. Zoning certificates per certificate (including Zoning Confirmation letters);	R108.25	R114.75
2. Town Planning/Land Use Scheme (clauses):		
2.1 Color copy	R547.83	R580.70
2.2 Black and white copy	R184.32	R195.38
3. Map 3's of sheets from the town planning scheme (scheme maps) or scheme clauses from Amendment Scheme:		
3.1 Per A0 sheet; 1: 2500 scale.	R184.32	R195.38
3.2 Single extract from scheme maps with regard to zoning on specific erf: Per A3 sheet or A4 sheet; smaller scale. (Also for purposes of zoning certificate)	R70.42	R74.65

3.3 Scheme clauses from Amendment Scheme or Annexure	R35.20	R37.31
4. Provision of erf measurements with map by GIS draught office	R35.20	R37.31
Other Town Planning Tariffs		

Removal of restrictive title deed conditions (read together with the provisions of Section 62 and Section 173 of the Polokwane Municipal Planning By-Law, 2017)	R5,687.03	R6,028.25
Amendment of approved conditions of Council	R1,973.55	R2,091.96
SDF(Hard Copy)	R821.75	R871.06
Relaxation of parking requirement (Read with Clause 37 of the Polokwane Integrated Land Use Scheme, 2022)	R3,473.62	R3,682.04
Extension of timeframe for lodging documents SG/Deeds; to be calculated for each year of lapsing. (read together with the provisions of and Section 110 of the Polokwane Municipal Planning By-Law, 2017)	R1,807.53	R1,915.98
Park and Street Closure (read together with the provisions of Section 72 of the Polokwane Municipal Planning By-Law, 2017)	R2,740.54	R2,904.97
Amendment of Conditions of Establishment	R1,973.55	R2,091.96
Amendment of a General Plan of a Township (read together with the provisions of Section 64 of the Polokwane Municipal Planning By-Law, 2017)	R5,494.14	R5,823.79
Applications for Land use rights and PTO (read together with the provisions of Section 74 of the Polokwane Municipal Planning By-Law, 2017)	R182.60	R193.56
Regulation 38/Consolidation Certificate i.t.o. Ordinance 15 of 1986 (read together with the provisions of Section 68 of the Polokwane Municipal Planning By-Law, 2017 & Section 53 SPLUMA Letters)	R219.13	R232.28
Section 101 Certificate i.t.o. Ordinance 15 of 1986 (read together with the provisions of Section 57 of the Polokwane Municipal Planning By-Law, 2017)	R219.13	R232.28
Condemnation of incorrect Advertising	R1,643.52	R1,742.13
Deeds search	R89.98	R95.38
Temporary Consent	R1,047.43	R1,110.28
Land Development Application on Communal Land or Rural Areas – “Major Impact Development” (read together with the provisions of Section 74 (2) of the Polokwane Municipal Planning By-Law, 2017)	R5,678.03	R6,018.71
Phasing of established townships	R1,160.91	R1,230.56
Permanent Departure of the Town Planning Scheme (For e.g. relaxation of parking requirements) (read together with the provisions of Section 75 of the Polokwane Municipal Planning By-Law, 2017)	R1,741.37	R1,845.85
Reservation of a Township Name (read together with the provisions of Section 54(2)(d) of the Polokwane Municipal Planning By-Law, 2017)	R1,160.91	R1,230.56
Exemption to facilitate expedited procedures (read together with the provisions of Section 114 of the Polokwane Municipal Planning By-Law, 2017)	R3,482.74	R3,691.70
Fee for the lodgment of appeals (read together with the provisions of Chapter 8 of the Polokwane Municipal Planning By-Law, 2017)	R2,321.82	R2,461.13
Penalty application fee for an application to formalize an existing illegal land use – can be imposed at any time before the finalization of the application. This is to be charged in addition to the normal application fee.	R2,321.82	R2,461.13

CHARGES PAYABLE FOR CUSTOMISED AND STANDARD MAPS, LAND SURVEY ELECTRONIC DATA AND INTERNAL AND EXTERNAL CLIENTS.

PLANS (ZONING, LOCALITY, and INFRASTRUCTURE CONNECTIONS) ON PAPER

PLAN SIZE	Approved tariff from 1/07/2022	Recommended tariff from 1/07/2023
A0 Copies on paper R/copy Copies on photo gloss R / copy	R161.73 R273.91	R171.43 R290.34
A1 Copies on paper R/copy Copies on photo gloss R / copy	R109.55 R273.91	R116.12 R290.34
A2 Copies on paper R/copy Copies on photo gloss R / copy	R74.33 R129.07	R78.79 R136.81
A3 Copies on paper R/copy Copies on photo gloss R / copy	R54.76 R74.33	R58.05 R78.79
A4 Copies on paper R/copy Copies on photo gloss R / copy	R35.20 R57.36	R37.31 R60.80
A0 Colour copy R/copy Monochrome copy R/copy	R429.13 R219.12	R454.88 R232.27
A1 Colour copy R/copy Monochrome copy R/copy	R302.60 R164.34	R320.76 R174.20
A2 Colour copy R/copy Monochrome copy R/copy	R146.08 R103.03	R154.84 R109.21
A3 Colour copy R/copy Monochrome copy R/copy	R82.16 R62.60	R87.09 R66.36
A4 Colour copy R/copy Monochrome copy R/copy	R62.60 R46.94	R66.36 R49.76
DIGITAL DATA		
COST PER ERF (R) DXF and Shape files or Jpeg, Bmp and tiff files		
Cost per feature	R1.22	R1.29
DIGITAL AERIAL PHOTOGRAPHY (2008) AND CONTOURS		
AERIAL PHOTOS		
Cost per CD	R32.60	R34.56
Cost per Title	R89.97	R95.37
Cost per complete set	R279.12	R295.87
CONTOURS		
Cost per CD	R273.90	R290.33
Cost per Title	R27.37	R29.01
Cost per complete set	R2,740.35	R2,904.77
MAPBOOK ON CD/HARD COPY Scale at 1:2500 & 1:5000-A3 sheet size when printed Cadastral data available: stand, township, farm and land Survey	R366.51	R388.50

IDENTIFICATION OF STAND PEGS COST PER STAND:

Indigents(Upon Verification on the indigent list)	441.14 /Stand	R467.61 /Stand
Non Indigents (R293 and RDP township) (Cost/peg)	R1,015.79 /peg	R1,076.74 /peg
Non Indigents (Ordinance/DFA/SPLUMA townships) (Cost/peg)	R1,451.13 /peg	R1,538.20 /peg
DEMARCATON OF SITES (Survey of Rural Townships)		
Business sites (Cost/peg)	R580.46	R615.29
Residential sites : 1-50 (Cost/site)	R580.46	R615.29
Residential sites : 51-200 (Cost/site)	R406.31	R430.69
Residential sites : 201-400 (Cost/site)	R348.27	R369.17

Residential sites : 401-600 (Cost/site)	R290.23	R307.64
Residential sites : 601-800 (Cost/site)	R232.18	R246.11
Residential sites : 801- (Cost/site)	R174.13	R184.58

MONIES AND DEPOSITS PAYABLE IN TERMS OF OUTDOOR ADVERTISING

	Approved tariff from 1/07/2022	Recommended tariff from 1/07/2023
A – D: "Billboards "including LED	For signs < 18m2 R2,580.10 For signs > 18m2 R2,580.10	For signs < 18m2 R2,734.91 For signs > 18m2 R2,734.91
A: Large posters & street furniture	For signs < 18m2 R2,580.10 For signs > 18m2 R2,580.10	For signs < 18m2 R2,734.91 For signs > 18m2 R2,734.91
B: Banners & flags	50% of collected revenue as per signed SLA	50% of collected revenue as per signed SLA
C: Suburban ads.	For signs < 18m2 R2,580.10 For signs > 18m2 R2,580.10	For signs < 18m2 R2,734.91 For signs > 18m2 R2,734.91
D: Temporary ads.	R4,056.64	R4,300.04
E: Street name ads.	25% of collected revenue as per signed SLA	25% of collected revenue as per signed SLA
F: Neighbourhood watch etc.	For signs < 18m2 R377.22 For signs > 18m2 R2,580.10	For signs < 18m2 R399.85 For signs > 18m2 R2,734.91
G: Product replicas & 3-d signs.	For signs < 18m2 R2,580.10 For signs > 18m2 R2,580.10	For signs < 18m2 R2,734.91 For signs > 18m2 R2,734.91
A – M		
Sky, roof, flat, protecting, verandah, canopy, window signs, Signs incorporated in building fabric, ads on business premises, towers, site boundaries etc.	For signs < 18m2 R2,580.10 For signs > 18m2 R2,580.10	For signs < 18m2 R2,734.91 For signs > 18m2 R2,734.91
A: Sponsored road traffic projects	For signs < 18m2 R2,580.10 For signs > 18m2 R2,580.10	For signs < 18m2 R2,734.91 For signs > 18m2 R2,734.91
B: Service facility signs	For signs < 18m2 R2,580.10 For signs > 18m2 R2,580.10	For signs < 18m2 R2,734.91 For signs > 18m2 R2,734.91
C: Tourism signs	For signs < 18m2 R2,580.10 For signs > 18m2 R2,580.10	For signs < 18m2 R2,734.91 For signs > 18m2 R2,734.91
D: Functional ads by public bodies	For signs < 18m2 R2,580.10 For signs > 18m2 R2,580.10	For signs < 18m2 R2,734.91 For signs > 18m2 R2,734.91
A: Aerial signs	R4,059.29	R4,302.85
B: Vehicular ads	R2,873.89	R3,046.32
C: Trailer ads		

		R3,026.20	R3,207.77
	Confiscation fee	R1,304.39 /m2	R1,382.65 /m2

SCHEDULE 12.

TARIFFS PAYABLE I.R.O. BUILDING & STRUCTURAL PLANS, OCCUPATION CERTIFICATES, RE-INSPECTION FEES & PAVEMENT DEPOSITS: 2022/2023

The determined tariffs are as follows:

Housing and Building Inspections

		Approved tariff from 1/07/2022	Recommended tariff from 1/07/2023
	Building plan fees per sq metre of the gross floor area	R26.17 /m2	R27.74 /m2
1	□□ Minimum Seach Fee (Existing Plans) Site Development Plans (SDP)	R2,765.31 R685.00	R2,931.23 R100.00 R726.00
4	Occupation certificate fees	R326.08 per unit	R345.64 per unit
5	Re-Inspection fees	R326.08	R345.64
6	Pavement deposits R1-00 per sq metre □□ minimum □□ Maximum Pavement deposits Residential properties Commercial properties Pavement rental Residential properties Commercial properties Commercial (CBD)	 R1,280.91 R25,601.51 R914.37 /month R3,943.72 /month R9,141.25 /month	 R1,357.76 R27,137.60 R969.23 /month R4,180.34 /month R9,689.73 /month
7	For the making or provision of plan reproductions: Per A1 size (area) or any part thereof	R46.94	R49.76
8	For the furnishing of Information.	R35.20	R37.31
9	For a list of approved building plans, copies, duplicates or reproductions of such list, per list:		
(i)	Per month	R35.20	R37.31
(ii)	Per annum	R438.26	R464.56

SCHEDULE 13:

TARIFFS PAYABLE BY HAWKERS FOR SELLING OF PRODUCTS AND OTHER ACTIVITIES: 2023/2024

Products allowed	Areas	Approved tariff from 1/07/2022	Recommended tariff from 1/07/2023
Accessories: belts, bags, hair products, gloves, Cosmetics, Toys	Township	R54.77	R58.06
	City	R129.13	R136.88
Herbal products	Township	R54.78	R58.07
	City	R129.13	R136.88
Fruits and vegetables	Township	R54.76	R58.05
	City	R89.99	R95.39
Mobile hawkers (Ice cream, cool drinks, nuts)	Township	R19.54	R20.71
	City	R54.77	R58.06
Home utensils (Grass brooms & wooden spoons, steel wool, scrubbing products)	Township	R19.54	R20.71
	City	R54.77	R58.06
Hair dresser	Township	R89.99	R95.39
	City	R129.13	R136.88
Cooking	Township	R89.99	R95.39
	City	R129.13	R136.88
Shoe repairs	Township	R35.24	R37.35
	City	R89.99	R95.39
All Tenants	Limpopo cooking facility	R33.89 /m2	R35.92 /m2
All Tenants	Mankweng taxi rank, Bus terminus and Business centre	R19.54 /m2	R20.71 /m2
Micro	African Market	35.21 /m2	R37.32 /m2
Small		46.95 /m2	R49.77 /m2
Medium		R54.76 /m2	R58.05 /m2
All Tenants	Itsoseng Entrepreneurial centre	R19.58 /m2	R20.75 /m2
All Tenants	Mankweng Business centre (University)	R19.54 /m2	R20.71 /m2
New products permit tariffs			
Snacks, Newspapers	Township	R40.64	R43.08
airtime, cigarettes	City	R87.06	R92.28
Mopani Worms and Ground nuts	Township	R40.64	R43.08
	City	R87.06	R92.28
Photography	Township	R52.15	R55.28
	City	R84.77	R89.86
Bunny chow	Township	R84.78	R89.87
	City	R121.30	R128.58
Trolley Services	Township	R18.25	R19.35
	City	R52.15	R55.28
Stall at all Municipality facilities	Township and city	R215.21 p/day	R228.12 p/day

AGANANG CLUSTER RENTAL AND OTHER SUNDRY CHARGES:

		Approved tariff from 1/07/2022	Recommended tariff 1/07/2023
1	RENT Rental of space for photos ID /licence passport photos	Per lease agreement	Per lease agreement
2	Processing applications for allocation of stand	R143.47	R152.08
3	Residential properties cluster	Market related Lease	Market related Lease
4	Rental Of Municipal office space(indoor and outdoor)	Market related (lease agreement)	Market related (lease agreement)

5	Rental of Aganang Municipal Hall	Rental of hall R2,608.80 and R652.19 is refundable if no	Rental of hall R2,765.33 and R691.32 is refundable if no
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		<p>damage incurred after usage. 25% of amount will not be refundable if booking is cancelled.</p> <p>No cancelation will be considered after the event date.</p> <p>(No refund than the R652.19 deposit)</p>	<p>damage incurred after usage. 25% of amount will not be refundable if booking is cancelled.</p> <p>No cancelation will be considered after the event date.</p> <p>(No refund than the R691.32 deposit)</p>
6	Rental of MPCC Hall – One stop	<p>R1,565.27 per day of which R521.75 is refundable if no damage incurred. Cancellations to be handled as above</p>	<p>R1,659.19 per day of which R553.06 is refundable if no damage incurred. Cancellations to be handled as above</p>
7	Rental of Municipal Market stalls	R215.21	R228.12
8	Rental of Municipal Sports Grounds (No entrance fees)	<p>R1,565.31 per day of which R521.75 is refundable if no damage incurred. Cancellations to be handled as above</p>	<p>R1,659.23 per day of which R553.06 is refundable if no damage incurred. Cancellations to be handled as above</p>
9	Rental of Municipal Sports Grounds (Entrance fees)	<p>R9,130.82 per day and 15% of gate takings of which R2,608.79 the R9,132.80 is refundable if no damage incurred. Cancellations to be handled as above</p>	<p>R9,678.67 per day and 15% of gate takings of which R2,765.32 the R9,680.77 is refundable if no damage incurred. Cancellations to be handled as above</p>
10	Rental of Seema / Jupiter Halls	<p>R1,565.27 per day of which R521.75 is refundable if no damage incurred. Cancellations to be handled as above</p>	<p>R600.00 per day of which R553.06 is refundable if no damage incurred. Cancellations to be handled as above</p>

SCHEDULE 14:

TARIFFS PAYABLE FOR THE ISSUING OF CERTIFICATES AND DOCUMENTS AND FURNISHING OF INFORMATION TO ANY PERSON OR INSTITUTION WITH THE EXCLUSION OF INFORMATION TO CENTRAL, PROVINCIAL AND LOCAL GOVERNMENT

		Approved tariff from 1/07/2022	Recommended tariff from 1/07/2023
1	For any certificate for which no charges are laid down in any Act, ordinance or by-law applicable to the council:		
(i)	Per original, typed A4 page or part thereof	R49.54	R52.51
(ii)	completed page of a copy, reproduction or duplicate of a pro forma certificate	R27.38	R29.02
2(i)	For the furnishing of information to the same person or institution of a maximum of three names, addresses of persons or three descriptions of properties, per day subject to Section 18 (1) of the Promotion of Information act, 2000. (Act 2 of 2000). Regulation 6 and on the prescribed document.	Free of charge	Free of charge
(ii)	Thereafter for the furnishing of information to the same person or institution of the name and address of a person or the description of a property, subject to Section 18 (1) of the Promotion of Information act, 2000. (Act 2 of 2000). Regulation 6. and on the prescribed document.	R35.20	R37.31
3	Inspection of, or the perusal of any deed, document, sketch or diagram:		
(i)	For the first hour	Free of charge	Free of charge
(ii)	Thereafter, per hour, or part of an hour	R27.37	R29.01
4	For endorsements on declaration of purchasers forms, per endorsement	R19.54	R20.71
5(i)	For the furnishing of information in order to obtain a clearance certificate (Manual) S118	R286.95	R304.17
	For the furnishing of information in order to obtain a clearance certificate(electronic)	R195.65	R207.39
5(ii)	For the issuing of a clearance certificate(Manual) S118	R307.99	R326.47
	For the issuing of a clearance certificate (electronic)	R195.65	R207.39
6(i)	For the continuous search or oral furnishing of information, per hour or part thereof	R125.20	R132.71
(ii)	For the furnishing of information continuously searched for, if supplied in writing, per A4 page or part thereof	R54.76	R58.05
(iii)	Deeds Office Enquiries: Per enquiry.	R136.94	R145.16
(iv)	Request for revaluation of property, per valuation per property	R639.14	R677.49
7	For voter's roll:		
-1	Per main list:		
	Per main list – printed	R486.52	R515.71
	Main list supplied per disc according to Council's format	R401.73	R425.83
(ii)	Per Ward:		
	Ward list – printed	R125.20	R132.71
8	For the retrieval of information stored on computer and to supply such information per disc.		
(i)	Computer costs per 15 minute day time or part thereof	R1,531.35	R1,623.23
(ii)	For the writing and/or applying of computer programmes to retrieve specific information and to supply such information per disc: per half hour or part thereof	R332.61	R352.57
9	For the making or furnishing of copies, reproductions and duplicates, excluding copies of plans – not provided for elsewhere per A4 size (area) or part of any document:	R9.11	R9.66
10	The provision of duplicate accounts and/or analysis reports of previous		

| 10

accounts for the purpose of settling such account

Free of charge

Free of charge

11	Interest rate on arrear amounts CR/03/07/05	Interest on arrear accounts is based on the Bank Prime Rate as on 30 June of the previous financial year plus 1% per annum.	Interest on arrear accounts is based on the Bank Prime Rate as on 30 June of the previous financial year plus 1% per annum.
12	Charges in respect of credit card payment and/or any other payment method via the Easy pay System CR/04/09/2003	All charges shall be for the account of the debtor and be debited to the debtor's next account.	All charges shall be for the account of the debtor and be debited to the debtor's next account.
13	Charges in respect of cheques "refer to drawer" CR29/06/1992	Per cheque: R429.20	Per cheque: R454.95
14	Proof of resident fee	R9.11	R9.66
15	Unidentified Receipt fee/ Payment by the customer with incorrect or invalid reference details other than the account number.	R208.95	R221.49

ADVERTISING ON MUNICIPAL ACCOUNTS/STATEMENTS

The advertising tariffs are per account per month. Full page means one side of A4 page. Advertisement cannot be done for more than three consecutive months, and space must be booked in advance.

1	Per Full Page /Account	R0.10	R0.10
2	Per Half Page or Part Thereof	R0.05	R0.05

SCHEDULE 15:

NO.	LEETO LA POLOKWANE FARE TARIFFS	Approved tariff From 1/07/2022	Recommended tariff From 1/07/2023
(i)	Seshogo (TE4 and TE5B)	R10.00	R13.00
(ii)	Nirvana (F4B)	R6.00	R8.00
(iii)	Flora Park (F1)	R6.00	R8.00
(iv)	Travel Card: First Issue	R0.00	R45.00
(v)	Travel Card: Re-issue (lost cards)	R45.00	R60.00

All charges exclude VAT except for Sundry charges and where otherwise indicated. The municipality may not provide change in cents up to R1.00 over the counter and such will be credited to the consumer's account.

Any person who wishes to lodge a dispute in respect of the account must submit such dispute within 60 days of the account.

Ms. Thuso Nemugumoni

MUNICIPAL MANAGER

**Polokwane Municipality Civic Center
Corner of Landdros Marè and Bodenstein Streets
POLOKWANE
0700**



ANNEXURE G:

Municipal Manager's Quality Certificate

Municipal Manager's Quality Certificate



Office of the Municipal Manager

I, Thuso Nemugumoni Municipal Manager of Polokwane Local Municipality, hereby certify that the (2023/24- 2025/26) Annual Budget and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the draft budget and supporting documentation are consistent with the Integrated Development Plan of the municipality.

Print Name Thuso Nemugumoni
Municipal Manager of Polokwane Local Municipality (LIM354)

Signature Thuso Nemugumoni

Date 16/05/2023

ANNEXURE I

Funding outcome of the revised draft budget.

Zinzi Mphahlele

From: Sifiso Mabaso <Sifiso.Mabaso@treasury.gov.za>
Sent: Monday, 22 May 2023 21:16
To: Thuso TL. Nemugumoni
Cc: Thabo Nonyane; Zinzi Mphahlele; Moleboheng Mathebula; Victor Nengovhela; Cethekile Moshane
Subject: Funding outcome of the revised draft budget
Attachments: Funding outcome of revised draft 2023_24 budget -.docx

Good Day City Manager

Thank you for the submission of the second draft budget and this enabled the National Treasury to conduct funding assessment of the budget to establish whether it is funded or not. This follows a draft ; as per the discussion at the benchmarking engagement held on 02 May 2023, at National Treasury's offices.

Kindly receive herewith the attached funding outcome of Table 8 of the revised draft budget, showing a funded budget. The outcome is as a result of changes effected in draft budget as per the National Treasury's recommendations in the benchmarking engagement.

The changes made by the reduction of budget allocations of certain operating and capital expenditure items.

Considering the changes made on the capital budget for the construction of infrastructure, the City is advised to communicate to the communities that will be affected by the reduction of instructor capital projects .

At this stage, there is no need for further changes to the budget given that such action is more likely to result in unfunded budget. The National Treasury will never accept any unfunded budgets to be adopted by a municipal Council. You are reminded about the Cabinet directive that all municipalities must table and adopt a funded budget. Failure to do so, will lead to serious consequences.

We are looking forward to the Council adoption of a funded budget for the 2023/24 MTREF and please do not hesitate to contact us should there be a need for further clarity or assistance.

Regards

National Treasury EMail Disclaimer

LIM354 - Polokwane	Table A8 Cash backed		CURRENT YEAR			MEDIUM TERM REVENUE & EXPENDITURE FRAMEWORK					
			2022/23 Treasury Calculation	2022/23 Full Year Forecast	2022/23 Pre-audit outcome	2023/24 Budget Year +0	2023/24 Treasury Calculation	2024/25 Budget Year +1	2024/25 Treasury Calculation	2025/26 Budget Year +2	2025/26 Treasury Calculation
Description	2021/22 Audited Outcome	2022/23 Adjusted Budget									
R thousand											
Cash and investments available											
Cash/cash equivalents at the year end	1 485 935	385 193	82 319	385 193	3 187 578	320 801	255 143	313 938	430 483	328 318	519 915
Other current investments > 90 days	(1 253 265)	(119 609)	(0)	(119 609)	(2 427 004)	(24 944)	(0)	(27 778)	(0)	(31 078)	(0)
Non current assets - Investments	-	-	-	-	-	-	-	-	-	-	-
Cash and investments available:	232 670	265 584	82 319	265 584	760 574	295 857	255 143	286 160	430 483	297 240	519 915
Application of cash and investments											
Unspent conditional transfers	155 781	110 921	3 808	110 921	477 357	155 781	3 808	155 781	3 808	155 781	3 808
Unspent borrowing	-	-	-	-	-	-	-	-	-	-	-
Statutory requirements	14 282	(156 937)	46 869	(156 937)	41 328	74 455	121 370	96 376	198 470	119 792	299 376
Other working capital requirements	(313 055)	(323 224)	(46 647)	(323 224)	(1 252 654)	(52 112)	35 920	(230 810)	(37 189)	(315 077)	(84 144)
Other provisions	22 407	10 278	38 512	10 278	12 401	36 897	38 756	37 038	39 014	37 187	39 287
Long term investments committed	-	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	-	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:	(120 585)	(358 962)	42 542	(358 962)	721 568	215 021	199 854	58 385	204 103	(2 317)	258 327
Surplus(shortfall)	353 255	624 546	39 777	624 546	1 482 142	80 835	55 289	227 775	226 381	299 557	261 588