



# DRAFT ANNUAL BUDGET OF POLOKWANE MUNICIPALITY 2022/23- 2024/25 MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS



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**Smart Economy**

- Innovative spirit
- Entrepreneurship
- Economic image & trademarks
- Productivity
- Flexibility of labour market
- Ability to transform
- Penetration of ICT-use in business
- Internationalization of the city

**Smart Environment**

- Environmental protection
- Sustainable resource management
- Effective and efficient use of the surroundings of the city
- Environmental resilience

**Smart Governance**

- Participation in decision-making
- Transparent governance
- Political strategies and perspectives
- Promote E-government and ICT
- Online Public Services
- Transparent governance

**Smart Living**

- E-health
- Efficient and sustainable use of resources
- Quality of life for city inhabitants

**Smart Mobility**

- Public Internet Access
- Local accessibility
- (inter-) national accessibility
- Availability of ICT-Infrastructure
- Sustainable innovative and safe Transport systems

**Smart People!**

- Participation in decision-making
- Transparent governance
- E-learning
- Human Capital
- Life-long training

Part 1

## **1. MULTI-YEAR BUDGET 2022/23 – 2024/2025**

### **DIRECTORATE CHIEF FINANCIAL OFFICER**

#### **ITEM**

**REF: 5/1/4**

### **MULTI-YEAR BUDGET 2022/23 – 2024/2025**

#### **Report of the Chief Financial Officer**

##### **Purpose**

The purpose of the report is to table the Draft Multi-year Budget 2022/23 – 2024/25 Council for approval.

##### **Background**

The IDP/Budget Process Plan to review the 2021/22 IDP/Budget was adopted on 7th August 2021 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 draft 2022/23 MTREF Budget places emphasis on inclusive growth, as well as a progressive programme of capital expenditures. The Draft 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, business people, youth, workers and citizens, we can overcome the challenges of tough economic times and difficult adjustments. National Treasury's MFMA Circular No.112 and 115 was used to guide the compilation of the 2022/23 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.
- **Adherence to the monthly cash flow strategies/reforms of the Office of the CFO.**
- 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 2022/23 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 DRAFT 2022/23 MTEF

### General economic overview

South Africa's public finances deteriorated over the past decade; a trend that accelerated in recent years as low growth led to large revenue shortfalls. We have officially entered into a recession again for the second time in two years with lower growth forecasted over the MTEF period when factoring our domestic challenges with the corona virus pandemic.

The National Treasury projects real economic growth of **5.1 per cent** in 2021, following an expected contraction of **6.4 per cent** in 2020.

Real GDP growth is expected to moderate to **1.8 per cent** in 2022, **1.6 per cent** in 2023 and 1.7 per cent in 2024. South Africa experienced its largest recorded decline in economic output in 2020 due to the strict COVID-19 lockdown.

For 10 years, the country has run large budget deficits. This has put us deeply in debt, to the point where interest payments have begun crowding out social and economic spending programmes. This cannot be sustained especially where the global economy faces a very likely possibility of a global recession in the wake of the effects corona virus pandemic and the ongoing war in Europe.

Municipal governments face multiple pressures over the period ahead with local government expected to expand access to free basic service to poor households, while ensuring that those who can afford to pay for services do so.

The 2022/23 MTEF includes large reductions in planned transfers to municipalities. The implication of these reductions is that municipalities will be required to reprioritise projects.

### 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
- increases in tariffs in line with inflation except electricity related tariffs which is determined by Eskom and approved by NERSA.
- 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
- 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.

A new cash flow strategy has been implemented in this financial year whereby all SBUs are given a set monthly cash flow budget. This will ensure that project managers plan adequately for their activities without over committing their financial obligations. The oversight structures will monitor this initiative monthly and take appropriate action where necessary.

Total draft budget for the 2022/2023 financial year is R5.1 billion made up of an operating budget of R4.2 billion and a capital budget of R967 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:

#### 1.1.1 Revenue: Tariff increases:

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 (**2021/22 financial year**), *except for the electricity and water tariffs which are set by the institutions/regulatory bodies*, all other services were increased by **4%** which is well below the estimated inflation rate of **4.5%**. This was to ensure that the consumers are given reprieve during the significant pandemic period

For the next financial year (**2022/23 financial year**), consideration was given to the **high international oil prices (over \$100 per barrel)** and the **weaker South African currency (above R15 to the US dollar)**. 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 **5.3%** which is CPI plus **0.5%**.

**Water tariffs** will increase by **9%** which is the tariff increase by the Lepelle Northern Water of **8.5%** plus **0.5%**.

**Electricity tariffs** will increase by **9.6%** as approved by **NERSA**. (No additional percentage will be added to this increase).

Description	Budget Year +1 2022/23	Budget Year +2 2023/24	Budget Year +2 2024/25
	Increase		
<b>Revenue By Source</b>			
Property rates	5.30%	4.90%	5.00%
Service charges - electricity revenue	9.60%	10.00%	11.00%
Service charges - water revenue	9.00%	9.50%	10.00%
Service charges - sanitation revenue	5.30%	4.90%	5.00%
Service charges - refuse revenue	5.30%	4.90%	5.00%
Rental of facilities and equipment	5.30%	4.90%	5.00%
Interest earned - external investments	5.30%	4.90%	5.00%
Interest earned - outstanding debtors	5.30%	4.90%	5.00%
Dividends received	5.30%	4.90%	5.00%
Fines, penalties and forfeits	5.30%	4.90%	5.00%
Licences and permits	5.30%	4.90%	5.00%
Agency services	5.30%	4.90%	5.00%
Other revenue	5.30%	4.90%	5.00%

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 implementation of an 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.

### Expenditure increases

Description	Budget Year +1 2022/23	Budget Year +2 2023/24	Budget Year +2 2024/25
	Increase		
<b>Expenditure By Type</b>			
Employee related costs	5.00%	5.40%	5.50%
Remuneration of councillors	5.00%	5.40%	5.50%
Debt impairment	4.00%	4.40%	4.50%
Depreciation & asset impairment	4.00%	4.40%	4.50%
Finance charges	4.00%	4.40%	4.50%
Bulk purchases Electricity	10.00%	10.00%	10.00%
Inventory Consumed	4.00%	4.40%	4.50%
Contracted services	4.00%	4.40%	4.50%
Transfers and subsidies	4.00%	4.40%	4.50%
Other expenditure	4.00%	4.40%	4.50%

**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 2022.
- 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.

### Indigent subsidies

Provision is made in the operating budget for the subsidizing of indigent households to around R270 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 R4 700 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 R9 000.

### COVID-19/European War



Although we are observing a recovery (both in economic terms and the rate of infections) on the pandemic front, the negative impact on the economy is still been felt. High unemployment and slow economic recovery should be a cause of concern.

The European war has added to the challenges in the global economic recovery space. Disturbances in the global supply chain processes will have an impact on fuel prices, basic food supply and unwanted increases in interest rates.

Therefore, the application of sound financial management principles for the compilation of Polokwane Municipality's MTREF is essential and critical to ensure that Polokwane Municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all communities.

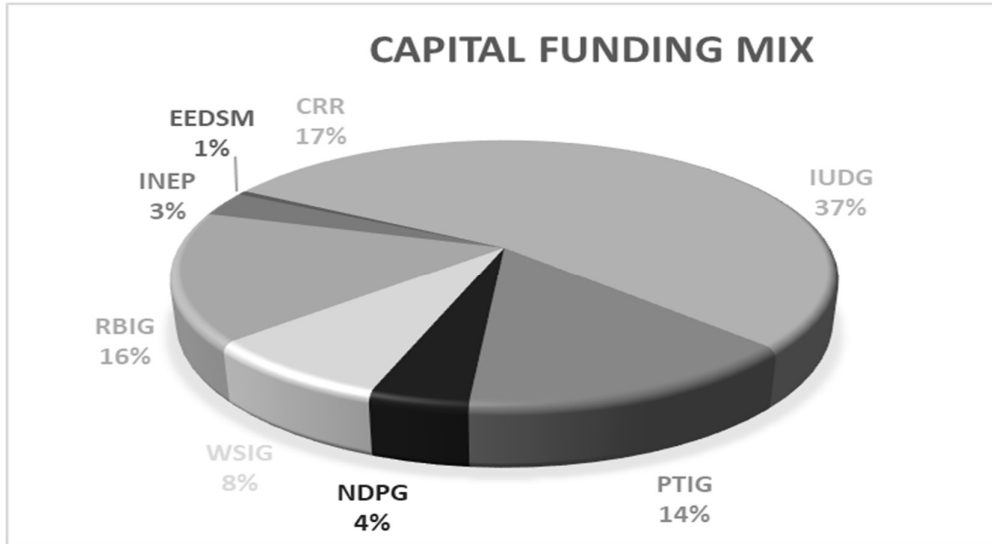
**In view of the aforementioned, the following tables are a consolidated overview of the draft 2022/2023 Medium-term Revenue and Expenditure Framework**

#### Operating revenue and expenditure summary:

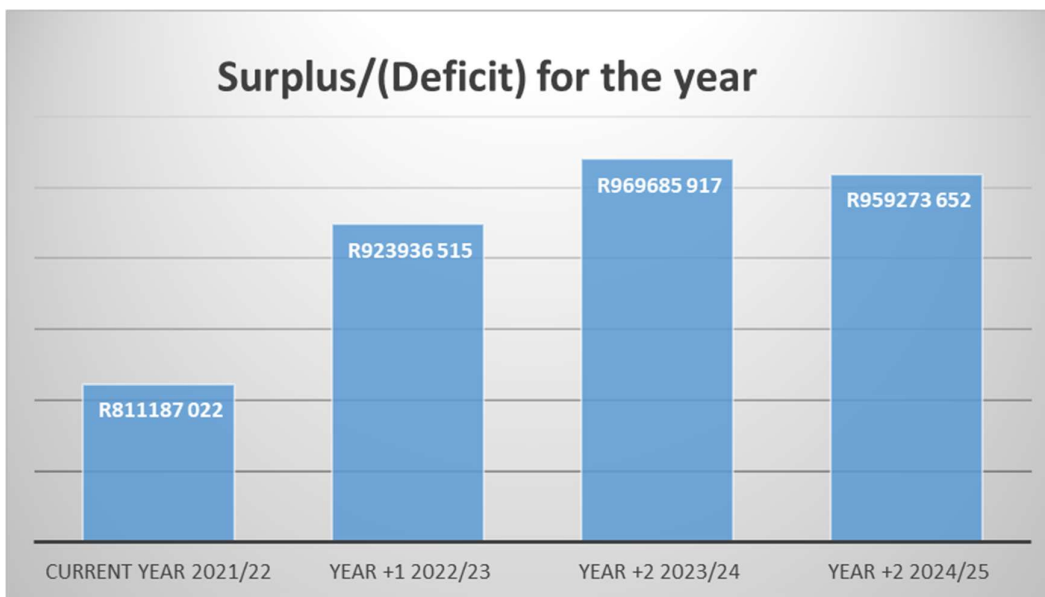
Description R thousand	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Total Operational Revenue	4 028 833	4 035 188	4 328 242	4 689 931	4 920 174
Capital transfers recognised	795 321	817 130	803 725	721 873	746 833
<b>Total Revenue</b>	<b>4 824 154</b>	<b>4 852 318</b>	<b>5 131 966</b>	<b>5 411 804</b>	<b>5 667 007</b>
<b>Total Expenditure</b>	<b>3 789 546</b>	<b>4 041 131</b>	<b>4 208 030</b>	<b>4 442 119</b>	<b>4 707 733</b>
<b>Surplus/ (Deficit) for the year</b>	<b>1 034 609</b>	<b>811 187</b>	<b>923 937</b>	<b>969 686</b>	<b>959 274</b>

#### Capital expenditure

Total capital budget is **R 967 665 326** which is funded as follows:



**Surplus for the year**



## 1.2 Revenue by Source

Description R thousand	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Revenue By Source</b>						
Property rates	547 228	547 228	547 228	576 231	604 466	637 712
Service charges - electricity revenue	1 419 771	1 419 771	1 419 771	1 556 069	1 711 676	1 727 236
Service charges - water revenue	275 101	275 101	275 101	299 860	328 347	361 181
Service charges - sanitation revenue	131 985	131 985	131 985	138 980	145 790	145 929
Service charges - refuse revenue	126 897	126 897	126 897	133 623	140 170	140 304
Service charges - other						
Rental of facilities and equipment	14 938	14 938	14 938	11 950	12 542	13 294
Interest earned - external investments	15 683	15 683	15 683	16 515	17 324	18 190
Interest earned - outstanding debtors	101 241	101 241	101 241	106 607	111 831	117 422
Dividends received	-	-	-	-	-	-
Fines, penalties and forfeits	38 140	38 140	38 140	40 162	42 130	44 447
Licences and permits	13 283	13 283	13 283	13 886	14 559	15 356
Agency services	28 910	28 910	28 910	30 443	31 934	33 691
Transfers and subsidies	1 211 033	1 217 388	1 217 388	1 353 078	1 475 820	1 608 902
Other revenue	104 623	104 623	104 623	50 838	53 343	56 509
Gains on disposal of PPE	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>4 028 833</b>	<b>4 035 188</b>	<b>4 035 188</b>	<b>4 328 242</b>	<b>4 689 931</b>	<b>4 920 174</b>

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 2021/22		2022/23 Medium Term Revenue and Expenditure Framework					
	Adjusted Budget	%	Budget Year 2022/23	%	Budget Year +1 2023/24	%	Budget Year +2 2024/25	%
<b>Revenue By Source</b>								
Property rates	547 228	13.6%	576 231	13.31%	604 466	12.9%	637 712	13.0%
Service charges - electricity revenue	1 419 771	35.2%	1 556 069	35.95%	1 711 676	36.5%	1 727 236	35.1%
Service charges - water revenue	275 101	6.8%	299 860	6.93%	328 347	7.0%	361 181	7.3%
Service charges - sanitation revenue	131 985	3.3%	138 980	3.21%	145 790	3.1%	145 929	3.0%
Service charges - refuse revenue	126 897	3.1%	133 623	3.09%	140 170	3.0%	140 304	2.9%
Service charges - other		0.0%		0.00%		0.0%		0.0%
Rental of facilities and equipment	14 938	0.4%	11 950	0.28%	12 542	0.3%	13 294	0.3%
Interest earned - external investments	15 683	0.4%	16 515	0.38%	17 324	0.4%	18 190	0.4%
Interest earned - outstanding debtors	101 241	2.5%	106 607	2.46%	111 831	2.4%	117 422	2.4%
Dividends received	-	0.0%	-	0.00%	-	0.0%	-	0.0%
Fines, penalties and forfeits	38 140	0.9%	40 162	0.93%	42 130	0.9%	44 447	0.9%
Licences and permits	13 283	0.3%	13 886	0.32%	14 559	0.3%	15 356	0.3%
Agency services	28 910	0.7%	30 443	0.70%	31 934	0.7%	33 691	0.7%
Transfers and subsidies	1 217 388	30.2%	1 353 078	31.26%	1 475 820	31.5%	1 608 902	32.7%
Other revenue	104 623	2.6%	50 838	1.17%	53 343	1.1%	56 509	1.1%
Gains on disposal of PPE	-	0.0%	-	0.00%	-	0.0%	-	0.0%
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>4 035 188</b>	<b>100.0%</b>	<b>4 328 242</b>	<b>100.00%</b>	<b>4 689 931</b>	<b>100.0%</b>	<b>4 920 174</b>	<b>100.0%</b>
<b>Revenue from Services Charges</b>	<b>1 953 754</b>	<b>48.4%</b>	<b>2 128 532</b>	<b>49.18%</b>	<b>2 325 983</b>	<b>49.6%</b>	<b>2 374 651</b>	<b>48.3%</b>

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 40% of the total revenue mix. In the 2021/22 financial year, revenue from services charges totalled R1.953 billion or 48.4 per cent. This increases to R2.128billion, R2.325billion and R2.374billion 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 31.6 per cent in 2022/23 and increase to 32.7 per cent in 2024/25. Property rates are the third largest revenue source totalling 13.31 per cent or R576 million rand in 2022/23 and increases to R637 million by 2024/25. The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

### 1.3 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
<b>OPERATIONAL GRANTS</b>			
Equitable Share	1 196 549 000	1 300 435 000	1 413 976 000
<b>OPERATIONAL GRANTS</b>			
Integrated Urban Development Grant	66 463 383	75 132 816	85 958 660
Public Transport Network Grant	61 496 000	64 118 957	66 567 749
Financial Management Grant (FMG)	2 400 000	2 400 000	2 400 000
Extended Public Works Programme (EPWP)	11 570 000	-	-
Infrastructure Skills Development Grant (ISDG)	6 000 000	6 000 000	6 000 000
Integrated National Electrification Programme Grant	3 600 000	21 733 000	27 000 000
<b>TOTAL OPERATIONAL GRANTS</b>	<b>1 348 078 383</b>	<b>1 469 819 774</b>	<b>1 601 902 409</b>

### 1.4 Expenditure by Type

Description	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>						
<b>Expenditure By Type</b>						
Employee related costs	1 009 601	1 043 372	1 043 372	1 162 356	1 220 180	1 286 621
Remuneration of councillors	43 421	39 921	39 921	41 917	44 180	46 610
Debt impairment	250 000	250 000	250 000	260 000	271 440	283 655
Depreciation & asset impairment	250 000	250 000	250 000	260 000	271 440	283 655
Finance charges	50 000	47 200	47 200	42 336	39 836	37 146
Bulk purchases	887 800	887 800	887 800	976 580	1 054 706	1 149 630
Other materials	288 939	291 139	291 139	302 741	316 062	330 285
Contracted services	739 404	921 485	921 485	883 339	933 624	986 788
Transfers and subsidies	40 000	50 000	50 000	14 500	15 138	15 819
Other expenditure	230 382	260 215	260 215	264 261	275 512	287 525
Loss on disposal of PPE	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>3 789 546</b>	<b>4 041 131</b>	<b>4 041 131</b>	<b>4 208 030</b>	<b>4 442 119</b>	<b>4 707 733</b>



The Municipality's expenditure framework for the 2022/23 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 2022/23 budget and MTREF (classified per main type of operating expenditure):

### 1.5 Summary of operating expenditure by standard classification item

Description	Current Year 2021/22		2022/23 Medium Term Revenue and Expenditure Framework					
	Adjusted Budget	%	Budget Year 2022/23	%	Budget Year +1 2023/24	%	Budget Year +2 2024/25	%
<b>Expenditure By Type</b>								
Employee related costs	1 043 372	25.8%	1 162 356	27.62%	1 220 180	27.5%	1 286 621	27.3%
Remuneration of councillors	39 921	1.0%	41 917	1.00%	44 180	1.0%	46 610	1.0%
Debt impairment	250 000	6.2%	260 000	6.18%	271 440	6.1%	283 655	6.0%
Depreciation & asset impairment	250 000	6.2%	260 000	6.18%	271 440	6.1%	283 655	6.0%
Finance charges	47 200	1.2%	42 336	1.01%	39 836	0.9%	37 146	0.8%
Bulk purchases	887 800	22.0%	976 580	23.21%	1 054 706	23.7%	1 149 630	24.4%
Other materials	291 139	7.2%	302 741	7.19%	316 062	7.1%	330 285	7.0%
Contracted services	921 485	22.8%	883 339	20.99%	933 624	21.0%	986 788	21.0%
Transfers and subsidies	50 000	1.2%	14 500	0.34%	15 138	0.3%	15 819	0.3%
Other expenditure	260 215	6.4%	264 261	6.28%	275 512	6.2%	287 525	6.1%
Loss on disposal of PPE	-	0.0%	-	0.00%	-	0.0%	-	0.0%
<b>Total Expenditure</b>	<b>4 041 131</b>	<b>100.0%</b>	<b>4 208 030</b>	<b>100.00%</b>	<b>4 442 119</b>	<b>100.0%</b>	<b>4 707 733</b>	<b>100.0%</b>

The budgeted allocation for employee related costs for the 2022/23 financial year totals R1 162 billion, which equals 27.62 percent of the total operating expenditure. Salary increases have been factored into this budget at a percentage increase of 5.0 per cent for the 2022/23 for the MTREF. Included in the R1 162 billion is the R 26.0 million for Leave Pay and 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 2022/23 financial year this amount increased to R250 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.

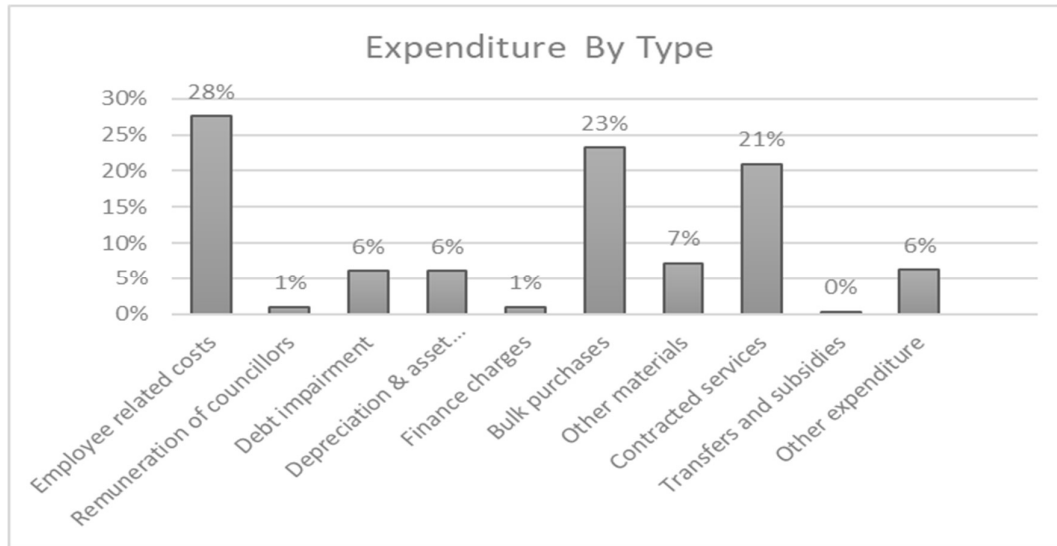
Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R260 million for the 2022/23 financial and equates to 6.18 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 1.01 percent (R42million) 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 23.21 percent (R 976.5 million) of operating expenditure. The expenditures include distribution losses.

Contracted services have been reduced due to cost containment measures and the anticipated minimal use of contractors. In 2021/22 financial year budget was R 921 million currently reduced to R883 million for 2022/23.

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 6.28percent (R 264 million) of operating expenditure.



### ***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.

### ***1.6 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 2022/23 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
<b>OPERATIONAL GRANTS</b>			
Equitable Share	1 196 549 000	1 300 435 000	1 413 976 000
<b>OPERATIONAL GRANTS</b>			
Integrated Urban Development Grant	66 463 383	75 132 816	85 958 660
Public Transport Network Grant	61 496 000	64 118 957	66 567 749
Financial Management Grant (FMG)	2 400 000	2 400 000	2 400 000
Extended Public Works Programme (EPWP)	11 570 000	-	-
Infrastructure Skills Development Grant (ISDG)	6 000 000	6 000 000	6 000 000
Integrated National Electrification Programme Grant	3 600 000	21 733 000	27 000 000
<b>TOTAL OPERATIONAL GRANTS</b>	<b>1 348 078 383</b>	<b>1 469 819 774</b>	<b>1 601 902 409</b>
<b>INFRASTRUCTURE GRANTS</b>			
Integrated Urban Development Grant	359 580 617.22	331 690 183.60	339 455 340.00
Public Transport Network Grant	138 000 000.00	143 886 042.83	149 381 250.75
Neighbourhood Development Grant	40 000 000.00	40 000 000.00	45 000 000.00
Water Services Infrastructure Grant	77 160 000.00	72 700 000.00	76 871 000.00
Regional Bulk Infrastructure Grant	154 584 000.00	120 597 000.00	126 013 000.00
Integrated National Electrification Programme Grant	29 400 000.00	9 000 000.00	5 112 000.00
Energy Efficiency and Demand Side Management Grant (EEDSM)	5 000 000.00	4 000 000.00	5 000 000.00
<b>TOTAL INFRASTRUCTURE GRANTS</b>	<b>803 724 617</b>	<b>721 873 226</b>	<b>746 832 591</b>
<b>TOTAL DoRB ALLOCATIONS TO THE MUNICIPALITY</b>	<b>2 151 803 000</b>	<b>2 191 693 000</b>	<b>2 348 735 000</b>

## 1.7 CAPITAL BUDGET PER DIRECTORATE

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

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

Description R thousand	Current Year 2021/22		2022/23 Medium Term Revenue and Expenditure Framework					
	Adjusted Budget	%	Budget Year 2022/23	%	Budget Year +1 2023/24	%	Budget Year +2 2024/25	%
<b>Single-year expenditure to be appropriated</b>								
Vote 1 - Chef Operations Office	6 126	0.6%	1 185	0.1%	1 605	0.2%	2 920	0.3%
Vote 2 - Municipal Manger Office	2 000	0.2%	-	0.0%	-	0.0%	-	0.0%
Vote 3 - Water and Sanitation	347 720	33.9%	323 386	33.4%	300 498	35.0%	282 899	32.6%
Vote 4 - Energy Services	97 876	9.6%	126 400	13.1%	103 000	12.0%	105 112	12.1%
Vote 5 - Community Services	76 354	7.5%	61 942	6.4%	31 403	3.7%	23 538	2.7%
Vote 6 - Public Safety	15 872	1.5%	3 811	0.4%	5 197	0.6%	6 809	0.8%
Vote 7 - Corporate and Shared Services	16 829	1.6%	38 921	4.0%	4 570	0.5%	4 547	0.5%
Vote 8 - Planning and Economic Development	5 974	0.6%	17 972	1.9%	13 003	1.5%	16 027	1.8%
Vote 9 - Budget and Treasury	2 000	0.2%	-	0.0%	-	0.0%	-	0.0%
Vote 10 - Transport Services	453 718	44.3%	392 676	40.6%	399 773	46.5%	422 761	48.8%
Vote 11 - Human Settlement	-	0.0%	1 374	0.1%	329	0.0%	1 873	0.2%
<b>Total Capital Expenditure - Vote</b>	<b>1 024 469</b>	<b>100.0%</b>	<b>967 665</b>	<b>100.0%</b>	<b>859 379</b>	<b>100.0%</b>	<b>866 486</b>	<b>100.0%</b>

**Transport Services** has the highest allocation of 40.6% for completion of infrastructure project, Refurbishment on Roads, Roads Concession, IT System” for Leeto la Polokwane.

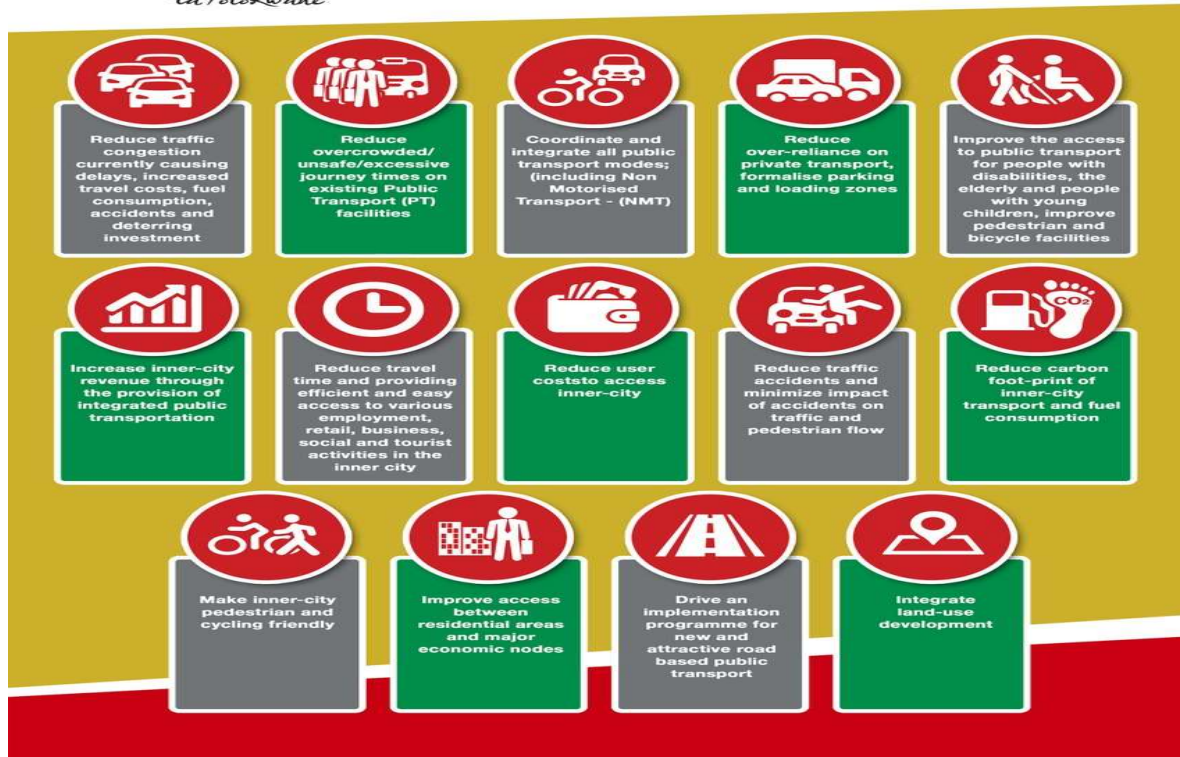






### THE BENEFITS OF LEETO LA POLOKWANE™

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



**Water and Sanitation Services** is allocated 33.4% 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

The funds available for capital expenditure from conditional grants for the following 3 years are R 803 million, R 721 million and R 746 million respectively.

MULTI YEAR BUDGET	Funding Source	Budget Year +1 2022/23	Budget Year +1 2023/24	Budget Year +1 2024/25
Description				
Intergrated Urban Development Grant	IUDG	359 580 617	331 690 184	339 455 340
Public Transport Network Grant	PTIG	138 000 000	143 886 043	149 381 251
Neighbourhood Development Grant	NDPG	40 000 000	40 000 000	45 000 000
Water Services Infrastructure Grant	WSIG	77 160 000	72 700 000	76 871 000
Regional Bulk Infrastructure Grant	RBIG	154 584 000	120 597 000	126 013 000
Integrated National Electrification Programme Grant	INEP	29 400 000	9 000 000	5 112 000
Energy Efficiency and Demand Side Management Grant (EEDSM)	EEDSM	5 000 000	4 000 000	5 000 000
<b>Total DoRA Allocations</b>		<b>803 724 617</b>	<b>721 873 226</b>	<b>746 832 591</b>
Capital Replacement Reserve	CRR	163 940 709	137 879 971	119 990 102
<b>TOTAL FUNDING</b>		<b>967 665 326</b>	<b>859 753 198</b>	<b>866 822 693</b>

The funds available for capital expenditure inclusive of VAT from **Cash Replacement Reserve** (Own funds) for the following 3 years are R 163 million, R137 million and R 119 million respectively. The following CRR funding is broken down by directorate.

MULTI YEAR BUDGET	Funding Source	Budget Year +1 2022/23	Budget Year +1 2023/24	Budget Year +1 2024/25
Description				
Vote 1 - CHIEF OPERATIONS OFFICE	CRR	1 184 706	1 604 676	2 919 837
Vote 2 -MUNICIPAL MANAGER'S OFFICE	CRR	-	-	-
Vote 3 - WATER AND SANITATION	CRR	15 545	14 818	14 983
Vote 4 - ENERGY SERVICES	CRR	80 000 000	75 000 000	80 000 000
Vote 5 - COMMUNITY SERVICES	CRR	4 472 359	7 159 500	7 082 337
Vote 6 - PUBLIC SAFETY	CRR	3 810 875	5 197 208	6 809 000
Vote 7 - CORPORATE AND SHARED SERVICES	CRR	38 920 868	4 569 882	4 547 410
Vote 8 - PLANNING AND ECONOMIC DEVELOPMENT	CRR	4 345 972	3 707 060	6 236 727
Vote 9 - BUDGET AND TREASURY OFFICE	CRR	-	-	-
Vote 10 - TRANSPORT SERVICES	CRR	31 190 383	40 626 827	12 379 809
<b>Total expenditure</b>		<b>163 940 709</b>	<b>137 879 971</b>	<b>119 990 102</b>

## 2. 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 draft 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

### **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.

### **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.

### **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

### **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.

### **Loss and Claim Committee 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.

### **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

### **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

### **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

### **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.

### **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

### **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.

### **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

### **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.

### **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.

### **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.

### **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.

### **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.

## **RECOMMEND**

1. That the draft annual budget of the municipality and municipal entity (Polokwane Housing Association) for the financial year 2022/23 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 2021: 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 draft budget related policies be approved for implementation in 2022/23.
  - Cash management and Investment Policy
  - Leave Policy
  - Integrated Customer Care Policy
  - Asset Management Policy
  - Claims committee and loss Policy
  - Budget and Virement Policy
  - Performance Management System Policy (Organisational and Employee Management Policy)
  - Funding and reserves Policy
  - Borrowing Policy
  - Indigent and Social Assistance Policy

- Supply chain management Policy
- Credit control and debt collection Policy
- Tariff Policy
- Property Rates Policy
- Subsistence and Travelling Policy
- Unauthorised, Irregular, Fruitless and Wasteful Expenditure Policy
- Inventory Policy
- Cost Containment Policy

## Part B Legislative Mandate

### *1. Legislative Mandate*

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.

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.**

In line with the above-mentioned legislative mandate, Polokwane Municipality will carry out the IDP/Budget review consultation process from the **01 April 2022 – 29 April 2022.**

#### **2.1 Mechanism and Procedures for Public Participation Process**

The following are the **new** Mechanism for Public Participation Process that will be utilized by the City of Polokwane:

- **Background**

Due to COVID-19, Government released a gazette to guide all municipalities on Matters of Municipal Operations and Governance. According to the Gazette that was released on the **07 May 2020**, municipalities are required to perform various legislated functions, including the adoption of Integrated Development Plans (IDPs) and operations relating to municipal services and revenue collection.

The Gazette indicated that municipalities must ensure that there is strict adherence to all **COVID -19** public health and containment prescripts, especially those relating to gatherings, physical distancing, health and safety. Furthermore, municipalities were directed to convene

Council meetings and Council committees to consider the adoption of draft and Final IDP/Budget.

- **Public Participation Process**

Municipalities were further guided on the Public Participation process that need to be followed after the adoption of the draft IDP/Budget. According to the gazette, municipalities are directed to ensure that the communities are consulted using media platforms and alternative methods of consultation, instead of contact meetings, to provide comments on the draft IDP and Budget.

As guided by the Gazette, Polokwane municipality is moving away from the normal public participation process where communities used to gather in one central area and are engaged per cluster in large numbers under a big tent. Contact meetings and gathering of large number of people is totally discouraged in order to control the spread of the COVID -19 among communities while attending IDP/Budget Meetings.

Below is the **new** Public Participation process that will be followed by Polokwane Municipality in compliance with the Gazette that discourage contact Meetings. This will be conducted after the adoption of draft IDP/budget by Council.

### **New Public Participation Process**

- **Newspaper Public Notice /advert**

A Public Notice/Newspaper advert will be released informing the public about the adoption of the draft IDP/Budget by Council and where the community can locate the adopted documents. The public notice will only be released after adoption of draft IDP/Budget by Council. The public Notice will clearly specify the Comments period dates (**30 days legislated**). Local Newspapers, municipal website, Facebook, and twitter will be used to publish the Public Notice. The public notice will also indicate the email address to submit the comments to the municipality. The Public Notice will also be sent via emails to all Municipal Stakeholders to provide their comments (**IDP Rep Forum Members**).

- **Radio Stations**

The Municipality will secure slots for the Executive Mayor (**Bulk buying**) on community radio stations for presenting the highlights of the draft IDP/ Budget and proposed tariffs increase in Radio Stations. The same approach as the state of the City address will be followed.

- **Municipal Website**

After adoption by Council, the Draft IDP/Budget documents will also be placed on Municipal website for Public to have access it. All Budget policies will also be placed on municipal website. [www.polokwane.gov.za](http://www.polokwane.gov.za).

- **Municipal Facebook and Twitter**

Municipal Facebook and twitter accounts will be used to inform the public about the adoption of the draft IDP/Budget by Council. The twitter and Facebook account will also show a link that will direct the public to those Planning documents as approved by Council. Communities will be encouraged to submit their comments on the draft IDP/Budget via email that will also be specified on Facebook and twitter accounts.

- **Email and WhatsApp line to receive Public Comments**

A specific email address and **WhatsApp line** were created as follows: [IDPBudgetComments@polokwane.gov.za](mailto:IDPBudgetComments@polokwane.gov.za) and WhatsApp line: **065 922 4017**. Manager IDP, Manager Budget, Manager Revenue, Manager Public Participation and Speaker of Council will all have access to this comments email to receive the submitted comments and act on them. All comments and inputs received will be considered before Council adopt the Final IDP/Budget.

- **Traditional Authorities and Municipal Cluster Offices**

Hard copies of both draft IDP/Budget will delivered to the Moshate and Municipal 7 cluster offices for the public to access the approved documents. This will be done in order to accommodate community members in rural areas without access to internet.



# **ANNEXURE A**

**Municipal annual budget MTREF & Supporting tables**

# Municipal annual budgets and MTREF & supporting tables

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service delivery](#)



**national treasury**

Department  
National Treasury  
REPUBLIC OF SOUTH AFRICA

**Contact details:**

Elsabé Rossouw  
National Treasury  
Tel: (012) 315-5534  
Electronic submissions:  
LG Upload Portal

## LIM354 Polokwane Municipality - Contact Information

### A. GENERAL INFORMATION

<b>Municipality</b>	POLOKWANE MUNICIPALITY	Set name on 'Instructions' sheet
<b>Grade</b>	B	1 Grade in terms of the Remuneration of Public Office Bearers Act.
<b>Province</b>	LIMPOPO	
<b>Web Address</b>	<a href="http://www.polokwane.gov.za">www.polokwane.gov.za</a>	

### C. POLITICAL LEADERSHIP

<b>Mayor/Executive Mayor:</b>		<b>Secretary/PA to the Mayor/Executive Mayor:</b>	
ID Number	7003176104088	ID Number	730406 1308 085
Title	Executive Mayor	Title	Mrs
Name	Mosema John Mpe	Name	Leiselle Pragji
Telephone number	0152902103	Telephone number	015 290 2103
Cell number	0824417453	Cell number	071 896 4344
Fax number	0152902218	Fax number	015 290 2106
E-mail address	<a href="mailto:johnmp@polokwane.gov.za">johnmp@polokwane.gov.za</a>	E-mail address	<a href="mailto:leisellep@polokwane.gov.za">leisellep@polokwane.gov.za</a>
<b>Municipal Manager:</b>		<b>Secretary/PA to the Municipal Manager:</b>	
ID Number	7101315323088	ID Number	740322 0473 085
Title	Acting Municipal Manager	Title	Ms
Name	Nehemiah Ramakuntwane Selepe	Name	Suzan Phogole
Telephone number	015 023 5101	Telephone number	015 290 2102
Cell number	0817857289	Cell number	076 955 6903
Fax number		Fax number	015 290 2106
E-mail address	<a href="mailto:ramakuntwanes@polokwane.gov.za">ramakuntwanes@polokwane.gov.za</a>	E-mail address	<a href="mailto:suzanp@polokwane.gov.za">suzanp@polokwane.gov.za</a>
<b>Chief Financial Officer</b>		<b>Secretary/PA to the Chief Financial Officer</b>	
ID Number	810829 5100 80	ID Number	761007 0322 085
Title	Mr	Title	Ms
Name	Naazim Essa	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
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<b>Official responsible for submitting financial information</b>		<b>Official responsible for submitting financial information</b>	
ID Number	820809 0399 081	ID Number	800909 6230 084
Title	Mrs	Title	Mr
Name	Zinzi A Mphahlele	Name	Victor Nengovhela (IDP Manager)
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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
<b>Official responsible for submitting financial information</b>		<b>Official responsible for submitting financial information</b>	
ID Number	820512 0626 087	ID Number	8601240245081
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

Organisational Structure Votes	Complete Votes & Sub-Votes	Select Org. Structure
Vote 1 - Chief operations office	<b>Vote 1 Chief operations office</b>	
Vote 2 - Municipal managers office	1.1 Chief operations office (administration)	1.1 - Chief operations office (administration)
Vote 3 - Water and sanitation	1.2 Legaslative support	1.2 - Legaslative 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 Null	1.10 - Null
Vote 12 - Null	<b>Vote 2 Municipal managers office</b>	
Vote 13 - Null	2.1 Council	2.1 - Council
Vote 14 - Null	2.2 Municipal manager	2.2 - Municipal manager
Vote 15 - Null	2.3 Risk management	2.3 - Risk management
	2.4 Internal audit	2.4 - Internal audit
	<b>Vote 3 Water and sanitation</b>	
	3.1 Water and sanitation admin	3.1 - Water and sanitation admin
	3.2 Reticulation, distrubution and maintenance	3.2 - Reticulation, distrubution 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, distrubution and maintenance, water demand and consen	3.5 - Reticulations, distrubution and maintenance, water demand
	3.6 Reticulations, distrubution and maintenance, water demand and consen	3.6 - Reticulations, distrubution and maintenance, water demand
	3.7 Infrastructure development	3.7 - Infrastructure development
	<b>Vote 4 Energy services</b>	
	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
	<b>Vote 5 Community Services</b>	
	5.1 Directorate coummunity services	5.1 - Directorate coummunity 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
	<b>Vote 6 Public safety</b>	
	6.1 Public safety administration	6.1 - Public safety administration
	6.2 Traffic and licencing administration	6.2 - Traffic and licencing administration
	6.3 Traffice and licences (licencing)	6.3 - Traffice and licences (licencing)
	6.4 Traffic and licencing (vehicle testing and drivers licence testing)	6.4 - Traffic and licencing (vehicle testing and drivers licence testi
	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)

Organisational Structure Votes	Complete Votes & Sub-Votes	Select Org. Structure
6.8	<i>By law enforcement and security (administration)</i>	6.8 - <i>By law enforcement and security (administration)</i>
6.9	<i>Security services</i>	6.9 - <i>Security services</i>
6.10	<i>Other Community Development</i>	6.10 - <i>Other Community Development</i>
<b>Vote 7</b>	<b>Corporate and Shared Services</b>	
7.1	<i>Community and shared services</i>	7.1 - <i>Community and shared services</i>
7.2	<i>Corporate service- Information Communication Technology</i>	7.2 - <i>Corporate service- Information Communication Technology</i>
7.3	<i>Human Resources Development (administration)</i>	7.3 - <i>Human Resources Development (administration)</i>
7.4	<i>Human Resources Development (Organisational development)</i>	7.4 - <i>Human Resources Development (Organisational development)</i>
7.5	<i>Human Resources Development (Learning and development)</i>	7.5 - <i>Human Resources Development (Learning and development)</i>
7.6	<i>Human Resources Development (EAP)</i>	7.6 - <i>Human Resources Development (EAP)</i>
7.7	<i>Human Resources (Administration)</i>	7.7 - <i>Human Resources (Administration)</i>
7.8	<i>Human Resources (Personnel administration)</i>	7.8 - <i>Human Resources (Personnel administration)</i>
7.9	<i>Human Resources Management (Labour relations)</i>	7.9 - <i>Human Resources Management (Labour relations)</i>
7.10	<i>Other corporate and shared services</i>	7.10 - <i>Other corporate and shared services</i>
<b>Vote 8</b>	<b>Planning and Economic Development</b>	
8.1	<i>Directorate planning and development</i>	8.1 - <i>Directorate planning and development</i>
8.2	<i>Property management</i>	8.2 - <i>Property management</i>
8.3	<i>City and regional planning</i>	8.3 - <i>City and regional planning</i>
8.4	<i>Corporate Gio information</i>	8.4 - <i>Corporate Gio information</i>
8.5	<i>Building inspections (administration)</i>	8.5 - <i>Building inspections (administration)</i>
8.6	<i>Economic development and tourism</i>	8.6 - <i>Economic development and tourism</i>
8.7	<i>Local Economic Development</i>	8.7 - <i>Local Economic Development</i>
8.8	<i>Investment Promotion</i>	8.8 - <i>Investment Promotion</i>
8.9	<i>LED (Economic Planning)</i>	8.9 - <i>LED (Economic Planning)</i>
8.10	<i>Other Planning and Economic Development</i>	8.10 - <i>Other Planning and Economic Development</i>
<b>Vote 9</b>	<b>Budget and Treasury office</b>	
9.1	<i>Budget and treasury office</i>	9.1 - <i>Budget and treasury office</i>
9.2	<i>Expenditure</i>	9.2 - <i>Expenditure</i>
9.3	<i>Revenue management and customer care</i>	9.3 - <i>Revenue management and customer care</i>
9.4	<i>Supply Chain Management</i>	9.4 - <i>Supply Chain Management</i>
9.5	<i>Asset management</i>	9.5 - <i>Asset management</i>
9.6	<i>Budget and financial reporting</i>	9.6 - <i>Budget and financial reporting</i>
9.7	<i>Business and financial planning</i>	9.7 - <i>Business and financial planning</i>
<b>Vote 10</b>	<b>Transport Operations</b>	
10.1	<i>Transport services</i>	10.1 - <i>Transport services</i>
10.2	<i>Transport services (Planning and operations)</i>	10.2 - <i>Transport services (Planning and operations)</i>
10.3	<i>Transport services (Intelligent transport and system modelling)</i>	10.3 - <i>Transport services (Intelligent transport and system modelling)</i>
10.4	<i>Transport services (Public transport regulation and monitoring)</i>	10.4 - <i>Transport services (Public transport regulation and monitoring)</i>
10.5	<i>Roads and stormwater (Admin)</i>	10.5 - <i>Roads and stormwater (Admin)</i>
10.6	<i>Storm water management and traffic engineering</i>	10.6 - <i>Storm water management and traffic engineering</i>
10.7	<i>Roads and stormwater (Roads and streets)</i>	10.7 - <i>Roads and stormwater (Roads and streets)</i>
10.8	<i>Roads and stormwater (Stormwater)</i>	10.8 - <i>Roads and stormwater (Stormwater)</i>
<b>Vote 11</b>	<b>Human Settlement</b>	
11.1	<i>Human Settlement</i>	11.1 - <i>Human Settlement</i>
11.2	<i>Human Settlement Housing admin</i>	11.2 - <i>Human Settlement Housing admin</i>
11.3	<i>Human Settlement Rental housing and programme implementation</i>	11.3 - <i>Human Settlement Rental housing and programme implementation</i>

**LIM354 POLOKWANE - Table A1**  
**Budget Summary**

Description	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousands</b>						
<b>Financial Performance</b>						
Property rates	547 228	547 228	547 228	576 231	604 466	637 712
Service charges	1 953 754	1 953 754	1 953 754	2 128 532	2 325 983	2 374 651
Investment revenue	15 683	15 683	15 683	16 515	17 324	18 190
Transfers recognised - operational	1 211 033	1 217 388	1 217 388	1 353 078	1 475 820	1 608 902
Other own revenue	301 136	301 136	301 136	253 886	266 338	280 719
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>4 028 833</b>	<b>4 035 188</b>	<b>4 035 188</b>	<b>4 328 242</b>	<b>4 689 931</b>	<b>4 920 174</b>
Employee costs	1 009 601	1 043 372	1 043 372	1 162 356	1 220 180	1 286 621
Remuneration of councillors	43 421	39 921	39 921	41 917	44 180	46 610
Depreciation & asset impairment	250 000	250 000	250 000	260 000	271 440	283 655
Finance charges	50 000	47 200	47 200	42 336	39 836	37 146
Inventory consumed and bulk purchases	1 176 739	1 178 939	1 178 939	1 279 321	1 370 768	1 479 914
Transfers and grants	40 000	50 000	50 000	14 500	15 138	15 819
Other expenditure	1 219 786	1 431 700	1 431 700	1 407 600	1 480 577	1 557 968
<b>Total Expenditure</b>	<b>3 789 546</b>	<b>4 041 131</b>	<b>4 041 131</b>	<b>4 208 030</b>	<b>4 442 119</b>	<b>4 707 733</b>
<b>Surplus/(Deficit)</b>	<b>239 288</b>	<b>(5 943)</b>	<b>(5 943)</b>	<b>120 212</b>	<b>247 813</b>	<b>212 441</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	795 321	817 130	817 130	803 725	721 873	746 833
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational	-	-	-	-	-	-



**LIM354 POLOKWANE - Table A1  
Budget Summary**

Description	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousands</b>						
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	1 034 609	811 187	811 187	923 937	969 686	959 274
Share of surplus/ (deficit) of associate	–	–	–	–	–	–
<b>Surplus/(Deficit) for the year</b>	1 034 609	811 187	811 187	923 937	969 686	959 274
<b>Capital expenditure &amp; funds sources</b>						
<b>Capital expenditure</b>	1 128 560	994 591	994 591	967 665	859 753	866 823
Transfers recognised - capital	795 321	817 130	817 130	803 725	721 873	746 833
Borrowing	–	–	–	–	–	–
Internally generated funds	333 239	207 340	207 340	163 941	137 880	119 990
<b>Total sources of capital funds</b>	1 128 560	1 024 469	1 024 469	967 665	859 753	866 823
<b>Financial position</b>						
Total current assets	1 047 366	1 027 002	1 027 002	881 501	1 094 225	1 317 496
Total non current assets	18 015 002	17 910 912	17 910 912	18 094 092	18 948 274	18 953 782
Total current liabilities	721 227	706 839	706 839	103 431	107 932	112 622
Total non current liabilities	790 689	790 689	790 689	770 266	746 868	720 632
Community wealth/Equity	16 829 225	17 440 385	17 440 385	18 101 896	19 187 699	19 438 025
<b>Cash flows</b>						
Net cash from (used) operating	1 141 176	920 770	920 770	940 188	1 027 113	1 045 902

**LIM354 POLOKWANE - Table A1  
Budget Summary**

Description	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousands</b>						
Net cash from (used) investing	(1 072 132)	(973 246)	(973 246)	(919 282)	(816 766)	(823 482)
Net cash from (used) financing	(19 125)	(19 125)	(19 125)	(22 588)	(25 088)	(27 778)
<b>Cash/cash equivalents at the year end</b>	<b>249 920</b>	<b>229 554</b>	<b>229 554</b>	<b>227 873</b>	<b>413 132</b>	<b>607 773</b>
<b><u>Cash backing/surplus reconciliation</u></b>						
Cash and investments available	249 920	229 554	229 554	227 873	413 132	607 773
Application of cash and investments	89 450	36 450	36 450	117 737	99 989	85 792
<b>Balance - surplus (shortfall)</b>	<b>160 469</b>	<b>193 104</b>	<b>193 104</b>	<b>110 136</b>	<b>313 142</b>	<b>521 982</b>
<b><u>Asset management</u></b>						
Asset register summary (WDV)	18 015 001	17 910 911	17 910 911	18 884 475	19 748 877	20 625 636
Depreciation	250 000	250 000	250 000	260 000	271 440	283 655
Renewal of Existing Assets	428 425	360 510	360 510	236 875	218 387	195 435
Repairs and Maintenance	591 336	716 177	716 177	731 135	756 464	793 218
<b><u>Free services</u></b>						
Cost of Free Basic Services provided	158 699	158 699	158 699	171 363	185 621	201 584
Revenue cost of free services provided	79 350	79 350	79 350	85 682	92 810	100 792

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

Functional Classification Description R thousand	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Revenue - Functional</b>						
<b>Governance and administration</b>	<b>2 715 660</b>	<b>2 743 824</b>	<b>2 743 824</b>	<b>2 881 091</b>	<b>2 957 471</b>	<b>3 156 745</b>
Executive and council	1 564	1 564	1 564	2	2	2
Finance and administration	2 714 095	2 742 258	2 742 258	2 881 088	2 957 468	3 156 742
Internal audit	1	1	1	1	1	1
<b>Community and public safety</b>	<b>13 225</b>	<b>13 225</b>	<b>13 225</b>	<b>6 145</b>	<b>6 449</b>	<b>6 834</b>
Community and social services	4 370	4 370	4 370	2 172	2 279	2 415
Sport and recreation	7 957	7 957	7 957	3 470	3 641	3 860
Public safety	354	354	354	248	260	275
Housing	541	541	541	254	267	283
Health	3	3	3	2	2	2
<b>Economic and environmental services</b>	<b>141 341</b>	<b>135 341</b>	<b>135 341</b>	<b>109 703</b>	<b>115 088</b>	<b>121 588</b>
Planning and development	52 423	52 423	52 423	27 786	29 161	30 911
Road transport	86 849	80 849	80 849	80 273	84 201	88 848
Environmental protection	2 069	2 069	2 069	1 644	1 726	1 829
<b>Trading services</b>	<b>1 953 929</b>	<b>1 959 929</b>	<b>1 959 929</b>	<b>2 135 028</b>	<b>2 332 797</b>	<b>2 381 840</b>
Energy sources	1 419 786	1 425 786	1 425 786	1 562 403	1 718 321	1 734 247
Water management	275 255	275 255	275 255	300 019	328 513	361 357
Waste water management	131 986	131 986	131 986	138 981	145 791	145 930
Waste management	126 902	126 902	126 902	133 625	140 173	140 306
<b>Other</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Revenue - Functional</b>	<b>4 824 155</b>	<b>4 852 319</b>	<b>4 852 319</b>	<b>5 131 966</b>	<b>5 411 804</b>	<b>5 667 007</b>

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

Functional Classification Description R thousand	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Expenditure - Functional</b>						
<b>Governance and administration</b>	<b>1 229 860</b>	<b>1 315 061</b>	<b>1 315 061</b>	<b>1 326 065</b>	<b>1 381 037</b>	<b>1 441 948</b>
Executive and council	406 067	414 193	414 193	402 896	421 561	441 520
Finance and administration	809 228	887 708	887 708	909 028	944 618	984 802
Internal audit	14 565	13 160	13 160	14 141	14 858	15 626
<b>Community and public safety</b>	<b>288 135</b>	<b>311 854</b>	<b>311 854</b>	<b>327 576</b>	<b>342 571</b>	<b>360 334</b>
Community and social services	79 708	74 851	74 851	83 956	87 575	92 208
Sport and recreation	138 347	145 524	145 524	152 212	159 731	167 785
Public safety	50 903	70 877	70 877	67 268	70 783	74 552
Housing	12 023	13 864	13 864	16 787	17 668	18 613
Health	7 155	6 739	6 739	7 352	6 813	7 176
<b>Economic and environmental services</b>	<b>522 955</b>	<b>615 945</b>	<b>615 945</b>	<b>584 407</b>	<b>604 688</b>	<b>634 257</b>
Planning and development	115 295	114 913	114 913	105 422	110 233	116 029
Road transport	384 321	472 952	472 952	449 386	466 103	488 425
Environmental protection	23 339	28 080	28 080	29 600	28 353	29 803
<b>Trading services</b>	<b>1 748 595</b>	<b>1 798 271</b>	<b>1 798 271</b>	<b>1 969 982</b>	<b>2 113 823</b>	<b>2 271 194</b>
Energy sources	1 068 056	1 093 680	1 093 680	1 179 171	1 285 173	1 395 797
Water management	493 915	527 448	527 448	548 222	572 638	599 979
Waste water management	58 736	31 186	31 186	81 031	90 202	101 560
Waste management	127 888	145 957	145 957	161 559	165 810	173 859
<b>Other</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Expenditure - Functional</b>	<b>3 789 546</b>	<b>4 041 131</b>	<b>4 041 131</b>	<b>4 208 030</b>	<b>4 442 119</b>	<b>4 707 733</b>
<b>Surplus/(Deficit) for the year</b>	<b>1 034 609</b>	<b>811 187</b>	<b>811 187</b>	<b>923 937</b>	<b>969 686</b>	<b>959 274</b>

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

Vote Description R thousand	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Revenue by Vote</b>						
Vote 1 - CHIEF OPERATIONS OFFICE	9	9	9	4	4	5
Vote 2 - MUNICIPAL MANAGER'S OFFICE	1 564	1 564	1 564	3	3	3
Vote 3 - WATER AND SANITATION	407 241	407 241	407 241	438 999	474 304	507 287
Vote 4 - ENERGY	1 419 786	1 419 786	1 419 786	1 562 403	1 718 321	1 734 247
Vote 5 - COMMUNITY SERVICES	141 284	141 284	141 284	140 911	147 819	148 410
Vote 6 - PUBLIC SAFETY	55 254	55 254	55 254	48 847	51 234	54 060
Vote 7 - CORPORATE AND SHARED SERVICES	4 294	4 294	4 294	3 204	3 351	3 518
Vote 8 - PLANNING AND ECONOMIC DEVELOPMENT	52 420	52 420	52 420	27 784	29 160	30 909
Vote 9 - BUDGET AND TREASURY OFFICE	2 709 429	2 737 592	2 737 592	2 877 506	2 953 721	3 152 806
Vote 10 - TRANSPORT SERVICES	32 332	32 332	32 332	32 050	33 621	35 479
Vote 11 - HUMAN SETTLEMENT	541	541	541	254	267	283
<b>Total Revenue by Vote</b>	<b>4 824 155</b>	<b>4 852 318</b>	<b>4 852 318</b>	<b>5 131 966</b>	<b>5 411 804</b>	<b>5 667 007</b>
<b>Expenditure by Vote to be appropriated</b>						
Vote 1 - CHIEF OPERATIONS OFFICE	146 410	155 883	155 883	154 456	162 175	170 446
Vote 2 - MUNICIPAL MANAGER'S OFFICE	377 615	384 848	384 848	369 864	386 820	404 947
Vote 3 - WATER AND SANITATION	552 651	558 634	558 634	629 253	662 840	701 538
Vote 4 - ENERGY	1 068 056	1 093 680	1 093 680	1 179 171	1 285 173	1 395 797
Vote 5 - COMMUNITY SERVICES	339 540	368 773	368 773	403 200	416 075	436 899
Vote 6 - PUBLIC SAFETY	297 499	337 079	337 079	376 475	390 909	411 172
Vote 7 - CORPORATE AND SHARED SERVICES	273 131	299 970	299 970	311 858	326 371	341 900
Vote 8 - PLANNING AND ECONOMIC DEVELOPMENT	77 936	72 741	72 741	67 761	70 702	74 495
Vote 9 - BUDGET AND TREASURY OFFICE	363 984	386 428	386 428	379 929	392 581	406 076
Vote 10 - TRANSPORT SERVICES	280 701	369 232	369 232	319 278	330 804	345 849
Vote 11 - HUMAN SETTLEMENT	12 023	13 864	13 864	16 787	17 668	18 613
<b>Total Expenditure by Vote</b>	<b>3 789 546</b>	<b>4 041 131</b>	<b>4 041 131</b>	<b>4 208 030</b>	<b>4 442 119</b>	<b>4 707 733</b>
<b>Surplus/(Deficit) for the year</b>	<b>1 034 609</b>	<b>811 187</b>	<b>811 187</b>	<b>923 937</b>	<b>969 686</b>	<b>959 274</b>

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

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>					
<b>Revenue By Source</b>					
Property rates	547 228	547 228	576 231	604 466	637 712
Service charges - electricity revenue	1 419 771	1 419 771	1 556 069	1 711 676	1 727 236
Service charges - water revenue	275 101	275 101	299 860	328 347	361 181
Service charges - sanitation revenue	131 985	131 985	138 980	145 790	145 929
Service charges - refuse revenue	126 897	126 897	133 623	140 170	140 304
Rental of facilities and equipment	14 938	14 938	11 950	12 542	13 294
Interest earned - external investments	15 683	15 683	16 515	17 324	18 190
Interest earned - outstanding debtors	101 241	101 241	106 607	111 831	117 422
Dividends received	-	-	-	-	-
Fines, penalties and forfeits	38 140	38 140	40 162	42 130	44 447
Licences and permits	13 283	13 283	13 886	14 559	15 356
Agency services	28 910	28 910	30 443	31 934	33 691
Transfers and subsidies	1 211 033	1 217 388	1 353 078	1 475 820	1 608 902
Other revenue	104 623	104 623	50 838	53 343	56 509
Gains	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>4 028 833</b>	<b>4 035 188</b>	<b>4 328 242</b>	<b>4 689 931</b>	<b>4 920 174</b>
<b>Expenditure By Type</b>					
Employee related costs	1 009 601	1 043 372	1 162 356	1 220 180	1 286 621
Remuneration of councillors	43 421	39 921	41 917	44 180	46 610
Debt impairment	250 000	250 000	260 000	271 440	283 655
Depreciation & asset impairment	250 000	250 000	260 000	271 440	283 655
Finance charges	50 000	47 200	42 336	39 836	37 146
Bulk purchases - electricity	887 800	887 800	976 580	1 054 706	1 149 630
Inventory consumed	288 939	291 139	302 741	316 062	330 285
Contracted services	739 404	921 485	883 339	933 624	986 788
Transfers and subsidies	40 000	50 000	14 500	15 138	15 819
Other expenditure	230 382	260 215	264 261	275 512	287 525
Losses	-	-	-	-	-
<b>Total Expenditure</b>	<b>3 789 546</b>	<b>4 041 131</b>	<b>4 208 030</b>	<b>4 442 119</b>	<b>4 707 733</b>

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

Description R thousand	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Surplus/(Deficit)</b>	239 288	(5 943)	120 212	247 813	212 441
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	795 321	817 130	803 725	721 873	746 833
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)	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>1 034 609</b>	<b>811 187</b>	<b>923 937</b>	<b>969 686</b>	<b>959 274</b>
Taxation					
<b>Surplus/(Deficit) after taxation</b>	<b>1 034 609</b>	<b>811 187</b>	<b>923 937</b>	<b>969 686</b>	<b>959 274</b>
Attributable to minorities					
<b>Surplus/(Deficit) attributable to municipality</b>	<b>1 034 609</b>	<b>811 187</b>	<b>923 937</b>	<b>969 686</b>	<b>959 274</b>
Share of surplus/ (deficit) of associate					
<b>Surplus/(Deficit) for the year</b>	<b>1 034 609</b>	<b>811 187</b>	<b>923 937</b>	<b>969 686</b>	<b>959 274</b>



**LIM354 Polokwane Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source**

Vote Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>					
<b>Capital expenditure - Vote</b>					
Vote 1 - CHIEF OPERATIONS OFFICE	6 715	6 126	1 185	1 605	2 920
Vote 2 - MUNICIPAL MANAGER'S OFFICE	2 000	2 000	-	-	-
Vote 3 - WATER AND SANITATION	336 336	347 720	323 386	300 498	282 899
Vote 4 - ENERGY	112 250	97 876	126 400	103 000	105 112
Vote 5 - COMMUNITY SERVICES	95 528	76 354	61 942	31 403	23 538
Vote 6 - PUBLIC SAFETY	18 115	15 872	3 811	5 197	6 809
Vote 7 - CORPORATE AND SHARED SERVICES	26 014	16 829	38 921	4 570	4 547
Vote 8 - PLANNING AND ECONOMIC DEVELOPMENT	19 339	5 974	17 972	13 003	16 027
Vote 9 - BUDGET AND TREASURY OFFICE	-	2 000	-	-	-
Vote 10 - TRANSPORT SERVICES	512 263	453 718	392 676	399 773	422 761
Vote 11 - HUMAN SETTLEMENT	-	-	1 374	329	1 873
<b>Capital single-year expenditure sub-total</b>	<b>1 128 560</b>	<b>1 024 469</b>	<b>967 665</b>	<b>859 379</b>	<b>866 486</b>
<b>Total Capital Expenditure - Vote</b>	<b>1 128 560</b>	<b>1 024 469</b>	<b>967 665</b>	<b>859 379</b>	<b>866 486</b>
<b>Capital Expenditure - Functional</b>					
<b>Governance and administration</b>	<b>29 878</b>	<b>(3 699)</b>	<b>33 921</b>	<b>4 570</b>	<b>4 547</b>
Executive and council	2 000	-	-	-	-
Finance and administration	27 878	(3 699)	33 921	4 570	4 547
Internal audit	-	-	-	-	-
<b>Community and public safety</b>	<b>71 747</b>	<b>67 072</b>	<b>58 919</b>	<b>26 287</b>	<b>26 766</b>
Community and social services	7 450	9 142	2 458	2 778	4 714
Sport and recreation	54 997	52 146	53 519	18 908	16 323
Public safety	9 300	5 784	2 942	4 602	5 729
Housing	-	-	-	-	-
Health	-	-	-	-	-
<b>Economic and environmental services</b>	<b>537 129</b>	<b>459 622</b>	<b>412 022</b>	<b>413 480</b>	<b>440 998</b>

LIM354 PolokwaneTable A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Vote Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>					
Planning and development	19 339	5 974	19 346	13 707	18 237
Road transport	517 790	453 648	392 676	399 773	422 761
Environmental protection	-	-	-	-	-
<b>Trading services</b>	<b>489 806</b>	<b>471 596</b>	<b>462 804</b>	<b>415 416</b>	<b>394 511</b>
Energy sources	115 250	87 270	126 400	103 000	105 112
Water management	220 312	205 510	194 804	191 804	163 371
Waste water management	116 024	155 816	136 600	120 612	126 028
Waste management	38 220	23 000	5 000	-	-
<b>Other</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Functional</b>	<b>1 128 560</b>	<b>994 591</b>	<b>967 665</b>	<b>859 753</b>	<b>866 823</b>
<b>Funded by:</b>					
National Government	795 321	817 130	803 725	721 873	746 833
Provincial Government	-	-	-	-	-
District Municipality	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>795 321</b>	<b>817 130</b>	<b>803 725</b>	<b>721 873</b>	<b>746 833</b>
<b>Borrowing</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Internally generated funds</b>	<b>333 239</b>	<b>207 340</b>	<b>163 941</b>	<b>137 880</b>	<b>119 990</b>
<b>Total Capital Funding</b>	<b>1 128 560</b>	<b>1 024 469</b>	<b>967 665</b>	<b>859 753</b>	<b>866 823</b>

LIM354 POLOKWANE - Table A6 Budgeted Financial Position

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>					
<b>ASSETS</b>					
<b>Current assets</b>					
Cash	249 919	229 554	227 873	413 132	607 773
Call investment deposits	–	–	–	–	–
Consumer debtors	552 940	552 940	521 628	542 493	564 193
Other debtors	47 700	47 700	66 000	69 300	72 765
Current portion of long-term receivables	530	530	–	–	–
Inventory	196 277	196 277	66 000	69 300	72 765
<b>Total current assets</b>	<b>1 047 366</b>	<b>1 027 002</b>	<b>881 501</b>	<b>1 094 225</b>	<b>1 317 496</b>
<b>Non current assets</b>					
Long-term receivables	–	–	–	–	–
Investments	–	–	–	–	–
Investment property	732 808	717 999	730 892	736 401	741 909
Investment in Associate	1	1	1	1	1
Property, plant and equipment	17 258 976	17 156 195	17 326 483	18 175 156	18 175 156
Biological	11 833	11 833	11 833	11 833	11 833
Intangible	11 383	24 883	24 883	24 883	24 883
Other non-current assets	–	–	–	–	–
<b>Total non current assets</b>	<b>18 015 002</b>	<b>17 910 912</b>	<b>18 094 092</b>	<b>18 948 274</b>	<b>18 953 782</b>
<b>TOTAL ASSETS</b>	<b>19 062 368</b>	<b>18 937 913</b>	<b>18 975 593</b>	<b>20 042 498</b>	<b>20 271 278</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Bank overdraft	–	–	–	–	–
Borrowing	20 336	20 336	22 588	25 088	27 778
Consumer deposits	73 500	73 500	70 565	72 565	74 565
Trade and other payables	617 113	602 725	–	–	–
Provisions	10 278	10 278	10 278	10 278	10 278
<b>Total current liabilities</b>	<b>721 227</b>	<b>706 839</b>	<b>103 431</b>	<b>107 932</b>	<b>112 622</b>
<b>Non current liabilities</b>					
Borrowing	376 990	376 990	351 199	323 610	293 141
Provisions	413 699	413 699	419 068	423 258	427 491
<b>Total non current liabilities</b>	<b>790 689</b>	<b>790 689</b>	<b>770 266</b>	<b>746 868</b>	<b>720 632</b>
<b>TOTAL LIABILITIES</b>	<b>1 511 916</b>	<b>1 497 528</b>	<b>873 697</b>	<b>854 800</b>	<b>833 254</b>
<b>NET ASSETS</b>	<b>17 550 452</b>	<b>17 440 385</b>	<b>18 101 896</b>	<b>19 187 699</b>	<b>19 438 025</b>
<b>COMMUNITY WEALTH/EQUITY</b>					
Accumulated Surplus/(Deficit)	9 327 551	9 938 711	7 799 182	8 884 985	9 135 311
Reserves	7 501 674	7 501 674	10 302 714	10 302 714	10 302 714
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>16 829 225</b>	<b>17 440 385</b>	<b>18 101 896</b>	<b>19 187 699</b>	<b>19 438 025</b>

LIM354 POLOKWANE - Table A7 Budgeted Cash Flows

Description	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>						
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>						
<b>Receipts</b>						
Property rates	499 379	499 379	499 379	507 083	531 930	561 187
Service charges	1 790 577	1 800 577	1 800 577	1 873 108	2 046 865	2 089 693
Other revenue	175 907	175 907	175 907	129 606	135 967	143 701
Transfers and Subsidies - Operational	1 211 033	1 212 034	1 212 034	1 353 078	1 475 820	1 608 902
Transfers and Subsidies - Capital	795 321	802 921	802 921	803 725	721 873	746 833
Interest	13 801	13 801	13 801	108 347	113 656	119 339
Dividends	-	-	-	-	-	-
<b>Payments</b>						
Suppliers and employees	(3 259 343)	(3 491 509)	(3 491 509)	(3 780 764)	(3 946 773)	(4 173 436)
Finance charges	(47 500)	(44 840)	(44 840)	(40 219)	(37 844)	(35 288)
Transfers and Grants	(38 000)	(47 500)	(47 500)	(13 775)	(14 381)	(15 028)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>1 141 176</b>	<b>920 770</b>	<b>920 770</b>	<b>940 188</b>	<b>1 027 113</b>	<b>1 045 902</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
<b>Receipts</b>						
Proceeds on disposal of PPE	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-
<b>Payments</b>						
Capital assets	(1 072 132)	(973 246)	(973 246)	(919 282)	(816 766)	(823 482)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(1 072 132)</b>	<b>(973 246)</b>	<b>(973 246)</b>	<b>(919 282)</b>	<b>(816 766)</b>	<b>(823 482)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>						
<b>Receipts</b>						
Short term loans	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-
<b>Payments</b>						
Repayment of borrowing	(19 125)	(19 125)	(19 125)	(22 588)	(25 088)	(27 778)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(19 125)</b>	<b>(19 125)</b>	<b>(19 125)</b>	<b>(22 588)</b>	<b>(25 088)</b>	<b>(27 778)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>49 920</b>	<b>(71 600)</b>	<b>(71 600)</b>	<b>(1 682)</b>	<b>185 259</b>	<b>194 642</b>
Cash/cash equivalents at the year begin:	200 000	301 155	301 155	229 554	227 873	413 132
Cash/cash equivalents at the year end:	249 920	229 554	229 554	227 873	413 132	607 773

**LIM354 POLOKWANE - Table A8 Cash backed reserves/accumulated surplus reconciliation**

Description	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Cash and investments available</b>						
Cash/cash equivalents at the year end	249 920	229 554	229 554	227 873	413 132	607 773
Other current investments > 90 days	(0)	0	0	-	-	-
Non current assets - Investments	-	-	-	-	-	-
<b>Cash and investments available:</b>	<b>249 919</b>	<b>229 554</b>	<b>229 554</b>	<b>227 873</b>	<b>413 132</b>	<b>607 773</b>
<b>Application of cash and investments</b>						
Unspent conditional transfers	110 921	30 921	30 921	88 737	70 989	56 792
Unspent borrowing	-	-	-	-	-	-
Statutory requirements	-	27 000	27 000	29 000	29 000	29 000
Other working capital requirements	(22 371)	(22 371)	(22 371)	-	-	-
Other provisions	900	900	900	-	-	-
Long term investments committed	-	-	-	-	-	-
Reserves to be backed by cash/investments	-	-	-	-	-	-
<b>Total Application of cash and investments:</b>	<b>89 450</b>	<b>36 450</b>	<b>36 450</b>	<b>117 737</b>	<b>99 989</b>	<b>85 792</b>
<b>Surplus(shortfall)</b>	<b>160 469</b>	<b>193 104</b>	<b>193 104</b>	<b>110 136</b>	<b>313 142</b>	<b>521 982</b>

**LIM354 POLOKWANE - Table A9 Asset Management**

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>CAPITAL EXPENDITURE</b>					
<b>Total New Assets</b>	<b>700 135</b>	<b>663 959</b>	<b>739 689</b>	<b>646 015</b>	<b>681 324</b>
<i>Roads Infrastructure</i>	160 222	189 173	113 677	100 173	134 518
<i>Storm water Infrastructure</i>	2 500	2 500	2 500	18 496	22 800
<i>Electrical Infrastructure</i>	93 250	72 150	123 900	93 240	98 505
<i>Water Supply Infrastructure</i>	165 224	154 773	153 786	162 886	143 871
<i>Sanitation Infrastructure</i>	50 098	78 437	146 600	130 612	134 028
<i>Solid Waste Infrastructure</i>	17 870	3 000	7 478	10 873	5 873
<i>Rail Infrastructure</i>	-	-	-	-	-
<i>Coastal Infrastructure</i>	-	-	-	-	-
<i>Information and Communication Infrastructure</i>	136	136	188	136	136
<b>Infrastructure</b>	<b>489 300</b>	<b>500 169</b>	<b>548 129</b>	<b>516 416</b>	<b>539 731</b>
Community Facilities	93 852	52 944	84 894	88 166	90 753
Sport and Recreation Facilities	41 546	42 674	50 539	14 052	12 836
<b>Community Assets</b>	<b>135 398</b>	<b>95 619</b>	<b>135 433</b>	<b>102 218</b>	<b>103 589</b>
<b>Heritage Assets</b>	-	-	-	-	-
Revenue Generating	14 488	4 388	17 972	12 857	15 746
Non-revenue Generating	-	-	-	-	-
<b>Investment properties</b>	<b>14 488</b>	<b>4 388</b>	<b>17 972</b>	<b>12 857</b>	<b>15 746</b>
Operational Buildings	5 265	2 000	5 420	4 403	8 394
Housing	-	-	-	-	-
<b>Other Assets</b>	<b>5 265</b>	<b>2 000</b>	<b>5 420</b>	<b>4 403</b>	<b>8 394</b>
<b>Biological or Cultivated Assets</b>	-	-	<b>5 420</b>	<b>4 403</b>	<b>8 394</b>
Servitudes	-	-	-	-	-
Licences and Rights	-	13 500	-	-	-
<b>Intangible Assets</b>	-	<b>13 500</b>	-	-	-
<b>Computer Equipment</b>	<b>2 569</b>	<b>2 569</b>	<b>2 500</b>	<b>728</b>	<b>674</b>
<b>Furniture and Office Equipment</b>	<b>725</b>	<b>227</b>	<b>300</b>	<b>144</b>	<b>140</b>
<b>Machinery and Equipment</b>	<b>9 590</b>	<b>8 083</b>	<b>4 516</b>	<b>1 862</b>	<b>2 505</b>
<b>Transport Assets</b>	<b>42 800</b>	<b>37 404</b>	<b>20 000</b>	<b>2 984</b>	<b>2 149</b>

LIM354 POLOKWANE - Table A9 Asset Management

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand					
Land	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-
<b>Total Renewal of Existing Assets</b>	<b>175 521</b>	<b>108 789</b>	<b>27 228</b>	<b>35 885</b>	<b>6 323</b>
<i>Roads Infrastructure</i>	121 314	45 172	17 651	29 409	262
<i>Storm water Infrastructure</i>	-	-	-	-	-
<i>Electrical Infrastructure</i>	1 500	1 500	2 500	1 671	1 360
<i>Water Supply Infrastructure</i>	-	-	-	-	-
<i>Sanitation Infrastructure</i>	45 000	50 000	-	-	-
<i>Solid Waste Infrastructure</i>	-	-	-	-	-
<i>Rail Infrastructure</i>	-	-	-	-	-
<i>Coastal Infrastructure</i>	-	-	-	-	-
<i>Information and Communication Infrastructure</i>	-	-	-	-	-
<b>Infrastructure</b>	<b>167 814</b>	<b>96 672</b>	<b>20 151</b>	<b>31 079</b>	<b>1 622</b>
Community Facilities	6 343	10 996	5 577	4 127	4 399
Sport and Recreation Facilities	-	-	400	104	96
<b>Community Assets</b>	<b>6 343</b>	<b>10 996</b>	<b>5 977</b>	<b>4 231</b>	<b>4 494</b>
<b>Heritage Assets</b>	-	-	-	-	-
Revenue Generating	1 364	1 120	-	-	-
Non-revenue Generating	-	-	-	-	-
<b>Investment properties</b>	<b>1 364</b>	<b>1 120</b>	-	-	-
Operational Buildings	-	-	1 100	574	206
Housing	-	-	-	-	-
<b>Other Assets</b>	-	-	<b>1 100</b>	<b>574</b>	<b>206</b>
<b>Biological or Cultivated Assets</b>	-	-	-	-	-
Servitudes	-	-	-	-	-
Licences and Rights	-	-	-	-	-
<b>Intangible Assets</b>	-	-	-	-	-
<b>Computer Equipment</b>	-	-	-	-	-
<b>Furniture and Office Equipment</b>	-	-	-	-	-



LIM354 POLOKWANE - Table A9 Asset Management

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Machinery and Equipment</b>	-	-	-	-	-
<b>Transport Assets</b>	-	-	-	-	-
<b>Land</b>	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-
<b>Total Upgrading of Existing Assets</b>	252 904	251 721	209 647	182 502	189 112
<i>Roads Infrastructure</i>	143 829	151 382	179 730	163 323	173 542
<i>Storm water Infrastructure</i>	3 450	-	118	3 250	4 412
<i>Electrical Infrastructure</i>	7 000	2 000	-	6 155	3 886
<i>Water Supply Infrastructure</i>	15 000	6 003	5 000	7 000	5 000
<i>Sanitation Infrastructure</i>	63 280	78 106	18 000	-	-
<i>Solid Waste Infrastructure</i>	-	-	-	-	-
<i>Rail Infrastructure</i>	-	-	-	-	-
<i>Coastal Infrastructure</i>	-	-	-	-	-
<i>Information and Communication Infrastructure</i>	<b>5 000</b>	<b>4 000</b>	<b>3 000</b>	<b>354</b>	<b>337</b>
<b>Infrastructure</b>	237 559	241 491	205 847	180 082	187 177
Community Facilities	3 087	2 942	800	745	1 935
Sport and Recreation Facilities	<b>5 544</b>	<b>3 000</b>	-	<b>1 675</b>	-
<b>Community Assets</b>	<b>8 631</b>	<b>5 942</b>	<b>800</b>	<b>2 420</b>	<b>1 935</b>
<b>Heritage Assets</b>	321	321	-	-	-
Revenue Generating	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-
<b>Investment properties</b>	6 393	3 967	3 000	-	-
Operational Buildings	-	-	-	-	-
<b>Total Capital Expenditure</b>	<b>1 128 560</b>	<b>1 024 469</b>	<b>976 565</b>	<b>864 402</b>	<b>876 758</b>
<i>Roads Infrastructure</i>	425 365	385 728	311 058	292 905	308 322
<i>Storm water Infrastructure</i>	5 950	2 500	2 618	21 746	27 212
<i>Electrical Infrastructure</i>	101 750	75 650	126 400	101 066	103 752
<i>Water Supply Infrastructure</i>	180 224	160 776	158 786	169 886	148 871
<i>Sanitation Infrastructure</i>	158 378	206 543	164 600	130 612	134 028

**LIM354 POLOKWANE - Table A9 Asset Management**

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<i>Solid Waste Infrastructure</i>	17 870	3 000	7 478	10 873	5 873
<i>Rail Infrastructure</i>	-	-	-	-	-
<i>Coastal Infrastructure</i>	-	-	-	-	-
<i>Information and Communication Infrastructure</i>	5 136	4 136	3 188	490	473
<b>Infrastructure</b>	<b>894 673</b>	<b>838 333</b>	<b>774 127</b>	<b>727 577</b>	<b>728 531</b>
Community Facilities	103 282	66 882	91 271	93 039	97 087
Sport and Recreation Facilities	47 090	45 674	50 939	15 831	12 932
<b>Community Assets</b>	<b>150 372</b>	<b>112 557</b>	<b>142 210</b>	<b>108 870</b>	<b>110 018</b>
<b>Heritage Assets</b>	<b>321</b>	<b>321</b>	<b>-</b>	<b>-</b>	<b>-</b>
Revenue Generating	15 852	5 508	17 972	12 857	15 746
Non-revenue Generating	-	-	-	-	-
<b>Investment properties</b>	<b>15 852</b>	<b>5 508</b>	<b>17 972</b>	<b>12 857</b>	<b>15 746</b>
Operational Buildings	5 265	2 000	6 520	4 977	8 600
Housing	-	-	-	-	-
<b>Other Assets</b>	<b>5 265</b>	<b>2 000</b>	<b>6 520</b>	<b>4 977</b>	<b>8 600</b>
<b>Biological or Cultivated Assets</b>	<b>-</b>	<b>-</b>	<b>5 420</b>	<b>4 403</b>	<b>8 394</b>
Servitudes	-	-	-	-	-
Licences and Rights	-	13 500	-	-	-
<b>Intangible Assets</b>	<b>-</b>	<b>13 500</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Computer Equipment</b>	<b>2 569</b>	<b>2 569</b>	<b>2 500</b>	<b>728</b>	<b>674</b>
<b>Furniture and Office Equipment</b>	<b>725</b>	<b>227</b>	<b>300</b>	<b>144</b>	<b>140</b>
<b>Machinery and Equipment</b>	<b>9 590</b>	<b>8 083</b>	<b>4 516</b>	<b>1 862</b>	<b>2 505</b>
<b>Transport Assets</b>	<b>42 800</b>	<b>37 404</b>	<b>20 000</b>	<b>2 984</b>	<b>2 149</b>
Land	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>	<b>1 128 560</b>	<b>1 024 469</b>	<b>967 665</b>	<b>859 753</b>	<b>866 823</b>
<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>18 015 001</b>	<b>17 910 911</b>	<b>18 884 475</b>	<b>19 748 877</b>	<b>20 625 636</b>
<i>Roads Infrastructure</i>	6 313 851	5 914 412	6 225 470	6 518 375	6 826 697
<i>Storm water Infrastructure</i>	427 351	421 401	424 019	445 764	472 976
<i>Electrical Infrastructure</i>	2 592 019	2 530 016	2 656 416	2 757 481	2 861 233

LIM354 POLOKWANE - Table A9 Asset Management

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<i>Water Supply Infrastructure</i>	2 722 061	2 554 372	2 713 158	2 883 044	3 031 915
<i>Sanitation Infrastructure</i>	581 301	423 021	587 621	718 233	852 260
<i>Solid Waste Infrastructure</i>	35 060	18 652	26 130	37 003	42 876
<i>Rail Infrastructure</i>	-	-	-	-	-
<i>Coastal Infrastructure</i>	-	-	-	-	-
<i>Information and Communication Infrastructure</i>	16 019	10 883	14 071	14 561	15 034
<b>Infrastructure</b>	<b>12 687 662</b>	<b>11 872 757</b>	<b>12 646 884</b>	<b>13 374 461</b>	<b>14 102 992</b>
<b>Community Assets</b>	1 831 680	1 699 412	1 841 623	1 950 493	2 060 511
<b>Heritage Assets</b>	-	-	-	-	-
<b>Investment properties</b>	<b>732 808</b>	<b>717 999</b>	<b>735 971</b>	<b>748 829</b>	<b>764 575</b>
<b>Other Assets</b>	2 455 022	3 339 084	3 345 603	3 350 580	3 359 180
<b>Biological or Cultivated Assets</b>	<b>11 833</b>	<b>11 833</b>	<b>17 253</b>	<b>21 655</b>	<b>30 049</b>
<b>Intangible Assets</b>	11 383	24 883	24 883	24 883	24 883
<b>Computer Equipment</b>	<b>8 913</b>	<b>8 913</b>	<b>11 413</b>	<b>12 142</b>	<b>12 816</b>
<b>Furniture and Office Equipment</b>	<b>15 159</b>	<b>14 932</b>	<b>15 232</b>	<b>15 377</b>	<b>15 517</b>
<b>Machinery and Equipment</b>	<b>8 204</b>	<b>2 805</b>	<b>7 321</b>	<b>9 183</b>	<b>11 689</b>
<b>Transport Assets</b>	<b>70 463</b>	<b>36 418</b>	<b>56 418</b>	<b>59 402</b>	<b>61 551</b>
<b>Land</b>	<b>181 873</b>	<b>181 873</b>	<b>181 873</b>	<b>181 873</b>	<b>181 873</b>
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	<b>18 015 001</b>	<b>17 910 911</b>	<b>18 884 475</b>	<b>19 748 877</b>	<b>20 625 636</b>
<b>EXPENDITURE OTHER ITEMS</b>	<b>841 336</b>	<b>966 177</b>	<b>991 135</b>	<b>1 027 904</b>	<b>1 076 872</b>
<b><u>Depreciation</u></b>	250 000	250 000	260 000	271 440	283 655
<b><u>Repairs and Maintenance by Asset Class</u></b>	<b>591 336</b>	<b>716 177</b>	<b>731 135</b>	<b>756 464</b>	<b>793 218</b>
<i>Roads Infrastructure</i>	91 851	115 264	101 005	103 714	108 752
<i>Storm water Infrastructure</i>	-	-	-	-	-
<i>Electrical Infrastructure</i>	107 148	131 019	142 021	149 098	156 680
<i>Water Supply Infrastructure</i>	165 921	199 127	200 368	208 779	219 010
<i>Sanitation Infrastructure</i>	11 645	18 645	19 391	20 244	21 155
<i>Solid Waste Infrastructure</i>	69 252	88 798	94 090	94 816	99 082

LIM354 POLOKWANE - Table A9 Asset Management

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<i>Rail Infrastructure</i>	-	-	-	-	-
<i>Coastal Infrastructure</i>	-	-	-	-	-
<i>Information and Communication Infrastructure</i>	-	-	-	-	-
<b>Infrastructure</b>	<b>445 816</b>	<b>552 853</b>	<b>556 874</b>	<b>576 650</b>	<b>604 679</b>
Community Facilities	8 892	12 836	13 761	11 652	12 177
Sport and Recreation Facilities	31 893	35 628	36 604	38 534	40 604
<b>Community Assets</b>	<b>40 785</b>	<b>48 464</b>	<b>50 366</b>	<b>50 186</b>	<b>52 781</b>
<b>Heritage Assets</b>	-	-	-	-	-
Revenue Generating	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-
<b>Investment properties</b>	-	-	-	-	-
Operational Buildings	43 660	40 624	49 358	51 811	54 439
Housing	-	-	-	-	-
<b>Other Assets</b>	<b>43 660</b>	<b>40 624</b>	<b>49 358</b>	<b>51 811</b>	<b>54 439</b>
<b>Biological or Cultivated Assets</b>	-	-	-	-	-
Servitudes	-	-	-	-	-
Licences and Rights	11 192	10 592	11 016	11 501	12 018
<b>Intangible Assets</b>	<b>11 192</b>	<b>10 592</b>	<b>11 016</b>	<b>11 501</b>	<b>12 018</b>
<b>Computer Equipment</b>	<b>4 320</b>	<b>7 120</b>	<b>7 405</b>	<b>7 731</b>	<b>8 078</b>
<b>Furniture and Office Equipment</b>	<b>9 621</b>	<b>9 381</b>	<b>9 756</b>	<b>10 186</b>	<b>10 644</b>
<b>Machinery and Equipment</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>4</b>
<b>Transport Assets</b>	<b>35 940</b>	<b>47 140</b>	<b>46 357</b>	<b>48 397</b>	<b>50 575</b>
Land	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-
<b>TOTAL EXPENDITURE OTHER ITEMS</b>	<b>841 336</b>	<b>966 177</b>	<b>991 135</b>	<b>1 027 904</b>	<b>1 076 872</b>
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	38.0%	35.2%	24.5%	25.4%	22.5%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>	171.4%	144.2%	91.1%	80.5%	68.9%
<i>R&amp;M as a % of PPE</i>	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Renewal and upgrading and R&amp;M as a % of PPE</i>	6.0%	6.0%	5.0%	5.0%	5.0%

**LIM354 POLOKWANE - Table A10 Basic service delivery measurement**

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Household service targets</b>					
<b><u>Water:</u></b>					
Piped water inside dwelling	62 851	62 851	67 119	69 066	71 096
Piped water inside yard (but not in dwelling)	118 780	118 780	126 846	130 526	134 362
Using public tap (at least min.service level)	16 567	16 567	17 313	11 347	11 681
Other water supply (at least min.service level)	9 671	9 671	14 313	51 823	53 346
<i>Minimum Service Level and Above sub-total</i>	207 869	207 869	225 591	262 762	270 485
Using public tap (< min.service level)	10 040	10 040	11 027	106 174	109 294
Other water supply (< min.service level)	2 597	2 597	16 747	6 220	6 403
No water supply	141	141	366	1 735	1 786
<i>Below Minimum Service Level sub-total</i>	12 778	12 778	28 140	114 128	117 483
<b>Total number of households</b>	<b>220 647</b>	<b>220 647</b>	<b>253 731</b>	<b>376 890</b>	<b>387 968</b>
<b><u>Sanitation/sewerage:</u></b>					
Flush toilet (connected to sewerage)	96 619	96 619	103 180	103 386	105 454
Flush toilet (with septic tank)	5 660	5 660	6 044	6 056	6 177
Chemical toilet	1 579	1 579	1 686	1 689	1 723
Pit toilet (ventilated)	38 840	38 840	40 575	40 656	41 469
Other toilet provisions (> min.service level)	5 756	5 756	25 756	25 808	26 324
<i>Minimum Service Level and Above sub-total</i>	148 454	148 454	177 241	177 595	181 147
Bucket toilet	-	-	-	-	-
Other toilet provisions (< min.service level)	282	282	282	283	288
No toilet provisions	4 248	4 248	4 248	4 256	4 342
<i>Below Minimum Service Level sub-total</i>	4 530	4 530	4 530	4 539	4 630
<b>Total number of households</b>	<b>152 984</b>	<b>152 984</b>	<b>181 771</b>	<b>182 135</b>	<b>185 777</b>
<b><u>Energy:</u></b>					
Electricity (at least min.service level)	119 121	119 121	240 949	247 940	255 228
Electricity - prepaid (min.service level)	102 997	102 997	8 571	8 820	9 079
<i>Minimum Service Level and Above sub-total</i>	222 119	222 119	249 520	256 760	264 306
Electricity (< min.service level)	19 728	19 728	-	-	-

**LIM354 POLOKWANE - Table A10 Basic service delivery measurement**

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Electricity - prepaid (< min. service level)	21 665	21 665	-	-	-
Other energy sources	2 193	2 193	5 833	6 002	6 179
<i>Below Minimum Service Level sub-total</i>	43 586	43 586	5 833	6 002	6 179
<b>Total number of households</b>	<b>265 704</b>	<b>265 704</b>	<b>255 353</b>	<b>262 762</b>	<b>270 485</b>
<b><u>Refuse:</u></b>					
Removed at least once a week	119 121	119 121	240 949	247 940	255 228
<i>Minimum Service Level and Above sub-total</i>	119 121	119 121	240 949	247 940	255 228
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-
<b>Total number of households</b>	<b>119 121</b>	<b>119 121</b>	<b>240 949</b>	<b>247 940</b>	<b>255 228</b>
<b><u>Households receiving Free Basic Service</u></b>					
Water (6 kilolitres per household per month)	14 175	14 175	15 451	16 918	18 610
Sanitation (free minimum level service)	16 879	16 879	17 774	18 644	19 577
Electricity/other energy (50kwh per household per month)	-	-	-	-	-
Refuse (removed at least once a week)	16 879	16 879	17 774	18 644	19 577
<b><u>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</u></b>	-	-	-	-	-
<b>Total cost of FBS provided</b>	-	-	-	-	-
<b><u>Highest level of free service provided per household</u></b>					
Property rates (R value threshold)	58	58	58	58	58
Water (kilolitres per household per month)	6	6	6	6	6
Sanitation (kilolitres per household per month)	6	6	6	6	6
Sanitation (Rand per household per month)	95	95	95	95	95
Electricity (kwh per household per month)	100	100	100	100	100
Refuse (average litres per week)	240	240	240	240	240
<b><u>Revenue cost of subsidised services provided (R'000)</u></b>					
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)	62 666	62 666	65 987	69 221	72 682

**LIM354 POLOKWANE - Table A10 Basic service delivery measurement**

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Water (in excess of 6 kilolitres per indigent household per month)	11 227	11 227	12 237	13 400	14 740
Sanitation (in excess of free sanitation service to indigent households)	20 173	20 173	21 243	22 283	23 398
Electricity/other energy (in excess of 50 kwh per indigent household per month)	31 854	31 854	33 543	35 186	36 946
Refuse (in excess of one removal a week for indigent households)	-	-	-	-	-
Municipal Housing - rental rebates					
Housing - top structure subsidies					
Other					
<b>Total revenue cost of subsidised services provided</b>	<b>125 920</b>	<b>125 920</b>	<b>133 010</b>	<b>140 090</b>	<b>147 765</b>

**LIM354 POLOKWANE - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'**

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>					
<b>REVENUE ITEMS:</b>					
<b>Property rates</b>					
Total Property Rates	547 228	547 228	576 231	604 466	634 690
<i>Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)</i>					
<b>Net Property Rates</b>	<b>547 228</b>	<b>547 228</b>	<b>576 231</b>	<b>604 466</b>	<b>634 690</b>
<b>Service charges - electricity revenue</b>					
Total Service charges - electricity revenue	1 464 256	1 464 256	1 604 825	1 765 308	1 781 356
<i>Less Revenue Foregone (in excess of 50 kwh per indigent household per month)</i>					
<i>Less Cost of Free Basis Services (50 kwh per indigent household per month)</i>	44 486	44 486	48 756	53 632	54 119
<b>Net Service charges - electricity revenue</b>	<b>1 419 771</b>	<b>1 419 771</b>	<b>1 556 069</b>	<b>1 711 676</b>	<b>1 727 236</b>
<b>Service charges - water revenue</b>					
Total Service charges - water revenue	298 841	298 841	325 737	356 682	392 350
<i>Less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)</i>					
<i>Less Cost of Free Basis Services (6 kilolitres per indigent household per month)</i>	23 741	23 741	25 877	28 336	31 169
<b>Net Service charges - water revenue</b>	<b>275 101</b>	<b>275 101</b>	<b>299 860</b>	<b>328 347</b>	<b>361 181</b>
<b>Service charges - sanitation revenue</b>					
Total Service charges - sanitation revenue	150 230	150 230	158 192	165 944	174 241
<i>Less Revenue Foregone (in excess of free sanitation service to indigent households)</i>					
<i>Less Cost of Free Basis Services (free sanitation service to indigent households)</i>	18 245	18 245	19 212	20 154	21 161



**LIM354 POLOKWANE - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'**

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>					
<b>Net Service charges - sanitation revenue</b>	<b>131 985</b>	<b>131 985</b>	<b>138 980</b>	<b>145 790</b>	<b>153 080</b>
<b><u>Service charges - refuse revenue</u></b>					
Total refuse removal revenue	142 193	142 193	149 729	157 066	164 919
Total landfill revenue	–	–	–	–	–
<i>Less Revenue Foregone (in excess of one removal a week to indigent households)</i>	–	–	–	–	–
<i>Less Cost of Free Basis Services (removed once a week to indigent households)</i>	15 295	15 295	16 106	16 895	17 740
<b>Net Service charges - refuse revenue</b>	<b>126 897</b>	<b>126 897</b>	<b>133 623</b>	<b>140 170</b>	<b>147 179</b>
<b><u>Other Revenue by source</u></b>					
<i>Other Revenue</i>	104 623	104 623	50 838	53 343	56 509
<b>Total 'Other' Revenue</b>	<b>104 623</b>	<b>104 623</b>	<b>50 838</b>	<b>53 343</b>	<b>56 509</b>
<b>EXPENDITURE ITEMS:</b>					
<b><u>Employee related costs</u></b>					
Basic Salaries and Wages	642 949	578 895	685 888	722 926	762 687
Pension and UIF Contributions	140 546	121 674	150 641	158 775	167 508
Medical Aid Contributions	42 767	41 468	45 904	48 383	51 044
Overtime	38 974	96 971	88 928	93 730	98 885
Performance Bonus	54 133	54 133	–	–	–
Motor Vehicle Allowance	62 441	59 159	60 431	63 695	67 198
Cellphone Allowance	192	192	175	185	195
Housing Allowances	14 119	11 574	7 223	7 613	8 032
Other benefits and allowances	13 480	45 780	89 156	93 970	99 139
Payments in lieu of leave	–	20 053	6 887	7 259	7 658
Long service awards	–	6 866	19 123	20 156	21 264

**LIM354 POLOKWANE - Supporting Table SA1 Supportinging detail to 'Budgeted Financial Performance'**

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>					
Post-retirement benefit obligations	–	6 607	8 000	8 432	8 896
<i>sub-total</i>	<b>1 009 601</b>	<b>1 043 372</b>	<b>1 162 356</b>	<b>1 225 123</b>	<b>1 292 505</b>
<u>Less: Employees costs capitalised to PPE</u>					
<b>Total Employee related costs</b>	<b>1 009 601</b>	<b>1 043 372</b>	<b>1 162 356</b>	<b>1 225 123</b>	<b>1 292 505</b>
<b><u>Depreciation &amp; asset impairment</u></b>					
Depreciation of Property, Plant & Equipment	250 000	250 000	260 000	271 440	283 655
Lease amortisation	–	–	–	–	–
Capital asset impairment	–	–	–	–	–
<b>Total Depreciation &amp; asset impairment</b>	<b>250 000</b>	<b>250 000</b>	<b>260 000</b>	<b>271 440</b>	<b>283 655</b>
<b><u>Bulk purchases - electricity</u></b>					
Electricity bulk purchases	887 800	887 800	976 580	1 054 706	1 149 630
<b>Total bulk purchases</b>	<b>887 800</b>	<b>887 800</b>	<b>976 580</b>	<b>1 054 706</b>	<b>1 149 630</b>
<b><u>Transfers and grants</u></b>					
Cash transfers and grants	40 000	50 000	14 500	15 138	15 819
Non-cash transfers and grants	–	–	–	–	–
<b>Total transfers and grants</b>	<b>40 000</b>	<b>50 000</b>	<b>14 500</b>	<b>15 138</b>	<b>15 819</b>
<b><u>Contracted services</u></b>					
<i>Outsourced Services</i>	289 605	360 921	353 753	358 268	374 312
<i>Consultants and Professional Services</i>	251 025	312 840	266 517	278 219	290 603
<i>Contractors</i>	198 775	247 724	263 069	297 138	321 873
<b>Total contracted services</b>	<b>739 404</b>	<b>921 485</b>	<b>883 339</b>	<b>933 624</b>	<b>986 788</b>
<b><u>Other Expenditure By Type</u></b>					

**LIM354 POLOKWANE - Supporting Table SA1 Supporting detail to 'Budgeted Financial Performance'**

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>					
Collection costs	-	-	-	-	-
Contributions to 'other' provisions	-	-	-	-	-
Audit fees	10 956	15 826	14 000	14 616	15 274
<i>Other Expenditure</i>	219 426	244 389	250 261	260 896	272 251
<b>Total 'Other' Expenditure</b>	<b>230 382</b>	<b>260 215</b>	<b>264 261</b>	<b>275 512</b>	<b>287 525</b>
<b>by Expenditure Item</b>					
Employee related costs	218 470	218 470	258 486	271 235	286 153
Inventory Consumed (Project Maintenance)	45 274	43 274	47 085	49 157	51 369
Contracted Services	317 882	312 882	433 718	444 551	464 375
Other Expenditure	9 711	9 711	17 450	18 217	19 037
<b>Total Repairs and Maintenance Expenditure</b>	<b>591 336</b>	<b>584 336</b>	<b>756 739</b>	<b>783 160</b>	<b>820 934</b>

**LIM354 POLOKWANE - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'**

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>					
<b>ASSETS</b>					
<b><u>Consumer debtors</u></b>					
Consumer debtors	1 520 513	1 520 513	1 540 575	1 566 440	1 593 140
<u>Less: Provision for debt impairment</u>	(1 018 947)	(1 018 947)	(1 018 947)	(1 023 947)	(1 028 947)
<b>Total Consumer debtors</b>	<b>501 565</b>	<b>501 565</b>	<b>521 628</b>	<b>542 493</b>	<b>564 193</b>
<b><u>Debt impairment provision</u></b>					
Balance at the beginning of the year	(768 947)	(768 947)	(768 947)	(768 947)	(768 947)
Contributions to the provision	–	–	–	–	–
Bad debts written off	(250 000)	(250 000)	(250 000)	(255 000)	(260 000)
<b>Balance at end of year</b>	<b>(1 018 947)</b>	<b>(1 018 947)</b>	<b>(1 018 947)</b>	<b>(1 023 947)</b>	<b>(1 028 947)</b>
<b><u>Property, plant and equipment (PPE)</u></b>					
PPE at cost/valuation (excl. finance leases)	28 384 645	28 384 645	28 703 219	29 811 892	30 081 892
Leases recognised as PPE	26 254	26 254	26 254	26 254	26 254
<u>Less: Accumulated depreciation</u>	11 152 990	11 152 990	11 402 990	11 662 990	11 932 990
<b>Total Property, plant and equipment (PPE)</b>	<b>17 257 909</b>	<b>17 257 909</b>	<b>17 326 483</b>	<b>18 175 156</b>	<b>18 175 156</b>
<b>LIABILITIES</b>					
<b><u>Current liabilities - Borrowing</u></b>					
Short term loans (other than bank overdraft)					
Current portion of long-term liabilities	20 336	20 336	22 588	25 088	27 778
<b>Total Current liabilities - Borrowing</b>	<b>20 336</b>	<b>20 336</b>	<b>22 588</b>	<b>25 088</b>	<b>27 778</b>
<b><u>Trade and other payables</u></b>					
Trade Payables	512 163	512 163	522 294	535 015	561 765
Other creditors	–	–	783	822	863
Unspent conditional transfers	110 921	30 921	88 737	70 989	56 792
VAT	102 950	102 950			
<b>Total Trade and other payables</b>	<b>726 034</b>	<b>646 034</b>	<b>611 814</b>	<b>606 826</b>	<b>619 420</b>

**LIM354 POLOKWANE - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'**

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>					
<b><u>Non current liabilities - Borrowing</u></b>					
Borrowing	376 990	376 990	351 199	323 610	293 141
Finance leases (including PPP asset element)					
<b>Total Non current liabilities - Borrowing</b>	<b>376 990</b>	<b>376 990</b>	<b>351 199</b>	<b>323 610</b>	<b>293 141</b>
<b><u>Provisions - non-current</u></b>					
Retirement benefits	216 305	216 305	205 490	205 490	205 490
Refuse landfill site rehabilitation	141 369	141 369	134 301	134 301	134 301
Other	56 025	56 025	53 223	53 223	53 223
<b>Total Provisions - non-current</b>	<b>413 699</b>	<b>413 699</b>	<b>393 014</b>	<b>393 014</b>	<b>393 014</b>
<b>CHANGES IN NET ASSETS</b>					
<b><u>Accumulated Surplus/(Deficit)</u></b>					
Accumulated Surplus/(Deficit) - opening balance	8 292 942	9 127 524	6 875 245	7 915 299	8 176 037
GRAP adjustments	-	-	-	-	-
Restated balance	8 292 942	9 127 524	6 875 245	7 915 299	8 176 037
Surplus/(Deficit)	1 034 609	811 187	923 937	969 686	959 274
Transfers to/from Reserves	-	-	-	-	-
Depreciation offsets	-	-	-	-	-
Other adjustments	-	-	-	-	-
<b>Accumulated Surplus/(Deficit)</b>	<b>9 327 551</b>	<b>9 938 711</b>	<b>7 799 182</b>	<b>8 884 985</b>	<b>9 135 311</b>
<b><u>Reserves</u></b>					
Housing Development Fund	-	-	-	-	-
Capital replacement	-	-	-	-	-
Self-insurance	-	-	-	-	-
Other reserves	-	-	-	-	-
Revaluation	7 501 674	7 501 674	10 302 714	10 302 714	10 302 714
<b>Total Reserves</b>	<b>7 501 674</b>	<b>7 501 674</b>	<b>10 302 714</b>	<b>10 302 714</b>	<b>10 302 714</b>
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>16 829 225</b>	<b>17 440 385</b>	<b>18 101 896</b>	<b>19 187 699</b>	<b>19 438 025</b>

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

Description	Vote 1 - CHIEF OPERATIONS OFFICE	Vote 2 - MUNICIPAL MANAGER'S OFFICE	Vote 3 - WATER AND SANITATION	Vote 4 - ENERGY	Vote 5 - COMMUNITY SERVICES	Vote 6 - PUBLIC SAFETY	Vote 7 - CORPORATE AND SHARED SERVICES
R thousand	R'000	R'000					
<b>Revenue By Source</b>							
Property rates	-	-	-	-	-	-	-
Service charges - electricity revenue	-	-	-	1 556 069	-	-	-
Service charges - water revenue	-	-	299 860	-	-	-	-
Service charges - sanitation revenue	-	-	138 980	-	-	-	-
Service charges - refuse revenue	-	-	-	-	133 623	-	-
Rental of facilities and equipment	-	-	-	-	4 317	4	-
Interest earned - external investments	-	-	-	-	-	-	-
Interest earned - outstanding debtors	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-
Fines, penalties and forfeits	-	-	156	6 328	157	33 520	-
Licences and permits	-	-	-	-	-	12 977	-
Agency services	-	-	-	-	-	-	-
Other revenue	4	3	4	6	2 814	2 346	3 204
Transfers and subsidies	-	-	-	-	-	-	-
Gains	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>4</b>	<b>3</b>	<b>438 999</b>	<b>1 562 403</b>	<b>140 911</b>	<b>48 847</b>	<b>3 204</b>
<b>Expenditure By Type</b>							
Employee related costs	92 336	26 361	150 343	98 735	199 342	254 944	105 535
Remuneration of councillors	-	41 917	-	-	-	-	-

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

Description	Vote 1 - CHIEF OPERATIONS OFFICE	Vote 2 - MUNICIPAL MANAGER'S OFFICE	Vote 3 - WATER AND SANITATION	Vote 4 - ENERGY	Vote 5 - COMMUNITY SERVICES	Vote 6 - PUBLIC SAFETY	Vote 7 - CORPORATE AND SHARED SERVICES
R thousand	R'000	R'000					
Debt impairment	-	260 000	-	-	-	-	-
Depreciation & asset impairment	5 881	1 639	60 130	15 277	48 569	5 763	11 882
Finance charges	-	-	-	-	-	-	-
Bulk purchases - electricity	-	-	-	976 580	-	-	-
Inventory consumed	3 908	196	231 844	36 066	8 774	8 733	8 626
Contracted services	33 580	10 887	182 970	23 255	128 087	92 957	95 641
Transfers and subsidies	-	14 500	-	-	-	-	-
Other expenditure	18 750	14 363	3 966	29 258	18 428	14 079	90 173
Losses	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>154 456</b>	<b>369 864</b>	<b>629 253</b>	<b>1 179 171</b>	<b>403 200</b>	<b>376 475</b>	<b>311 858</b>
<b>Surplus/(Deficit)</b>	<b>(154 451)</b>	<b>(369 861)</b>	<b>(190 253)</b>	<b>383 233</b>	<b>(262 289)</b>	<b>(327 628)</b>	<b>(308 653)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(154 451)</b>	<b>(369 861)</b>	<b>(190 253)</b>	<b>383 233</b>	<b>(262 289)</b>	<b>(327 628)</b>	<b>(308 653)</b>

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

Description	Vote 8 - PLANNING AND ECONOMIC DEVELOPMENT	Vote 9 - BUDGET AND TREASURY OFFICE	Vote 10 - TRANSPORT SERVICES	Vote 11 - HUMAN SETTLEMENT	Total
<b>R thousand</b>					
<b>Revenue By Source</b>					
Property rates	-	576 231	-	-	576 231
Service charges - electricity revenue	-	-	-	-	1 556 069
Service charges - water revenue	-	-	-	-	299 860
Service charges - sanitation revenue	-	-	-	-	138 980
Service charges - refuse revenue	-	-	-	-	133 623
Rental of facilities and equipment	7 630	-	-	-	11 950
Interest earned - external investments	-	16 515	-	-	16 515
Interest earned - outstanding debtors	-	106 607	-	-	106 607
Dividends received	-	-	-	-	-
Fines, penalties and forfeits	-	-	-	-	40 162
Licences and permits	-	910	-	-	13 886
Agency services	-	-	30 443	-	30 443
Other revenue	20 155	20 441	1 607	254	50 838
Transfers and subsidies	-	1 353 078	-	-	1 353 078
Gains	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>27 784</b>	<b>2 073 782</b>	<b>32 050</b>	<b>254</b>	<b>4 328 242</b>
<b>Expenditure By Type</b>					
Employee related costs	58 633	104 577	57 334	14 216	1 162 356
Remuneration of councillors	-	-	-	-	41 917



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

Description	Vote 8 - PLANNING AND ECONOMIC DEVELOPMENT	Vote 9 - BUDGET AND TREASURY OFFICE	Vote 10 - TRANSPORT SERVICES	Vote 11 - HUMAN SETTLEMENT	Total
<b>R thousand</b>					
Debt impairment	-	-	-	-	260 000
Depreciation & asset impairment	3 620	742	105 394	1 104	260 000
Finance charges	-	42 336	-	-	42 336
Bulk purchases - electricity	-	-	-	-	976 580
Inventory consumed	588	2 401	1 480	126	302 741
Contracted services	2 760	161 555	150 758	888	883 339
Transfers and subsidies	-	-	-	-	14 500
Other expenditure	2 160	68 319	4 312	453	264 261
Losses	-	-	-	-	-
<b>Total Expenditure</b>	<b>67 761</b>	<b>379 929</b>	<b>319 278</b>	<b>16 787</b>	<b>4 208 030</b>
<b>Surplus/(Deficit)</b>	<b>(39 977)</b>	<b>1 693 853</b>	<b>(287 228)</b>	<b>(16 533)</b>	<b>120 212</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	-	803 725	-	803 725
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>(39 977)</b>	<b>1 693 853</b>	<b>516 497</b>	<b>(16 533)</b>	<b>923 937</b>

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

Strategic Objective	Goal	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>						
Develop and refurbish infrastructural services	Improved provision of basic and environmental services in a sustainable way to our communities	1 859 359	1 859 359	2 033 453	2 226 246	2 277 013
Create a conducive economic environment	Increased economic growth, job creation and sustainable human settlement	52 420	52 420	27 784	29 160	30 909
Enhance revenue and asset base	Enhanced Financial Viability and Improved Financial Management	2 709 429	2 737 592	2 877 506	2 953 721	3 152 806
Plan sustainable integrated settlements	Increased economic growth, job creation and sustainable human settlement	541	541	254	267	283
Facilitate, care and support communities	Improve community confidence in the system of local government	196 538	196 538	189 758	199 053	202 470
Invest in human capital and retain skills	Improve efficiency and effectiveness of Municipal administration	4 294	4 294	3 204	3 351	3 518
Practice good governance	Improve efficiency and effectiveness of Municipal administration	1 573	1 573	7	7	7
<b>Total Revenue (including capital transfers and contributions)</b>		<b>4 824 155</b>	<b>4 852 318</b>	<b>5 131 966</b>	<b>5 411 804</b>	<b>5 667 007</b>

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

Strategic Objective	Goal	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>						
Develop and refurbish infrastructural services	Improved provision of basic and environmental services in a sustainable way to our communities	1 901 408	2 021 546	2 127 701	2 278 817	2 443 185
Create a conducive economic environment	Increased economic growth, job creation and sustainable human settlement	77 936	72 741	67 761	70 702	74 495
Enhance revenue and asset base	Enhanced Financial Viability and Improved Financial Management	363 984	386 428	379 929	392 581	406 076
Plan sustainable integrated settlements	Increased economic growth, job creation and sustainable human settlement	12 023	13 864	16 787	17 668	18 613
Facilitate, care and support communities	Improve community confidence in the system of local government	637 039	705 852	779 675	806 984	848 071
Invest in human capital and retain skills	Improve efficiency and effectiveness of Municipal administration	273 131	299 970	311 858	326 371	341 900
Practice good governance	Improve efficiency and effectiveness of Municipal administration	524 025	540 730	524 319	548 995	575 393
<b>Total Expenditure</b>		<b>3 789 546</b>	<b>4 041 131</b>	<b>4 208 030</b>	<b>4 442 119</b>	<b>4 707 733</b>

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

Strategic Objective	Goal	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>						
Develop and refurbish infrastructural services	Improved provision of basic and environmental services in a sustainable way to our communities	960 850	899 314	842 461	803 271	810 772
Create a conducive economic environment	Increased economic growth, job creation and sustainable human settlement	19 339	5 974	17 972	13 003	16 027
Enhance revenue and asset base	Enhanced Financial Viability and Improved Financial Management	–	2 000	–	–	–
Plan sustainable integrated settlements	Increased economic growth, job creation and sustainable human settlement	–	–	1 374	329	1 873
Facilitate, care and support communities	Improve community confidence in the system of local government	113 642	92 226	65 753	36 601	30 347
Invest in human capital and retain skills	Improve efficiency and effectiveness of Municipal administration	26 014	16 829	38 921	4 570	4 547
Practice good governance	Improve efficiency and effectiveness of Municipal administration	8 715	8 126	1 185	1 605	2 920
<b>Total Capital Expenditure</b>		<b>1 128 560</b>	<b>1 024 469</b>	<b>967 665</b>	<b>859 379</b>	<b>866 486</b>

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

Total municipal services	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Household service targets (000)</b>					
<b><u>Water:</u></b>					
Piped water inside dwelling	62 851	62 851	67 119	69 066	71 096
Piped water inside yard (but not in dwelling)	118 780	118 780	126 846	130 526	134 362
Using public tap (at least min.service level)	16 567	16 567	17 313	11 347	11 681
Other water supply (at least min.service level)	9 671	9 671	14 313	51 823	53 346
<i>Minimum Service Level and Above sub-total</i>	207 869	207 869	225 591	262 762	270 485
Using public tap (< min.service level)	10 040	10 040	11 027	106 174	109 294
Other water supply (< min.service level)	2 597	2 597	16 747	6 220	6 403
No water supply	141	141	366	1 735	1 786
<i>Below Minimum Service Level sub-total</i>	12 778	12 778	28 140	114 128	117 483
<b>Total number of households</b>	<b>220 647</b>	<b>220 647</b>	<b>253 731</b>	<b>376 890</b>	<b>387 968</b>
<b><u>Sanitation/sewerage:</u></b>					
Flush toilet (connected to sewerage)	96 619	96 619	103 180	103 386	105 454
Flush toilet (with septic tank)	5 660	5 660	6 044	6 056	6 177
Chemical toilet	1 579	1 579	1 686	1 689	1 723
Pit toilet (ventilated)	38 840	38 840	40 575	40 656	41 469
Other toilet provisions (> min.service level)	5 756	5 756	25 756	25 808	26 324
<i>Minimum Service Level and Above sub-total</i>	148 454	148 454	177 241	177 595	181 147
Bucket toilet	–	–	–	–	–
Other toilet provisions (< min.service level)	282	282	282	283	288
No toilet provisions	4 248	4 248	4 248	4 256	4 342
<i>Below Minimum Service Level sub-total</i>	4 530	4 530	4 530	4 539	4 630
<b>Total number of households</b>	<b>152 984</b>	<b>152 984</b>	<b>181 771</b>	<b>182 135</b>	<b>185 777</b>
<b><u>Energy:</u></b>					
Electricity (at least min.service level)	119 121	119 121	240 949	247 940	255 228
Electricity - prepaid (min.service level)	102 997	102 997	8 571	8 820	9 079
<i>Minimum Service Level and Above sub-total</i>	222 119	222 119	249 520	256 760	264 306
Electricity (< min.service level)	19 728	19 728	–	–	–
Electricity - prepaid (< min. service level)	21 665	21 665	–	–	–

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

Total municipal services	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Other energy sources	2 193	2 193	5 833	6 002	6 179
<i>Below Minimum Service Level sub-total</i>	43 586	43 586	5 833	6 002	6 179
<b>Total number of households</b>	<b>265 704</b>	<b>265 704</b>	<b>255 353</b>	<b>262 762</b>	<b>270 485</b>
<b><u>Refuse:</u></b>					
Removed at least once a week	119 121	119 121	240 949	247 940	255 228
<i>Minimum Service Level and Above sub-total</i>	102 997	102 997	8 571	8 820	9 079
<b>Total number of households</b>	<b>102 997</b>	<b>102 997</b>	<b>8 571</b>	<b>8 820</b>	<b>9 079</b>
<b><u>Household service targets (000)</u></b>					
<b><u>Water:</u></b>					
Piped water inside dwelling	62 851	62 851	67 119	69 066	71 096
Piped water inside yard (but not in dwelling)	118 780	118 780	126 846	130 526	134 362
Using public tap (at least min.service level)	16 567	16 567	17 313	11 347	11 681
Other water supply (at least min.service level)	9 671	9 671	14 313	51 823	53 346
<i>Minimum Service Level and Above sub-total</i>	207 869	207 869	225 591	262 762	270 485
Using public tap (< min.service level)	10 040	10 040	11 027	106 174	109 294
Other water supply (< min.service level)	2 597	2 597	16 747	6 220	6 403
No water supply	141	141	366	1 735	1 786
<i>Below Minimum Service Level sub-total</i>	12 778	12 778	28 140	114 128	117 483
<b>Total number of households</b>	<b>220 647</b>	<b>220 647</b>	<b>253 731</b>	<b>376 890</b>	<b>387 968</b>
<b><u>Sanitation/sewerage:</u></b>					
Flush toilet (connected to sewerage)	96 619	96 619	103 180	103 386	105 454
Flush toilet (with septic tank)	5 660	5 660	6 044	6 056	6 177
Chemical toilet	1 579	1 579	1 686	1 689	1 723
Pit toilet (ventilated)	38 840	38 840	40 575	40 656	41 469
Other toilet provisions (> min.service level)	5 756	5 756	25 756	25 808	26 324

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

Total municipal services	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<i>Minimum Service Level and Above sub-total</i>	148 454	148 454	177 241	177 595	181 147
Bucket toilet	–	–	–	–	–
Other toilet provisions (< min.service level)	282	282	282	283	288
No toilet provisions	4 248	4 248	4 248	4 256	4 342
<i>Below Minimum Service Level sub-total</i>	4 530	4 530	4 530	4 539	4 630
<b>Total number of households</b>	<b>152 984</b>	<b>152 984</b>	<b>181 771</b>	<b>182 135</b>	<b>185 777</b>
<b><u>Energy:</u></b>					
Electricity (at least min.service level)	119 121	119 121	240 949	247 940	255 228
Electricity - prepaid (min.service level)	102 997	102 997	8 571	8 820	9 079
<i>Minimum Service Level and Above sub-total</i>	222 119	222 119	249 520	256 760	264 306
Electricity (< min.service level)	19 728	19 728	–	–	–
Electricity - prepaid (< min. service level)	21 665	21 665	–	–	–
Other energy sources	2 193	2 193	5 833	6 002	6 179
<i>Below Minimum Service Level sub-total</i>	43 586	43 586	5 833	6 002	6 179
<b>Total number of households</b>	<b>265 704</b>	<b>265 704</b>	<b>255 353</b>	<b>262 762</b>	<b>270 485</b>
<b><u>Location of households for each type of FBS</u></b>					
<b>Formal settlements - (50 kwh per indigent household per month Rands)</b>	44 485 514	44 485 514	48 756 124	53 631 736	54 119 297
<i>Number of HH receiving this type of FBS</i>	–	–	–	–	–
<b>Informal settlements (Rands)</b>	–	–	–	–	–
<i>Number of HH receiving this type of FBS</i>	–	–	–	–	–
<b>Total cost of FBS - Electricity for informal settlements</b>	–	–	–	–	–
<b><u>Location of households for each type of FBS</u></b>					
<b>Formal settlements - (6 kilolitre per indigent household per month Rands)</b>	23 740 535	23 740 535	25 877 183	28 335 515	31 169 067
<i>Number of HH receiving this type of FBS</i>	14 175	14 175	15 451	16 918	18 610
<b>Informal settlements (Rands)</b>	–	–	–	–	–
<i>Number of HH receiving this type of FBS</i>	157 235	157 235	171 386	187 668	206 435
<b>Total cost of FBS - Water for informal settlements</b>	–	–	–	–	–
<b><u>Location of households for each type of FBS</u></b>					

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

Total municipal services	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Formal settlements - (free sanitation service to indigent households)</b>	18 245 215	18 245 215	19 212 211	20 153 610	21 161 290
<i>Number of HH receiving this type of FBS</i>	16 879	16 879	17 774	18 644	19 577
<b>Informal settlements (Rands)</b>	15 295 259	15 295 259	16 105 908	16 895 097	17 739 852
<i>Number of HH receiving this type of FBS</i>	187 223	187 223	197 146	206 806	217 146
<b>Total cost of FBS - Sanitation for informal settlements</b>	15 295 259	15 295 259	16 105 908	16 895 097	17 739 852
<b><u>Location of households for each type of FBS</u></b>					
<b>Formal settlements - (removed once a week to indigent households)</b>	15 295 259	15 295 259	16 105 908	16 895 097	17 739 852
<i>Number of HH receiving this type of FBS</i>	16 879	16 879	17 774	18 644	19 577
<b>Informal settlements (Rands)</b>	14 471 553	14 471 553	15 238 546	15 985 234	16 784 496
<i>Number of HH receiving this type of FBS</i>	187 223	187 223	197 146	206 806	217 146
<b>Total cost of FBS - Refuse Removal for informal settlement</b>	14 471 553	14 471 553	15 238 546	15 985 234	16 784 496



**LIM354 POLOKWANE Supporting Table SA10 Funding measurement**

Description	MFMA section	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Funding measures</b>						
Cash/cash equivalents at the year end - R'000	18(1)b	249 920	229 554	227 873	413 132	607 773
Cash + investments at the yr end less applications - R'000	18(1)b	160 469	193 104	110 136	313 142	521 982
Cash year end/monthly employee/supplier payments	18(1)b	-	-	-	-	-
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	1 034 609	811 187	923 937	969 686	959 274
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	(6.0%)	(6.0%)	2.1%	3.6%	(25.9%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	88.0%	88.4%	84.8%	84.9%	84.9%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	10.0%	10.0%	9.6%	9.2%	11.9%
Capital payments % of capital expenditure	18(1)c;19	95.0%	95.0%	95.0%	95.0%	95.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a			0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	0.0%	0.0%	4.1%	4.1%	(100.0%)
Long term receivables % change - incr(decr)	18(1)a	(100.0%)	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	3.4%	4.2%	4.4%	4.4%	0.0%
Asset renewal % of capital budget	20(1)(vi)	15.6%	10.9%	3.7%	0.7%	0.0%
<b>References</b>						
<b>Supporting indicators</b>						
% incr <i>total service charges (incl prop rates)</i>	18(1)a	0.0%	0.0%	8.1%	9.6%	(19.9%)
% incr Property Tax	18(1)a	0.0%	0.0%	5.3%	10.7%	(100.0%)
% incr Service charges - electricity revenue	18(1)a	0.0%	0.0%	9.6%	10.0%	0.9%
% incr Service charges - water revenue	18(1)a	0.0%	0.0%	9.0%	9.5%	10.0%
% incr Service charges - sanitation revenue	18(1)a	0.0%	0.0%	5.3%	4.9%	0.1%
% incr Service charges - refuse revenue	18(1)a	0.0%	0.0%	5.3%	4.9%	0.1%
% incr in	18(1)a	0.0%	0.0%	0.0%	0.0%	0.0%
Total billable revenue	18(1)a	2 500 982	2 500 982	2 704 763	2 963 695	2 374 651
Service charges		2 500 982	2 500 982	2 704 763	2 963 695	2 374 651
Property rates		547 228	547 228	576 231	637 712	-
Service charges - electricity revenue		1 419 771	1 419 771	1 556 069	1 711 676	1 727 236
Service charges - water revenue		275 101	275 101	299 860	328 347	361 181
Service charges - sanitation revenue		131 985	131 985	138 980	145 790	145 929
Service charges - refuse removal		126 897	126 897	133 623	140 170	140 304

**LIM354 POLOKWANE Supporting Table SA10 Funding measurement**

Description	MFMA section	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Service charges - other		-	-	-	-	-
Rental of facilities and equipment		14 938	14 938	11 950	12 542	13 294
Capital expenditure excluding capital grant funding		207 340	207 340	163 941	137 505	119 653
Cash receipts from ratepayers	18(1)a	2 465 864	2 475 864	2 509 797	2 714 762	2 794 580
Ratepayer & Other revenue	18(1)a	2 802 117	2 802 117	2 958 649	3 196 788	3 293 082
Change in consumer debtors (current and non-current)		(72 380)	(0)	(13 542)	24 165	25 165
Operating and Capital Grant Revenue	18(1)a	2 006 354	2 034 517	2 156 803	2 197 693	2 355 735
Capital expenditure - total	20(1)(vi)	1 128 560	994 591	967 665	859 753	866 823
Capital expenditure - renewal	20(1)(vi)	175 521	108 789	35 885	6 323	-
<b>Supporting benchmarks</b>						
Growth guideline maximum		6.0%	6.0%	6.0%	6.0%	6.0%
CPI guideline		5.0%	5.0%	5.4%	5.6%	5.4%
DoRA operating grants total MFY				1 373 878	1 457 087	1 580 014
DoRA capital grants total MFY				777 925	734 606	768 721
Provincial operating grants						
Provincial capital grants						
District Municipality grants						
<b>Total gazetted/advised national, provincial and district grants</b>				<b>2 151 803</b>	<b>2 191 693</b>	<b>2 348 735</b>
Average annual collection rate (arrears inclusive)						
<b>DoRA operating</b>						
Local Government Equitable Share				1 196 549	1 300 435	1 413 976
EPWP Incentive (EPWP)				11 570	-	-
Integrated National Electrification Programme (INEP)				29 400	9 000	5 112
Finance Management Grant (FMG)				2 400	2 400	2 400
Intergrated Urban Developmet Grant (IUDG)				66 463	75 133	85 959
Public Transport Network Grant (PTNG)				61 496	64 119	66 568
Infrastructure Skills Development Grant (ISDG)				6 000	6 000	6 000
Municipal System Improvemen Grant						
				<b>1 373 878</b>	<b>1 457 087</b>	<b>1 580 014</b>
<b>DoRA capital</b>						

**LIM354 POLOKWANE Supporting Table SA10 Funding measurement**

Description	MFMA section	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<i>Public Transport Network Grant (PTNG)</i>				138 000	143 886	149 381
<i>Regional Bulk Infrastructure Grant (RBIG)</i>				154 584	120 597	126 013
<i>Neighbourhood Development Partnership Grant (NDPG)</i>				40 000	40 000	45 000
<i>Water Services Infrastructure Grant (WSIG)</i>				77 160	72 700	76 871
<i>Intergrated Urban Development Grant (IUDG)</i>				359 581	331 690	339 455
<i>Integrated National Electrification Programme (INEP)</i>				3 600	21 733	27 000
<i>Energy Efficiency and Demand Side Management Grant (EEDSMG)</i>				5 000	4 000	5 000
				<b>777 925</b>	<b>734 606</b>	<b>768 721</b>
<b>Trend</b>						
Change in consumer debtors (current and non-current)		-	(13 542)	-	-	-
<b>Total Operating Revenue</b>		4 028 833	4 035 188	4 328 242	4 689 931	4 920 174
<b>Total Operating Expenditure</b>		3 789 546	4 041 131	4 208 030	4 442 119	4 707 733
<b>Operating Performance Surplus/(Deficit)</b>		239 288	(5 943)	120 212	247 813	212 441
<b>Cash and Cash Equivalents (30 June 2012)</b>				227 873		
<b>Revenue</b>						
% Increase in Total Operating Revenue		0.0%	0.0%	0.0%	0.0%	0.0%
% Increase in Property Rates Revenue		0.0%	0.0%	0.0%	0.0%	0.0%
% Increase in Electricity Revenue		0.0%	0.0%	0.0%	0.0%	0.0%
% Increase in Property Rates & Services Charges		0.0%	0.0%	0.0%	0.0%	0.0%
<b>Expenditure</b>						
% Increase in Total Operating Expenditure		0.0%	0.0%	0.0%	0.0%	0.0%
% Increase in Employee Costs		0.0%	0.0%	0.0%	0.0%	0.0%
% Increase in Electricity Bulk Purchases		0.0%	0.0%	0.0%	0.0%	0.0%
Average Cost Per Budgeted Employee Position (Remuneration)		0		0		
Average Cost Per Councillor (Remuneration)		0		0		
R&M % of PPE		0.0%	0.0%	0.0%	0.0%	0.0%
Asset Renewal and R&M as a % of PPE		0.0%	0.0%	0.0%	0.0%	0.0%
Debt Impairment % of Total Billable Revenue		0.0%	0.0%	0.0%	0.0%	0.0%
<b>Capital Revenue</b>						

**LIM354 POLOKWANE Supporting Table SA10 Funding measurement**

Description	MFMA section	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Internally Funded & Other (R'000)		333 239	207 340	163 941	137 880	119 990
Borrowing (R'000)		-	-	-	-	-
Grant Funding and Other (R'000)		795 321	817 130	803 725	721 873	746 833
Internally Generated funds % of Non Grant Funding		100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing % of Non Grant Funding		0.0%	0.0%	0.0%	0.0%	0.0%
Grant Funding % of Total Funding		77.6%	79.8%	84.4%	93.5%	83.3%
<b>Capital Expenditure</b>						
Total Capital Programme (R'000)		1 128 560	994 591	967 665	859 753	866 823
Asset Renewal		428 425	360 510	236 875	218 387	195 435
Asset Renewal % of Total Capital Expenditure		38.0%	36.2%	24.5%	25.4%	22.5%
<b>Cash</b>						
Cash Receipts % of Rate Payer & Other		88.0%	88.4%	84.8%	84.9%	84.9%
Cash Coverage Ratio		-	-	-	-	-
<b>Borrowing</b>						
Credit Rating (2009/10)				0		
Capital Charges to Operating		0.0%	0.0%	0.0%	0.0%	0.0%
Borrowing Receipts % of Capital Expenditure		0.0%	0.0%	0.0%	0.0%	0.0%
<b>Reserves</b>						
Surplus/(Deficit)		-	-	-	-	-
<b>Free Services</b>						
Free Basic Services as a % of Equitable Share		15.0%	15.0%	14.9%	15.6%	16.3%
Free Services as a % of Operating Revenue (excl operational transfers)		2.8%	2.8%	2.8%	2.7%	2.7%

**LIM354 POLOKWANE Supporting Table SA10 Funding measurement**

Description	MFMA section	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
		Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b><u>High Level Outcome of Funding Compliance</u></b>						
Total Operating Revenue		4 028 833	4 035 188	4 328 242	4 689 931	4 920 174
Total Operating Expenditure		3 789 546	4 041 131	4 208 030	4 442 119	4 707 733
Surplus/(Deficit) Budgeted Operating Statement		239 288	(5 943)	120 212	247 813	212 441
Surplus/(Deficit) Considering Reserves and Cash Backing		-	-	-	-	-
<b>MTREF Funded (1) / Unfunded (0)</b>		1	1	1	1	1
<b>MTREF Funded ✓ / Unfunded ✗</b>		✓	✓	✓	✓	✓

**LIM354 POLOKWANE - Supporting Table SA11 Property rates summary**

Description	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Valuation:</b>						
Date of valuation:	01/07/2018					
Financial year valuation used						
Municipal by-laws s6 in place? (Y/N)	yes			yes		
Municipal/assistant valuer appointed? (Y/N)	yes			yes		
Municipal partnership s38 used? (Y/N)	No	No	No	No	No	No
No. of assistant valuers (FTE)	2	2	2	2	2	2
No. of data collectors (FTE)	14	14	14	14	14	14
No. of internal valuers (FTE)	-	-	-	-	-	-
No. of external valuers (FTE)	1	1	1	1	1	1
No. of additional valuers (FTE)						
Valuation appeal board established? (Y/N)	Yes			Yes		
Implementation time of new valuation roll (mths)	01/07/2019			01/07/2019		
No. of properties	70 583	70 583	70 583	70 583	70 583	70 583
No. of sectional title values	6 039	6 039	6 039	6 039	6 039	6 039
No. of unreasonably difficult properties s7(2)	-	-	-	-	-	-
No. of supplementary valuations	1	1	1	1	1	1
No. of valuation roll amendments	-	-	-	-	-	-
No. of objections by rate payers	-	-	-	-	-	-
No. of appeals by rate payers	-	-	-	-	-	-
No. of successful objections	-	-	-	-	-	-
No. of successful objections > 10%	-	-	-	-	-	-
Supplementary valuation	-	-	-	-	-	-
Public service infrastructure value (Rm)	75	75	75			
Municipality owned property value (Rm)	2 083	2 083	2 083			
<b>Valuation reductions:</b>						
Valuation reductions-public infrastructure (Rm)	-	-	-	-	-	-
Valuation reductions-nature reserves/park (Rm)	-	-	-	-	-	-
Valuation reductions-mineral rights (Rm)	-	-	-	-	-	-
Valuation reductions-R15,000 threshold (Rm)	775	775	775			
Valuation reductions-public worship (Rm)	300	300	300			
Valuation reductions-other (Rm)	4 393	4 393	4 393			
<b>Total valuation reductions:</b>	<b>5 469</b>	<b>5 469</b>	<b>5 469</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Rating:</b>						
Residential rate used to determine rate for other categories? (Y/N)	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			
Fixed amount minimum value (R'000)						
Non-residential prescribed ratio s19? (%)						
<b>Rate revenue:</b>						
Rate revenue budget (R '000)	547 228	547 228	547 228	576 231	604 466	637 712
Rate revenue expected to collect (R'000)	499 379	499 379	499 379	507 083	531 930	561 187
Expected cash collection rate (%)	91.3%	91.3%	91.3%	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)	62 666	62 666	62 666	65 987	69 221	72 682
Phase-in reductions/discouts (R'000)						
<b>Total rebates, exemptns, reductns, discs (R'000)</b>	<b>62 666</b>	<b>62 666</b>	<b>62 666</b>	<b>65 987</b>	<b>69 221</b>	<b>72 682</b>



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

Description	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.
<b>Current Year 2021/22</b>							
<b>Valuation:</b>							
No. of properties						8	2
No. of sectional title property values	-	-	-	-	-	-	-
No. of unreasonably difficult properties s7(2)	-	-	-	-	-	-	-
No. of supplementary valuations	-	-	-	-	-	-	-
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	-	-	-	-	-	-	-
No. of successful objections > 10%	-	-	-	-	-	-	-
Estimated no. of properties not valued	-	-	-	-	-	-	-
Years since last valuation ( <b>select</b> )	1	1	1	1	1	1	1
Frequency of valuation ( <b>select</b> )	5	5	5	5	5	5	5
Method of valuation used ( <b>select</b> )	Market	Market	Market	Market	Market	Market	Market
Base of valuation ( <b>select</b> )	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
Flat rate used? (Y/N)	No	No	No	No	No	No	No
Is balance rated by uniform rate/variable rate?	0	0	0	0	0	0	0
<b>Rating:</b>							
Average rate	-	-	-	-	-	-	-
Rate revenue budget (R '000)	-	-	-	-	-	-	-
Rate revenue expected to collect (R'000)	-	-	-	-	-	-	-
Expected cash collection rate (%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Special rating areas (R'000)							







**LIM354 POLOKWANE - Supporting Table SA13a Service Tariffs by category**

Description	Current Year 2021/22	2022/23 Medium Term Revenue & Expenditure Framework		
		Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Property rates</b> <i>(rate in the Rand)</i>				
Residential properties	0.0067	0.0071	0.0074	0.0078
Residential properties - vacant land	0.0302	0.0318	0.0334	0.0350
Formal/informal settlements	-	-	-	-
Small holdings	0.0067	0.0071	0.0074	0.0078
Farm properties - used	0.0017	0.0018	0.0019	0.0020
Farm properties - not used	0.0133	0.0140	0.0147	0.0154
Industrial properties	0.0133	0.0140	0.0147	0.0154
Business and commercial properties	0.0133	0.0140	0.0147	0.0154
State-owned properties	0.0133	0.0140	0.0147	0.0154
Municipal properties	-	-	-	-
Public service infrastructure	0.0133	0.0140	0.0147	0.0154
Privately owned towns serviced by the owner	-	-	-	-
State trust land	0.0017	0.0018	0.0019	0.0020
Restitution and redistribution properties	0.0017	0.0018	0.0019	0.0020
<b>Exemptions, reductions and rebates</b> <i>(Rands)</i>				
<b>Residential properties</b>				
R15 000 threshold rebate	15 000	15 000	15 000	15 000
General residential rebate	85 000	85 000	85 000	85 000
<b>Water tariffs</b>				
<b>Domestic</b>				
Water usage - life line tariff	10	11	12	13
Water usage - Block 1 (c/kl)	15	16	17	19
Water usage - Block 2 (c/kl)	16	17	19	21
Water usage - Block 3 (c/kl)	21	23	25	27

**LIM354 POLOKWANE - Supporting Table SA13a Service Tariffs by category**

Description	Current Year 2021/22	2022/23 Medium Term Revenue & Expenditure Framework		
		Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Water usage - Block 4 (c/kl)	25	27	30	33
<b>Other</b>	30	33	36	40
<b>Waste water tariffs</b>				
<b>Domestic</b>				
Basic charge/fixed fee ( <i>Rands/month</i> )	62	56	59	61
Volumetric charge - Block 1 (c/kl)	59	53	56	58
Volumetric charge - Block 2 (c/kl)	19	18	18	19
Volumetric charge - Block 3 (c/kl)	15	14	15	15
<b>Other</b>				
<b>Electricity tariffs</b>				
<b>Domestic</b>				
Basic charge/fixed fee ( <i>Rands/month</i> )	110	121	133	134
Life-line tariff - meter	138	151	166	168
Life-line tariff - prepaid	138	151	166	168
Meter - IBT Block 1 (c/kwh)	125	137	151	152
Meter - IBT Block 2 (c/kwh)	156	171	188	190
Meter - IBT Block 3 (c/kwh)	230	252	277	280
Meter - IBT Block 4 (c/kwh)	266	292	321	324
Prepaid - IBT Block 1 (c/kwh)	125	137	151	152
Prepaid - IBT Block 2 (c/kwh)	156	171	188	190
Prepaid - IBT Block 3 (c/kwh)	230	252	277	280
Prepaid - IBT Block 4 (c/kwh)	266	292	321	324
Prepaid - IBT Block 5 (c/kwh)				

**LIM354 POLOKWANE - Supporting Table SA13b Service Tariffs by category - explanatory**

Description	2018/19	2019/20	2020/21	Current Year 2021/22	2022/23 Medium Term Revenue & Expenditure Framework		
					Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b><u>Exemptions, reductions and rebates</u></b> (Rands)							
<i>Property rates</i>	53 932 800	57 168 768	60 255 881	62 666 117	65 987 421	69 220 805	72 681 845
<b><u>Water tariffs</u></b>							
<i>Service charges - water revenue</i>	8 884 200	9 817 041	10 347 161	11 226 670	12 237 070	13 399 592	14 739 551
<b><u>Waste water tariffs</u></b>							
<i>Service charges - sanitation revenue</i>	16 358 787	18 403 635	19 397 432	20 173 329	21 242 515	22 283 399	23 397 569
<b><u>Electricity tariffs</u></b>							
<i>Service charges - electricity revenue</i>	22 488 795	23 924 250	26 077 433	31 854 366	33 542 648	35 186 237	36 945 549

**LIM354 POLOKWANE - Supporting Table SA14 Household bills**

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework			
	Original Budget	Adjusted Budget	Budget Year 2022/23 % incr.	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Rand/cent</b>						
<b>Monthly Account for Household - 'Middle Income Range'</b>						
<b>Rates and services charges:</b>						
Property rates	332.88	332.88	5.3%	350.52	367.70	386.08
Electricity: Basic levy	128.85	128.85	9.6%	135.68	142.33	149.44
Electricity: Consumption	2 201.79	2 201.79	9.6%	2 318.48	0.10	2 441.36
Water: Basic levy	-	-	-	-	-	-
Water: Consumption	446.76	446.76	9.0%	486.97	533.23	586.55
Sanitation	77.96	77.96	9.0%	84.98	93.05	102.35
Refuse removal	130.13	130.13	5.3%	137.03	143.74	150.93
Other	135.48	135.48	5.3%	142.66	149.65	157.13
<b>sub-total</b>	<b>3 453.85</b>	<b>3 453.85</b>	<b>5.9%</b>	<b>3 656.32</b>	<b>1 429.80</b>	<b>3 973.86</b>
VAT on Services						
<b>Total large household bill:</b>	<b>3 453.85</b>	<b>3 453.85</b>	<b>5.9%</b>	<b>3 656.32</b>	<b>1 429.80</b>	<b>3 973.86</b>
<b>% increase/-decrease</b>	<b>11.8%</b>	<b>-</b>		<b>5.9%</b>	<b>(60.9%)</b>	<b>177.9%</b>
<b>Monthly Account for Household - 'Affordable Range'</b>						
<b>Rates and services charges:</b>						
Property rates	221.91	221.91	5.3%	233.67	245.12	257.38
Electricity: Basic levy	128.85	128.85	9.6%	135.68	142.33	149.44
Electricity: Consumption	928.01	928.01	9.6%	977.19	0.10	1 028.99
Water: Basic levy	-	-	-	-	-	-
Water: Consumption	364.99	364.99	9.0%	397.84	435.63	479.20
Sanitation	77.96	77.96	9.0%	84.98	93.05	102.35
Refuse removal	130.13	130.13	5.3%	137.03	143.74	150.93
Other	67.74	67.74	5.3%	71.33	74.83	78.57
<b>sub-total</b>	<b>1 919.59</b>	<b>1 919.59</b>	<b>6.2%</b>	<b>2 037.72</b>	<b>1 134.80</b>	<b>2 246.85</b>
VAT on Services						
<b>Total small household bill:</b>	<b>1 919.59</b>	<b>1 919.59</b>	<b>6.2%</b>	<b>2 037.72</b>	<b>1 134.80</b>	<b>2 246.85</b>
<b>% increase/-decrease</b>	<b>10.7%</b>	<b>-</b>		<b>6.2%</b>	<b>(44.3%)</b>	<b>98.0%</b>

**LIM354 POLOKWANE - Supporting Table SA14 Household bills**

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework			
	Original Budget	Adjusted Budget	Budget Year 2022/23 % incr.	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Rand/cent</b>						
<b>Monthly Account for Household - 'Indigent' Household receiving free basic services</b>						
<b>Rates and services charges:</b>						
Property rates	112.49	112.49	5.3%	118.45	124.26	130.47
Electricity: Basic levy	128.85	128.85	9.6%	135.68	142.33	149.44
Electricity: Consumption	528.67	528.67	9.6%	556.69	0.10	586.19
Water: Basic levy	-	-	-	-	-	-
Water: Consumption	218.02	218.02	9.0%	237.64	260.22	286.24
Sanitation	-	-	9.0%	-	-	-
Refuse removal	48.61	48.61	5.3%	51.19	53.69	56.38
Other	-	-	5.3%	-	-	-
<b>sub-total</b>	<b>1 036.64</b>	<b>1 036.64</b>	<b>6.1%</b>	<b>1 099.65</b>	<b>580.60</b>	<b>1 208.73</b>
VAT on Services						
<b>Total small household bill:</b>	<b>1 036.64</b>	<b>1 036.64</b>	<b>6.1%</b>	<b>1 099.65</b>	<b>580.60</b>	<b>1 208.73</b>
<b>% increase/-decrease</b>	<b>11.8%</b>	<b>-</b>		<b>6.1%</b>	<b>(47.2%)</b>	<b>108.2%</b>

**LIM354 POLOKWANE - Supporting Table SA15 Investment particulars by type**

Investment type	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>						
<b>Parent municipality</b>						
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	-	-	-	-	-	-
Municipal Bonds	-	-	-	-	-	-
<b>Municipality sub-total</b>	-	-	-	-	-	-
<b>Entities</b>						
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	-	-	-	-	-	-
<b>Entities sub-total</b>	-	-	-	-	-	-
<b>Consolidated total:</b>	-	-	-	-	-	-



LIM354 POLOKWANE - Supporting Table SA16 Investment particulars by maturity

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

**LIM354 POLOKWANE - Supporting Table SA17 Borrowing**

Borrowing - Categorized by type R thousand	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Parent municipality</b>						
Annuity and Bullet Loans	397 326	397 326	397 326	373 787	348 698	320 920
<b>Municipality sub-total</b>	<b>397 326</b>	<b>397 326</b>	<b>397 326</b>	<b>373 787</b>	<b>348 698</b>	<b>320 920</b>
<b>Entities</b>						
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	-	-	-	-	-	-
<b>Entities sub-total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Borrowing</b>	<b>397 326</b>	<b>397 326</b>	<b>397 326</b>	<b>373 787</b>	<b>348 698</b>	<b>320 920</b>

**LIM354 POLOKWANE - Supporting Table SA18 Transfers and grant receipts**

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>					
<b>RECEIPTS:</b>					
<b><u>Operating Transfers and Grants</u></b>					
<b>National Government:</b>	<b>1 211 033</b>	<b>1 223 032</b>	<b>1 373 878</b>	<b>1 457 087</b>	<b>1 580 014</b>
Local Government Equitable Share	1 055 884	1 055 884	1 196 549	1 300 435	1 413 976
EPWP Incentive (EPWP)	7 971	7 971	11 570	-	-
Integrated National Electrification Programme (INEP)	18 000	21 561	29 400	9 000	5 112
Finance Management Grant (FMG)	2 400	2 400	2 400	2 400	2 400
Intergrated Urban Developmet Grant (IUDG)	58 337	27 089	66 463	75 133	85 959
Public Transport Network Grant (PTNG)	62 224	101 910	61 496	64 119	66 568
Infrastruction Skills Development Grant (ISDG)	6 217	6 217	6 000	6 000	6 000
Energy Efficiency and Demand Side Management Grant (EEDSMG)					
Water Services Infrastructure Grant (WSIG)					
Municipal Disaster Relief Grant					
Municipal System Improvemen Grant	-	-	-	-	-
<b>Provincial Government:</b>	<b>-</b>	<b>1 000</b>	<b>-</b>	<b>-</b>	<b>-</b>
Sport s Arts and Culture	-	1 000	-	-	-
<b>District Municipality:</b>	<b>-</b>	<b>18</b>	<b>-</b>	<b>-</b>	<b>-</b>
Capricorn District	-	18	-	-	-
<b>Total Operating Transfers and Grants</b>	<b>1 211 033</b>	<b>1 224 050</b>	<b>1 373 878</b>	<b>1 457 087</b>	<b>1 580 014</b>
<b><u>Capital Transfers and Grants</u></b>					
<b>National Government:</b>	<b>795 321</b>	<b>810 468</b>	<b>777 925</b>	<b>734 606</b>	<b>768 721</b>
Public Transport Network Grant (PTNG)	116 320	76 634	138 000	143 886	149 381
Regional Bulk Infrastructure Grant (RBIG)	218 806	230 298	154 584	120 597	126 013
Neighbourhood Development Partnership Grant (NDPG)	35 000	40 000	40 000	40 000	45 000
Water Services Infrastructure Grant (WSIG)	65 000	67 115	77 160	72 700	76 871
Intergrated Urban Development Grant (IUDG)	339 195	375 821	359 581	331 690	339 455
Integrated National Electrification Programme (INEP)	15 000	12 000	3 600	21 733	27 000
Energy Efficiency and Demand Side Management Grant (EEDSMG)	6 000	6 000	5 000	4 000	5 000
Municipal Disaster Relief Grant (MDRG)	-	2 600	-	-	-
<b>Total Capital Transfers and Grants</b>	<b>795 321</b>	<b>810 468</b>	<b>777 925</b>	<b>734 606</b>	<b>768 721</b>
<b>TOTAL RECEIPTS OF TRANSFERS &amp; GRANTS</b>	<b>2 006 354</b>	<b>2 034 517</b>	<b>2 151 803</b>	<b>2 191 693</b>	<b>2 348 735</b>

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

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>EXPENDITURE:</b>					
<b>Operating expenditure of Transfers and Grants</b>					
<b>National Government:</b>	<b>1 211 033</b>	<b>1 223 032</b>	<b>1 373 878</b>	<b>1 457 087</b>	<b>1 580 014</b>
Local Government Equitable Share	1 055 884	1 055 884	1 196 549	1 300 435	1 413 976
EPWP Incentive (EPWP)	7 971	7 971	11 570	-	-
Integrated National Electrification Programme (INEP)	18 000	21 561	29 400	9 000	5 112
Finance Management Grant (FMG)	2 400	2 400	2 400	2 400	2 400
Intergrated Urban Developmet Grant (IUDG)	58 337	27 089	66 463	75 133	85 959
Public Transport Network Grant (PTNG)	62 224	101 910	61 496	64 119	66 568
Infrastruction Skills Development Grant (ISDG)	6 217	6 217	6 000	6 000	6 000
Energy Efficiency and Demand Side Management Grant (EEDSMG)	-	-	-	-	-
Water Services Infrastructure Grant (WSIG)	-	-	-	-	-
Municipal Disaster Relief Grant	-	-	-	-	-
Municipal System Improvemem Grant	-	-	-	-	-
<b>Provincial Government:</b>	<b>-</b>	<b>1 000</b>	<b>-</b>	<b>-</b>	<b>-</b>
Sport s Arts and Culture	-	1 000	-	-	-
Other transfers/grants [insert description]					
<b>District Municipality:</b>	<b>-</b>	<b>18</b>	<b>-</b>	<b>-</b>	<b>-</b>
Capricorn District	-	18	-	-	-
<b>Total operating expenditure of Transfers and Grants:</b>	<b>1 211 033</b>	<b>1 224 050</b>	<b>1 373 878</b>	<b>1 457 087</b>	<b>1 580 014</b>
<b>Capital expenditure of Transfers and Grants</b>					
<b>National Government:</b>	<b>795 321</b>	<b>810 468</b>	<b>777 925</b>	<b>734 606</b>	<b>768 721</b>
Public Transport Network Grant (PTNG)	116 320	76 634	138 000	143 886	149 381
Regional Bulk Infrastructure Grant (RBIG)	218 806	230 298	154 584	120 597	126 013
Neighbourhood Development Partnership Grant (NDPG)	35 000	40 000	40 000	40 000	45 000
Water Services Infrastructure Grant (WSIG)	65 000	67 115	77 160	72 700	76 871
Intergrated Urban Development Grant (IUDG)	339 195	375 821	359 581	331 690	339 455
Integrated National Electrification Programme (INEP)	15 000	12 000	3 600	21 733	27 000
Energy Efficiency and Demand Side Management Grant (EEDSMG)	6 000	6 000	5 000	4 000	5 000
Municipal Disaster Relief Grant (MDRG)	-	2 600	-	-	-
<b>Total capital expenditure of Transfers and Grants</b>	<b>795 321</b>	<b>810 468</b>	<b>777 925</b>	<b>734 606</b>	<b>768 721</b>
<b>TOTAL EXPENDITURE OF TRANSFERS AND GRANTS</b>	<b>2 006 354</b>	<b>2 034 517</b>	<b>2 151 803</b>	<b>2 191 693</b>	<b>2 348 735</b>

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

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>					
<b>Operating transfers and grants:</b>					
<b>National Government:</b>					
Balance unspent at beginning of the year					
Current year receipts	1 211 033	1 223 032	1 373 878	1 457 087	1 580 014
<b>Conditions met - transferred to revenue</b>	<b>1 211 033</b>	<b>1 223 032</b>	<b>1 373 878</b>	<b>1 457 087</b>	<b>1 580 014</b>
Conditions still to be met - transferred to liabilities					
<b>Provincial Government:</b>					
Balance unspent at beginning of the year					
Current year receipts	-	1 000	-	-	-
<b>Conditions met - transferred to revenue</b>	<b>-</b>	<b>1 000</b>	<b>-</b>	<b>-</b>	<b>-</b>
Conditions still to be met - transferred to liabilities					
<b>District Municipality:</b>					
Balance unspent at beginning of the year	-	18	-	-	-
Current year receipts	-	-	-	-	-
<b>Conditions met - transferred to revenue</b>	<b>-</b>	<b>18</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total operating transfers and grants revenue</b>	<b>1 211 033</b>	<b>1 224 050</b>	<b>1 373 878</b>	<b>1 457 087</b>	<b>1 580 014</b>
<b>Total operating transfers and grants - CTBM</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital transfers and grants:</b>					
<b>National Government:</b>					
Balance unspent at beginning of the year	-	-	-	-	-
Current year receipts	795 321	810 468	777 925	734 606	768 721
<b>Conditions met - transferred to revenue</b>	<b>795 321</b>	<b>810 468</b>	<b>777 925</b>	<b>734 606</b>	<b>768 721</b>
Conditions still to be met - transferred to liabilities					
Conditions still to be met - transferred to liabilities					
<b>Total capital transfers and grants revenue</b>	<b>795 321</b>	<b>810 468</b>	<b>777 925</b>	<b>734 606</b>	<b>768 721</b>
<b>Total capital transfers and grants - CTBM</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL TRANSFERS AND GRANTS REVENUE</b>	<b>2 006 354</b>	<b>2 034 517</b>	<b>2 151 803</b>	<b>2 191 693</b>	<b>2 348 735</b>
<b>TOTAL TRANSFERS AND GRANTS - CTBM</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>					
<b>Cash Transfers to other municipalities</b>					
<i>Insert description</i>	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
<b>Total Cash Transfers To Municipalities:</b>	-	-	-	-	-
<b>Cash Transfers to Entities/Other External Mechanisms</b>					
<i>Polokwane Housing Association (PHA)</i>	39 500	49 500	14 500	15 138	15 819
	-	-	-	-	-
	-	-	-	-	-
<b>Total Cash Transfers To Entities/Ems'</b>	<b>39 500</b>	<b>49 500</b>	<b>14 500</b>	<b>15 138</b>	<b>15 819</b>
<b>Cash Transfers to other Organs of State</b>					
<i>Insert description</i>	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
<b>Total Cash Transfers To Other Organs Of State:</b>	-	-	-	-	-
<b>Cash Transfers to Organisations</b>					
<i>SPCA</i>	500	500	500	500	500
<b>Total Cash Transfers To Organisations</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>	<b>500</b>
<b>Cash Transfers to Groups of Individuals</b>					
<i>Insert description</i>	-	-	-	-	-
<b>Total Cash Transfers To Groups Of Individuals:</b>	-	-	-	-	-
<b>TOTAL CASH TRANSFERS AND GRANTS</b>	<b>40 000</b>	<b>50 000</b>	<b>15 000</b>	<b>15 638</b>	<b>16 319</b>

**LIM354 POLOKWANE - Supporting Table SA22 Summary councillor and staff benefits**

Summary of Employee and Councillor remuneration	2022/23 Medium Term Revenue & Expenditure Framework				
	Current Year 2021/22				
R thousand	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
	D	E	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>					
Basic Salaries and Wages	25 177	23 177	23 904	25 195	26 581
Pension and UIF Contributions	3 903	3 903	3 586	3 779	3 987
Medical Aid Contributions	586	586	283	298	315
Motor Vehicle Allowance	9 319	7 819	8 891	9 371	9 887
Cellphone Allowance	4 074	4 074	3 672	3 870	4 083
Housing Allowances	-	-	-	-	-
Other benefits and allowances	362	362	324	341	360
<b>Sub Total - Councillors</b>	<b>43 421</b>	<b>39 921</b>	<b>40 660</b>	<b>42 855</b>	<b>45 212</b>
<b>% increase</b>	<b>-</b>	<b>(8.1%)</b>	<b>1.9%</b>	<b>5.4%</b>	<b>5.5%</b>
<b>Senior Managers of the Municipality</b>					
Basic Salaries and Wages	14 279	14 279	17 229	18 159	19 158
Pension and UIF Contributions	1 795	1 795	1 170	1 233	1 301
Medical Aid Contributions	191	191	170	179	189
Overtime	-	-	-	-	-
Performance Bonus	-	-	-	-	-
Motor Vehicle Allowance	2 479	2 479	1 789	1 885	1 989
Cellphone Allowance	-	-	-	-	-
Housing Allowances	2 544	2 544	-	-	-
Other benefits and allowances	-	-	1 805	1 902	2 007
Payments in lieu of leave	-	-	-	-	-
Long service awards	-	-	-	-	-
Post-retirement benefit obligations	-	-	-	-	-
<b>Sub Total - Senior Managers of Municipality</b>	<b>21 288</b>	<b>21 288</b>	<b>22 162</b>	<b>23 359</b>	<b>24 644</b>
<b>% increase</b>	<b>-</b>	<b>-</b>	<b>4.1%</b>	<b>5.4%</b>	<b>5.5%</b>

**LIM354 POLOKWANE - Supporting Table SA22 Summary councillor and staff benefits**

Summary of Employee and Councillor remuneration R thousand	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Other Municipal Staff</b>					
Basic Salaries and Wages	628 669	564 616	668 660	704 767	743 529
Pension and UIF Contributions	138 751	119 879	149 471	157 542	166 207
Medical Aid Contributions	42 575	41 276	45 734	48 203	50 855
Overtime	38 974	96 971	88 928	93 730	98 885
Performance Bonus	54 133	54 133	–	–	–
Motor Vehicle Allowance	59 963	56 680	58 642	61 809	65 209
Cellphone Allowance	192	192	175	185	195
Housing Allowances	11 574	9 030	7 223	7 613	8 032
Other benefits and allowances	13 480	45 780	87 351	92 068	97 132
Payments in lieu of leave	–	20 053	6 887	7 259	7 658
Long service awards	–	6 866	19 123	20 156	21 264
Post-retirement benefit obligations	–	6 607	8 000	8 432	8 896
<b>Sub Total - Other Municipal Staff</b>	<b>988 312</b>	<b>1 022 084</b>	<b>1 140 194</b>	<b>1 201 764</b>	<b>1 267 861</b>
<b>% increase</b>	<b>–</b>	<b>3.4%</b>	<b>11.6%</b>	<b>5.4%</b>	<b>5.5%</b>
<b>Total Parent Municipality</b>	<b>1 053 021</b>	<b>1 083 293</b>	<b>1 203 016</b>	<b>1 267 979</b>	<b>1 337 717</b>
	<b>–</b>	<b>2.9%</b>	<b>11.1%</b>	<b>5.4%</b>	<b>5.5%</b>
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>	<b>1 053 021</b>	<b>1 083 293</b>	<b>1 203 016</b>	<b>1 267 979</b>	<b>1 337 717</b>
<b>% increase</b>	<b>–</b>	<b>2.9%</b>	<b>11.1%</b>	<b>5.4%</b>	<b>5.5%</b>
<b>TOTAL MANAGERS AND STAFF</b>	<b>1 009 601</b>	<b>1 043 372</b>	<b>1 162 356</b>	<b>1 225 123</b>	<b>1 292 505</b>



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

Disclosure of Salaries, Allowances & Benefits 1.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum		1.				2.
<b><u>Councillors</u></b>						
Speaker	573 572	86 036	264 269			923 877
Chief Whip	537 724	80 659	250 528			868 910
Executive Mayor	871 077	228 270	44 400			1 143 746
Deputy Executive Mayor	–	–	–			–
Executive Committee	4 917 260	834 634	2 450 103			8 201 998
Total for all other councillors	17 647 341	2 735 427	10 124 189			30 506 956
<b>Total Councillors</b>	<b>24 546 974</b>	<b>3 965 025</b>	<b>13 133 489</b>			<b>41 645 487</b>
<b><u>Senior Managers of the Municipality</u></b>						
Municipal Manager (MM)	2 460 356	–	2 125	–	–	2 462 481
Chief Finance Officer	1 181 991	54 900	733 094	–	–	1 969 985
Chief Operations Officer	1 280 491	212 760	476 734	–	–	1 969 985
Corporate Shared Services	1 280 491	59 100	630 395	–	–	1 969 985
Community Services	1 280 491	212 758	476 737	–	–	1 969 985
Energy Services	1 280 491	236 398	453 097	–	–	1 969 985
Human Settlement	1 967 860	–	2 125	–	–	1 969 985
Planning Development	1 280 491	267 658	421 836	–	–	1 969 985
Public Safety	1 967 860	–	2 125	–	–	1 969 985
Transport Services	1 967 860	–	2 125	–	–	1 969 985
Water and Sanitation	1 280 491	272 904	416 590	–	–	1 969 985
<b>Total Senior Managers of the Municipality</b>	<b>17 228 869</b>	<b>1 316 479</b>	<b>3 616 983</b>	<b>–</b>		<b>22 162 331</b>
<b>TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION</b>	<b>41 775 843</b>	<b>5 281 504</b>	<b>16 750 471</b>	<b>–</b>		<b>63 807 818</b>

**LIM354 POLOKWANE - Supporting Table SA24 Summary of personnel numbers**

Summary of Personnel Numbers	Budget Year 2022/23		
	Number	Positions	Permanent employees
<b>Municipal Council and Boards of Municipal Entities</b>			
Councillors (Political Office Bearers plus Other Councillors)	90	–	90
Board Members of municipal entities	–	–	–
<b>Municipal employees</b>			
Municipal Manager and Senior Managers	10	–	10
Other Managers	137	100	1
Professionals	221	147	11
<i>Finance</i>	35	25	6
<i>Spatial/town planning</i>	27	11	–
<i>Information Technology</i>	11	11	–
<i>Roads</i>	9	9	–
<i>Electricity</i>	15	13	–
<i>Water</i>	19	11	–
<i>Sanitation</i>	–	–	–
<i>Refuse</i>	6	3	–
<i>Other</i>	99	64	5
Technicians	672	399	–
<i>Finance</i>	69	56	–
<i>Spatial/town planning</i>	12	10	–
<i>Information Technology</i>	11	8	–
<i>Roads</i>	12	12	–
<i>Electricity</i>	45	30	–
<i>Water</i>	53	24	–
<i>Sanitation</i>	–	–	–
<i>Refuse</i>	8	2	–
<i>Other</i>	462	257	–
Clerks (Clerical and administrative)	234	176	–
Service and sales workers	60	48	–
Skilled agricultural and fishery workers	–	–	–
Craft and related trades	–	–	–
Plant and Machine Operators	–	–	–
Elementary Occupations	702	562	–
<b>TOTAL PERSONNEL NUMBERS</b>	<b>2 126</b>	<b>1 432</b>	<b>112</b>
<b>% increase</b>	<b>(2.7%)</b>	<b>(20.0%)</b>	<b>–</b>
<b>Total municipal employees headcount</b>			
Finance personnel headcount	<b>212</b>	<b>161</b>	<b>–</b>
Human Resources personnel headcount	<b>64</b>	<b>52</b>	<b>–</b>





**LIM354 POLOKWANE - Supporting  
Table SA25 Budgeted monthly  
revenue and expenditure**

Description R thousand					Medium Term Revenue and Expenditure Framework		
	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Revenue By Source</b>							
Property rates	48 019	48 019	48 019	48 019	576 231	604 466	637 712
Service charges - electricity revenue	129 672	129 672	129 672	129 672	1 556 069	1 711 676	1 727 236
Service charges - water revenue	24 988	24 988	24 988	24 988	299 860	328 347	361 181
Service charges - sanitation revenue	11 582	11 582	11 582	11 582	138 980	145 790	145 929
Service charges - refuse revenue	11 135	11 135	11 135	11 135	133 623	140 170	140 304
Rental of facilities and equipment	996	996	996	996	11 950	12 542	13 294
Interest earned - external investments	1 376	1 376	1 376	1 376	16 515	17 324	18 190
Interest earned - outstanding debtors	8 884	8 884	8 884	8 884	106 607	111 831	117 422
Dividends received	-	-	-	-	-	-	-
Fines, penalties and forfeits	3 347	3 347	3 347	3 347	40 162	42 130	44 447
Licences and permits	1 157	1 157	1 157	1 157	13 886	14 559	15 356
Agency services	2 537	2 537	2 537	2 537	30 443	31 934	33 691
Transfers and subsidies	112 757	112 757	112 757	112 757	1 353 078	1 475 820	1 608 902
Other revenue	4 237	4 237	4 237	4 237	50 838	53 343	56 509
Gains	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>360 687</b>	<b>360 687</b>	<b>360 687</b>	<b>360 687</b>	<b>4 328 242</b>	<b>4 689 931</b>	<b>4 920 174</b>

**LIM354 POLOKWANE - Supporting  
Table SA25 Budgeted monthly  
revenue and expenditure**

Description					Medium Term Revenue and Expenditure Framework		
	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>							
<b>Expenditure By Type</b>							
Employee related costs	96 863	96 863	96 863	96 863	1 162 356	1 220 180	1 286 621
Remuneration of councillors	3 493	3 493	3 493	3 493	41 917	44 180	46 610
Debt impairment	21 667	21 667	21 667	21 667	260 000	271 440	283 655
Depreciation & asset impairment	21 667	21 667	21 667	21 667	260 000	271 440	283 655
Finance charges	3 528	3 528	3 528	3 528	42 336	39 836	37 146
Bulk purchases - electricity	81 382	81 382	81 382	81 382	976 580	1 054 706	1 149 630
Inventory consumed	25 228	25 228	25 228	25 228	302 741	316 062	330 285
Contracted services	73 612	73 612	73 612	73 612	883 339	933 624	986 788
Transfers and subsidies	1 208	1 208	1 208	1 208	14 500	15 138	15 819
Other expenditure	22 022	22 022	22 022	22 022	264 261	275 512	287 525
Losses	-	-	-	-	-	-	-
<b>Total Expenditure</b>	<b>350 669</b>	<b>350 669</b>	<b>350 669</b>	<b>350 669</b>	<b>4 208 030</b>	<b>4 442 119</b>	<b>4 707 733</b>
<b>Surplus/(Deficit)</b>	<b>10 018</b>	<b>10 018</b>	<b>10 018</b>	<b>10 018</b>	<b>120 212</b>	<b>247 813</b>	<b>212 441</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	66 977	66 977	66 977	66 977	803 725	721 873	746 833
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>76 995</b>	<b>76 995</b>	<b>76 995</b>	<b>76 995</b>	<b>923 937</b>	<b>969 686</b>	<b>959 274</b>
<b>Surplus/(Deficit)</b>	<b>76 995</b>	<b>76 995</b>	<b>76 995</b>	<b>76 995</b>	<b>923 937</b>	<b>969 686</b>	<b>959 274</b>



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

Description					Medium Term Revenue and Expenditure Framework		
	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>							
<b>Revenue by Vote</b>							
Vote 1 - CHIEF OPERATIONS OFFICE	0	0	0	0	4	4	5
Vote 2 - MUNICIPAL MANAGER'S OFFICE	0	0	0	0	3	3	3
Vote 3 - WATER AND SANITATION	36 583	36 583	36 583	36 583	438 999	474 304	507 287
Vote 4 - ENERGY	130 200	130 200	130 200	130 200	1 562 403	1 718 321	1 734 247
Vote 5 - COMMUNITY SERVICES	11 743	11 743	11 743	11 743	140 911	147 819	148 410
Vote 6 - PUBLIC SAFETY	4 071	4 071	4 071	4 071	48 847	51 234	54 060
Vote 7 - CORPORATE AND SHARED SERVICES	267	267	267	267	3 204	3 351	3 518
Vote 8 - PLANNING AND ECONOMIC DEVELOPMENT	2 315	2 315	2 315	2 315	27 784	29 160	30 909
Vote 9 - BUDGET AND TREASURY OFFICE	239 792	239 792	239 792	239 792	2 877 506	2 953 721	3 152 806
Vote 10 - TRANSPORT SERVICES	2 671	2 671	2 671	2 671	32 050	33 621	35 479
Vote 11 - HUMAN SETTLEMENT	21	21	21	21	254	267	283
<b>Total Revenue by Vote</b>	<b>427 664</b>	<b>427 664</b>	<b>427 664</b>	<b>427 664</b>	<b>5 131 966</b>	<b>5 411 804</b>	<b>5 667 007</b>
<b>Expenditure by Vote to be appropriated</b>							
Vote 1 - CHIEF OPERATIONS OFFICE	12 871	12 871	12 871	12 871	154 456	162 175	170 446
Vote 2 - MUNICIPAL MANAGER'S OFFICE	30 822	30 822	30 822	30 822	369 864	386 820	404 947
Vote 3 - WATER AND SANITATION	52 438	52 438	52 438	52 438	629 253	662 840	701 538
Vote 4 - ENERGY	98 264	98 264	98 264	98 264	1 179 171	1 285 173	1 395 797
Vote 5 - COMMUNITY SERVICES	33 600	33 600	33 600	33 600	403 200	416 075	436 899
Vote 6 - PUBLIC SAFETY	31 373	31 373	31 373	31 373	376 475	390 909	411 172
Vote 7 - CORPORATE AND SHARED SERVICES	25 988	25 988	25 988	25 988	311 858	326 371	341 900
Vote 8 - PLANNING AND ECONOMIC DEVELOPMENT	5 647	5 647	5 647	5 647	67 761	70 702	74 495
Vote 9 - BUDGET AND TREASURY OFFICE	31 661	31 661	31 661	31 661	379 929	392 581	406 076
Vote 10 - TRANSPORT SERVICES	26 606	26 606	26 606	26 606	319 278	330 804	345 849
Vote 11 - HUMAN SETTLEMENT	1 399	1 399	1 399	1 399	16 787	17 668	18 613
<b>Total Expenditure by Vote</b>	<b>350 669</b>	<b>350 669</b>	<b>350 669</b>	<b>350 669</b>	<b>4 208 030</b>	<b>4 442 119</b>	<b>4 707 733</b>
<b>Surplus/(Deficit) before assoc.</b>	<b>76 995</b>	<b>76 995</b>	<b>76 995</b>	<b>76 995</b>	<b>923 937</b>	<b>969 686</b>	<b>959 274</b>
<b>Surplus/(Deficit)</b>	<b>76 995</b>	<b>76 995</b>	<b>76 995</b>	<b>76 995</b>	<b>923 937</b>	<b>969 686</b>	<b>959 274</b>







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

Description				Medium Term Revenue and Expenditure Framework		
	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>						
<b>Revenue - Functional</b>						
<b>Governance and administration</b>	<b>240 091</b>	<b>240 091</b>	<b>240 091</b>	<b>2 881 091</b>	<b>2 957 471</b>	<b>3 156 745</b>
Executive and council	0	0	0	2	2	2
Finance and administration	240 091	240 091	240 091	2 881 088	2 957 468	3 156 742
Internal audit	0	0	0	1	1	1
<b>Community and public safety</b>	<b>512</b>	<b>512</b>	<b>512</b>	<b>6 145</b>	<b>6 449</b>	<b>6 834</b>
Community and social services	181	181	181	2 172	2 279	2 415
Sport and recreation	289	289	289	3 470	3 641	3 860
Public safety	21	21	21	248	260	275
Housing	21	21	21	254	267	283
Health	0	0	0	2	2	2
<b>Economic and environmental services</b>	<b>9 142</b>	<b>9 142</b>	<b>9 142</b>	<b>109 703</b>	<b>115 088</b>	<b>121 588</b>
Planning and development	2 315	2 315	2 315	27 786	29 161	30 911
Road transport	6 689	6 689	6 689	80 273	84 201	88 848
Environmental protection	137	137	137	1 644	1 726	1 829
<b>Trading services</b>	<b>177 919</b>	<b>177 919</b>	<b>177 919</b>	<b>2 135 028</b>	<b>2 332 797</b>	<b>2 381 840</b>
Energy sources	130 200	130 200	130 200	1 562 403	1 718 321	1 734 247
Water management	25 002	25 002	25 002	300 019	328 513	361 357
Waste water management	11 582	11 582	11 582	138 981	145 791	145 930
Waste management	11 135	11 135	11 135	133 625	140 173	140 306
<b>Other</b>						
<b>Total Revenue - Functional</b>	<b>427 664</b>	<b>427 664</b>	<b>427 664</b>	<b>5 131 966</b>	<b>5 411 804</b>	<b>5 667 007</b>
<b>Expenditure - Functional</b>						
<b>Governance and administration</b>	<b>33 575</b>	<b>33 575</b>	<b>33 575</b>	<b>402 896</b>	<b>421 561</b>	<b>441 520</b>
Executive and council	75 752	75 752	75 752	909 028	944 618	984 802
Finance and administration	1 178	1 178	1 178	14 141	14 858	15 626
Internal audit	-	-	-	-	-	-

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

Description				Medium Term Revenue and Expenditure Framework		
	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>						
<b>Community and public safety</b>	26 685	26 685	(293 539)	-	-	-
Community and social services	6 996	6 996	6 996	83 956	87 575	92 208
Sport and recreation	12 684	12 684	12 684	152 212	159 731	167 785
Public safety	5 606	5 606	5 606	67 268	70 783	74 552
Housing	1 399	1 399	1 399	16 787	17 668	18 613
Health			-	-	-	-
<b>Economic and environmental services</b>	46 234	46 234	(508 574)	-	-	-
Planning and development	8 785	8 785	8 785	105 422	110 233	116 029
Road transport	37 449	37 449	37 449	449 386	466 103	488 425
Environmental protection			<b>29 600</b>	29 600	<b>28 353</b>	<b>29 803</b>
<b>Trading services</b>	<b>150 702</b>	<b>150 702</b>	<b>(1 657 721)</b>	-	-	-
Energy sources	98 264	98 264	98 264	1 179 171	1 285 173	1 395 797
Water management	45 685	45 685	45 685	548 222	572 638	599 979
Waste water management	6 753	6 753	6 753	81 031	90 202	101 560
Waste management			161 559	161 559	165 810	173 859
<b>Other</b>			-	-	-	-
<b>Total Expenditure - Functional</b>	<b>257 196</b>	<b>257 196</b>	<b>(2 426 259)</b>	<b>402 896</b>	<b>421 561</b>	<b>441 520</b>
<b>Surplus/(Deficit) before assoc.</b>	<b>170 468</b>	<b>170 468</b>	<b>2 853 923</b>	<b>4 729 071</b>	<b>4 990 244</b>	<b>5 225 487</b>
Share of surplus/ (deficit) of associate			-	-	-	-
<b>Surplus/(Deficit)</b>	<b>170 468</b>	<b>170 468</b>	<b>2 853 923</b>	<b>4 729 071</b>	<b>4 990 244</b>	<b>5 225 487</b>



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

Description					Medium Term Revenue and Expenditure Framework		
	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>							
<b>Single-year expenditure to be appropriated</b>							
Vote 1 - CHIEF OPERATIONS OFFICE	99	99	99	99	1 185	1 605	2 920
Vote 2 - MUNICIPAL MANAGER'S OFFICE	–	–	–	–	–	–	–
Vote 3 - WATER AND SANITATION	26 949	26 949	26 949	26 949	323 386	300 498	282 899
Vote 4 - ENERGY	10 533	10 533	10 533	10 533	126 400	103 000	105 112
Vote 5 - COMMUNITY SERVICES	5 162	5 162	5 162	5 162	61 942	31 403	23 538
Vote 6 - PUBLIC SAFETY	318	318	318	318	3 811	5 197	6 809
Vote 7 - CORPORATE AND SHARED SERVICES	3 243	3 243	3 243	3 243	38 921	4 570	4 547
Vote 8 - PLANNING AND ECONOMIC DEVELOPMENT	1 498	1 498	1 498	1 498	17 972	13 003	16 027
Vote 9 - BUDGET AND TREASURY OFFICE	–	–	–	–	–	–	–
Vote 10 - TRANSPORT SERVICES	32 723	32 723	32 723	32 723	392 676	399 773	422 761
Vote 11 - HUMAN SETTLEMENT	115	115	115	115	1 374	329	1 873
<b>Capital single-year expenditure sub-total</b>	<b>80 639</b>	<b>80 639</b>	<b>80 639</b>	<b>80 639</b>	<b>967 665</b>	<b>859 379</b>	<b>866 486</b>
<b>Total Capital Expenditure</b>	<b>80 639</b>	<b>80 639</b>	<b>80 639</b>	<b>80 639</b>	<b>967 665</b>	<b>859 379</b>	<b>866 486</b>



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

Description				Medium Term Revenue and Expenditure Framework		
	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>						
<b>Capital Expenditure - Functional</b>						
<b>Governance and administration</b>	<b>2 827</b>	<b>2 827</b>	<b>(31 094)</b>	-	-	-
Executive and council	-	-	-	-	-	-
Finance and administration	2 827	2 827	2 827	33 921	4 570	4 547
Internal audit	-	-	-	-	-	-
<b>Community and public safety</b>	<b>4 910</b>	<b>4 910</b>	<b>(54 009)</b>	-	-	-
Community and social services	205	205	205	2 458	2 778	4 714
Sport and recreation	4 460	4 460	4 460	53 519	18 908	16 323
Public safety	245	245	245	2 942	4 602	5 729
Housing	-	-	-	-	-	-
Health	-	-	-	-	-	-
<b>Economic and environmental services</b>	<b>34 335</b>	<b>34 335</b>	<b>(377 686)</b>	-	-	-
Planning and development	1 612	1 612	1 612	19 346	13 707	18 237
Road transport	32 723	32 723	32 723	392 676	399 773	422 761
Environmental protection	-	-	-	-	-	-
<b>Trading services</b>	<b>38 567</b>	<b>38 567</b>	<b>(424 237)</b>	-	-	-
Energy sources	10 533	10 533	10 533	126 400	103 000	105 112
Water management	16 234	16 234	16 234	194 804	191 804	163 371
Waste water management	11 383	11 383	11 383	136 600	120 612	126 028
Waste management	417	417	417	5 000	-	-
<b>Other</b>				-	-	-
<b>Total Capital Expenditure - Functional</b>	<b>80 639</b>	<b>80 639</b>	<b>(887 027)</b>	-	-	-
<b>Funded by:</b>						
National Government	66 977	66 977	66 977	803 725	721 873	746 833
<b>Transfers recognised - capital</b>	<b>66 977</b>	<b>66 977</b>	<b>66 977</b>	<b>803 725</b>	<b>721 873</b>	<b>746 833</b>
Borrowing	-	-	-	-	-	-
Internally generated funds	13 662	13 662	13 662	163 941	137 880	119 990
<b>Total Capital Funding</b>	<b>80 639</b>	<b>80 639</b>	<b>80 639</b>	<b>967 665</b>	<b>859 753</b>	<b>866 823</b>





**LIM354 POLOKWANE - Supporting Table**  
**SA30 Budgeted monthly cash flow**

MONTHLY CASH FLOWS	Budget Year 2022/23								
	R thousand	July	August	Sept.	October	November	December	January	February
<b>Cash Payments by Type</b>									
Employee related costs	92 020	92 020	92 020	92 020	92 020	92 020	92 020	92 020	92 020
Remuneration of councillors	3 318	3 318	3 318	3 318	3 318	3 318	3 318	3 318	3 318
Finance charges	3 352	3 352	3 352	3 352	3 352	3 352	3 352	3 352	3 352
Bulk purchases - electricity	77 313	77 313	77 313	77 313	77 313	77 313	77 313	77 313	77 313
Acquisitions - water & other inventory	18 228	18 228	18 228	18 228	18 228	18 228	18 228	18 228	18 228
Contracted services	69 931	69 931	69 931	69 931	69 931	69 931	69 931	69 931	69 931
Transfers and grants - other municipalities	1 148	1 148	1 148	1 148	1 148	1 148	1 148	1 148	1 148
Transfers and grants - other	20 921	20 921	20 921	20 921	20 921	20 921	20 921	20 921	20 921
Other expenditure	-	-	-	-	-	-	-	-	-
<b>Cash Payments by Type</b>	<b>286 230</b>	<b>286 230</b>	<b>286 230</b>	<b>286 230</b>	<b>286 230</b>	<b>286 230</b>	<b>286 230</b>	<b>286 230</b>	<b>286 230</b>
<b>Other Cash Flows/Payments by Type</b>									
Capital assets	76 607	76 607	76 607	76 607	76 607	76 607	76 607	76 607	76 607
Repayment of borrowing	1 882	1 882	1 882	1 882	1 882	1 882	1 882	1 882	1 882
Other Cash Flows/Payments	33 333	33 333	33 333	33 333	33 333	33 333	33 333	33 333	33 333
<b>Total Cash Payments by Type</b>	<b>398 052</b>	<b>398 052</b>	<b>398 052</b>	<b>398 052</b>	<b>398 052</b>	<b>398 052</b>	<b>398 052</b>	<b>398 052</b>	<b>398 052</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>(140)</b>	<b>(140)</b>	<b>(140)</b>	<b>(140)</b>	<b>(140)</b>	<b>(140)</b>	<b>(140)</b>	<b>(140)</b>	<b>(140)</b>
Cash/cash equivalents at the month/year begin:	229 554	229 414	229 274	229 134	228 994	228 854	228 714	228 573	228 433
Cash/cash equivalents at the month/year end:	229 414	229 274	229 134	228 994	228 854	228 714	228 573	228 433	

**LIM354 POLOKWANE - Supporting Table**  
**SA30 Budgeted monthly cash flow**

MONTHLY CASH FLOWS					Medium Term Revenue and Expenditure Framework			
	R thousand	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Cash Receipts By Source</b>								
Property rates	42 257	42 257	42 257	42 257	507 083	531 930	561 187	
Service charges - electricity revenue	114 112	114 112	114 112	114 112	1 369 341	1 506 275	1 519 968	
Service charges - water revenue	21 990	21 990	21 990	21 990	263 877	288 945	317 839	
Service charges - sanitation revenue	10 192	10 192	10 192	10 192	122 302	128 295	128 418	
Service charges - refuse revenue	9 799	9 799	9 799	9 799	117 588	123 350	123 468	
Rental of facilities and equipment	876	876	876	876	10 516	11 037	11 699	
Interest earned - external investments	1 211	1 211	1 211	1 211	14 533	15 245	16 007	
Interest earned - outstanding debtors	7 818	7 818	7 818	7 818	93 814	98 411	103 331	
Dividends received	-	-	-	-	-	-	-	
Fines, penalties and forfeits	2 945	2 945	2 945	2 945	35 342	37 074	39 113	
Licences and permits	1 018	1 018	1 018	1 018	12 220	12 812	13 513	
Agency services	2 232	2 232	2 232	2 232	26 790	28 102	29 648	
Transfers and Subsidies - Operational	112 757	112 757	112 757	112 757	1 353 078	1 475 820	1 608 902	
Other revenue	3 728	3 728	3 728	3 728	44 738	46 942	49 728	
<b>Cash Receipts by Source</b>	<b>330 935</b>	<b>330 935</b>	<b>330 935</b>	<b>330 935</b>	<b>3 971 222</b>	<b>4 304 238</b>	<b>4 522 821</b>	
<b>Other Cash Flows by Source</b>								
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	66 977	66 977	66 977	66 977	803 725	721 873	746 833	
<b>Total Cash Receipts by Source</b>	<b>397 912</b>	<b>397 912</b>	<b>397 912</b>	<b>397 912</b>	<b>4 774 947</b>	<b>5 026 111</b>	<b>5 269 654</b>	

**LIM354 POLOKWANE - Supporting Table**  
**SA30 Budgeted monthly cash flow**

MONTHLY CASH FLOWS					Medium Term Revenue and Expenditure Framework			
	R thousand	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>Cash Payments by Type</b>								
Employee related costs	92 020	92 020	92 020	92 020	1 104 239	1 159 171	1 222 290	
Remuneration of councillors	3 318	3 318	3 318	3 318	39 821	41 971	44 280	
Finance charges	3 352	3 352	3 352	3 352	40 219	37 844	35 288	
Bulk purchases - electricity	77 313	77 313	77 313	77 313	927 751	1 001 971	1 092 148	
Acquisitions - water & other inventory	18 228	18 228	18 228	18 228	218 734	228 358	238 635	
Contracted services	69 931	69 931	69 931	69 931	839 172	886 943	937 449	
Transfers and grants - other municipalities	1 148	1 148	1 148	1 148	13 775	14 381	15 028	
Transfers and grants - other	20 921	20 921	20 921	20 921	251 048	261 737	273 149	
Other expenditure	-	-	-	-	-	-	-	
<b>Cash Payments by Type</b>	<b>286 230</b>	<b>286 230</b>	<b>286 230</b>	<b>286 230</b>	<b>3 434 759</b>	<b>3 632 376</b>	<b>3 858 266</b>	
<b>Other Cash Flows/Payments by Type</b>								
Capital assets	76 607	76 607	76 607	76 607	919 282	816 766	823 482	
Repayment of borrowing	1 882	1 882	1 882	1 882	22 588	25 088	27 778	
Other Cash Flows/Payments	33 333	33 333	33 333	33 333	400 000	400 000	400 000	
<b>Total Cash Payments by Type</b>	<b>398 052</b>	<b>398 052</b>	<b>398 052</b>	<b>398 052</b>	<b>4 776 628</b>	<b>4 874 230</b>	<b>5 109 526</b>	
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>(140)</b>	<b>(140)</b>	<b>(140)</b>	<b>(140)</b>	<b>(1 682)</b>	<b>151 881</b>	<b>160 127</b>	
Cash/cash equivalents at the month/year begin:	228 433	228 293	228 153	228 013	229 554	227 873	379 754	
Cash/cash equivalents at the month/year end:	228 293	228 153	228 013	227 873	227 873	379 754	539 881	

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

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>					
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>					
<b>Infrastructure</b>	<b>489 300</b>	<b>532 595</b>	<b>548 129</b>	<b>516 467</b>	<b>539 768</b>
Roads Infrastructure	160 222	94 799	113 677	100 173	134 518
<i>Roads</i>	5 539	5 403	7 000	9 450	4 596
<i>Road Structures</i>	154 683	89 396	106 677	90 723	129 922
<i>Road Furniture</i>	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-
Storm water Infrastructure	2 500	2 500	2 500	18 496	22 800
<i>Drainage Collection</i>	2 500	2 500	2 500	18 496	22 800
<i>Storm water Conveyance</i>	-	-	-	-	-
<i>Attenuation</i>	-	-	-	-	-
Electrical Infrastructure	93 250	148 500	123 900	93 240	98 505
<i>Power Plants</i>	-	-	-	-	-
<i>HV Substations</i>	-	-	-	-	-
<i>HV Switching Station</i>	-	-	-	-	-
<i>HV Transmission Conductors</i>	60 650	108 000	106 100	43 783	37 542
<i>MV Substations</i>	-	9 000	-	18 113	24 872
<i>MV Switching Stations</i>	-	9 000	-	7 386	5 829
<i>MV Networks</i>	22 600	12 000	12 800	17 585	21 375
<i>LV Networks</i>	-	4 000	-	879	1 943
<i>Capital Spares</i>	10 000	6 500	5 000	5 495	6 943
Water Supply Infrastructure	165 224	205 410	153 786	162 886	143 871
<i>Dams and Weirs</i>	-	-	-	-	-

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

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<i>Boreholes</i>	16 000	34 341	-	-	-
<i>Reservoirs</i>	-	-	-	-	-
<i>Pump Stations</i>	-	-	-	-	-
<i>Water Treatment Works</i>	-	-	-	-	-
<i>Bulk Mains</i>	76 500	88 304	93 626	107 886	103 271
<i>Distribution</i>	72 044	82 765	60 160	55 000	40 600
<i>Distribution Points</i>	680	-	-	-	-
<i>PRV Stations</i>	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-
Sanitation Infrastructure	50 098	78 250	146 600	130 612	134 028
<i>Pump Station</i>	-	-	-	-	-
<i>Reticulation</i>	-	-	10 000	10 000	8 000
<i>Waste Water Treatment Works</i>	50 000	78 152	136 584	120 597	126 013
<i>Outfall Sewers</i>	-	-	-	-	-
<i>Toilet Facilities</i>	-	-	-	-	-
<i>Capital Spares</i>	98	98	16	15	15
Solid Waste Infrastructure	17 870	3 000	7 478	10 873	5 873
<i>Landfill Sites</i>	15 000	1 000	196	9 833	4 843
<i>Waste Transfer Stations</i>	2 462	2 000	6 000	541	562
<i>Waste Processing Facilities</i>	-	-	-	142	-
<i>Waste Drop-off Points</i>	-	-	-	-	-
<i>Waste Separation Facilities</i>	-	-	-	-	-
<i>Electricity Generation Facilities</i>	-	-	-	-	-

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

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<i>Capital Spares</i>	408		1 282	358	468
Rail Infrastructure	-	-	-	-	-
<i>Rail Lines</i>	-	-	-	-	-
<i>Rail Structures</i>	-	-	-	-	-
<i>Rail Furniture</i>	-	-	-	-	-
<i>Drainage Collection</i>	-	-	-	-	-
<i>Storm water Conveyance</i>	-	-	-	-	-
<i>Attenuation</i>	-	-	-	-	-
<i>MV Substations</i>	-	-	-	-	-
<i>LV Networks</i>	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-
<i>Sand Pumps</i>	-	-	-	-	-
<i>Piers</i>	-	-	-	-	-
<i>Revetments</i>	-	-	-	-	-
<i>Promenades</i>	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-
Information and Communication Infrastructure	136	136	188	187	172
<i>Data Centres</i>	136	136	188	187	172
<i>Core Layers</i>	-	-	-	-	-
<i>Distribution Layers</i>	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-
<b>Community Assets</b>	<b>135 398</b>	<b>171 049</b>	<b>135 433</b>	<b>102 218</b>	<b>103 589</b>

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

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>					
Community Facilities	93 852	125 539	84 894	88 166	90 753
<i>Halls</i>	2 000	1 045	1 215	341	311
<i>Centres</i>	3 586	4 708	2 322	3 198	1 738
<i>Crèches</i>	-	-	-	-	-
<i>Clinics/Care Centres</i>	-	-	-	-	-
<i>Fire/Ambulance Stations</i>	-	-	-	258	365
<i>Testing Stations</i>	3 670	4 565	1 983	661	1 722
<i>Museums</i>	453	906	-	366	375
<i>Galleries</i>	-	-	-	-	-
<i>Theatres</i>	-	-	-	-	-
<i>Libraries</i>	498	498	906	404	478
<i>Cemeteries/Crematoria</i>	-	-	-	304	506
<i>Police</i>	3 856	3 135	1 465	1 719	1 373
<i>Parks</i>	-	-	-	146	187
<i>Public Open Space</i>	2 272	2 272	1 500	953	756
<i>Nature Reserves</i>	-	-	-	-	-
<i>Public Ablution Facilities</i>	544	-	1 465	1 719	1 373
<i>Markets</i>	3 500	-	238	55	56
<i>Stalls</i>	-	-	-	-	-
<i>Abattoirs</i>	-	-	-	-	-
<i>Airports</i>	-	-	-	-	-
<i>Taxi Ranks/Bus Terminals</i>	71 474	106 409	73 800	76 948	79 886
<i>Capital Spares</i>	2 000	2 000	-	1 094	1 627



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

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>					
Sport and Recreation Facilities	41 546	45 510	50 539	14 052	12 836
<i>Indoor Facilities</i>	-	-	-	-	-
<i>Outdoor Facilities</i>	41 546	45 510	50 539	13 802	12 555
<i>Capital Spares</i>	-	-	-	250	281
<b><u>Heritage assets</u></b>	-	-	-	66	112
Monuments	-	-	-	-	-
Historic Buildings	-	-	-	-	-
Works of Art	-	-	-	-	-
Conservation Areas	-	-	-	66	112
Other Heritage	-	-	-	-	-
<b><u>Investment properties</u></b>	<b>14 488</b>	<b>4 388</b>	<b>17 972</b>	<b>12 857</b>	<b>15 746</b>
Revenue Generating	14 488	4 388	17 972	12 857	15 746
<i>Improved Property</i>	10 000	1 000	15 000	10 000	12 000
<i>Unimproved Property</i>	4 488	3 388	2 972	2 857	3 746
Non-revenue Generating	-	-	-	-	-
<i>Improved Property</i>	-	-	-	-	-
<i>Unimproved Property</i>	-	-	-	-	-
<b><u>Other assets</u></b>	<b>5 265</b>	-	<b>5 420</b>	<b>4 403</b>	<b>8 394</b>
Operational Buildings	5 265	-	5 420	4 403	8 394
<i>Municipal Offices</i>	5 265	-	2 615	1 500	3 073
<i>Pay/Enquiry Points</i>	-	-	-	-	-
<i>Building Plan Offices</i>	-	-	2 805	2 201	4 197

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

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>					
<i>Workshops</i>	-	-	-	-	-
<i>Yards</i>	-	-	-	-	-
<i>Stores</i>	-	-	-	-	-
<i>Laboratories</i>	-	-	-	-	-
<i>Training Centres</i>	-	-	-	-	-
<i>Manufacturing Plant</i>	-	-	-	-	-
<i>Depots</i>	-	-	-	701	1 124
<i>Capital Spares</i>	-	-	-	-	-
Housing	-	-	-	-	-
<i>Staff Housing</i>	-	-	-	-	-
<i>Social Housing</i>	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-
<b><u>Biological or Cultivated Assets</u></b>	-	-	-	-	-
Biological or Cultivated Assets					
<b><u>Intangible Assets</u></b>	-	-	-	-	-
Servitudes					
Licences and Rights	-	-	-	-	-
<i>Water Rights</i>	-	-	-	-	-
<i>Effluent Licenses</i>	-	-	-	-	-
<i>Solid Waste Licenses</i>	-	-	-	-	-
<i>Computer Software and Applications</i>	-	-	-	-	-
<i>Load Settlement Software Applications</i>	-	-	-	-	-

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

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<i>Unspecified</i>	–	–	–	–	–
<b>Computer Equipment</b>	2 569	2 569	2 500	728	674
Computer Equipment	2 569	2 569	2 500	728	674
<b>Furniture and Office Equipment</b>	725	227	300	144	140
Furniture and Office Equipment	725	227	300	144	140
<b>Machinery and Equipment</b>	9 590	8 266	4 516	1 862	2 505
Machinery and Equipment	9 590	8 266	4 516	1 862	2 505
<b>Transport Assets</b>	42 800	37 404	20 000	2 984	2 149
Transport Assets	42 800	37 404	20 000	2 984	2 149
<b>Land</b>	–	–	–	–	–
Land	–	–	–	–	–
<b>Zoo's, Marine and Non-biological Animals</b>	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–
<b>Total Capital Expenditure on new assets</b>	<b>700 135</b>	<b>756 499</b>	<b>734 270</b>	<b>641 730</b>	<b>673 078</b>

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

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>					
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>					
<b>Infrastructure</b>	<b>167 814</b>	<b>96 672</b>	<b>20 151</b>	<b>31 079</b>	<b>1 622</b>
Roads Infrastructure	121 314	45 172	17 651	29 409	262
<i>Roads</i>	120 000	43 859	17 369	29 138	-
<i>Road Structures</i>	1 314	1 314	282	271	262
<i>Road Furniture</i>	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-
Storm water Infrastructure	-	-	-	-	-
<i>Drainage Collection</i>	-	-	-	-	-
<i>Storm water Conveyance</i>	-	-	-	-	-
<i>Attenuation</i>	-	-	-	-	-
Electrical Infrastructure	1 500	1 500	2 500	1 671	1 360
<i>Power Plants</i>	-	-	-	-	-
<i>HV Substations</i>	-	-	-	-	-
<i>HV Switching Station</i>	-	-	-	-	-
<i>HV Transmission Conductors</i>	-	-	-	1 055	1 360
<i>MV Substations</i>	-	-	-	-	-
<i>MV Switching Stations</i>	-	-	-	-	-
<i>MV Networks</i>	-	-	-	-	-
<i>LV Networks</i>	-	-	-	-	-
<i>Capital Spares</i>	1 500	1 500	2 500	615	-
Water Supply Infrastructure	-	-	-	-	-
<i>Dams and Weirs</i>	-	-	-	-	-
<i>Boreholes</i>	-	-	-	-	-

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

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<i>Reservoirs</i>	-	-	-	-	-
<i>Pump Stations</i>	-	-	-	-	-
<i>Water Treatment Works</i>	-	-	-	-	-
<i>Bulk Mains</i>	-	-	-	-	-
<i>Distribution</i>	-	-	-	-	-
<i>Distribution Points</i>	-	-	-	-	-
<i>PRV Stations</i>	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-
Sanitation Infrastructure	45 000	50 000	-	-	-
<i>Pump Station</i>	-	-	-	-	-
<i>Reticulation</i>	-	-	-	-	-
<i>Waste Water Treatment Works</i>	45 000	50 000	-	-	-
<i>Outfall Sewers</i>	-	-	-	-	-
<i>Toilet Facilities</i>	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-
Solid Waste Infrastructure	-	-	-	-	-
<i>Landfill Sites</i>	-	-	-	-	-
<i>Waste Transfer Stations</i>	-	-	-	-	-
<i>Waste Processing Facilities</i>	-	-	-	-	-
<i>Waste Drop-off Points</i>	-	-	-	-	-
<i>Waste Separation Facilities</i>	-	-	-	-	-
<i>Electricity Generation Facilities</i>	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-
Rail Infrastructure	-	-	-	-	-

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

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<i>Rail Lines</i>	-	-	-	-	-
<i>Rail Structures</i>	-	-	-	-	-
<i>Rail Furniture</i>	-	-	-	-	-
<i>Drainage Collection</i>	-	-	-	-	-
<i>Storm water Conveyance</i>	-	-	-	-	-
<i>Attenuation</i>	-	-	-	-	-
<i>MV Substations</i>	-	-	-	-	-
<i>LV Networks</i>	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-
<i>Sand Pumps</i>	-	-	-	-	-
<i>Piers</i>	-	-	-	-	-
<i>Revetments</i>	-	-	-	-	-
<i>Promenades</i>	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-
<i>Data Centres</i>	-	-	-	-	-
<i>Core Layers</i>	-	-	-	-	-
<i>Distribution Layers</i>	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-
<b>Community Assets</b>	<b>4 343</b>	<b>9 310</b>	<b>5 977</b>	<b>4 231</b>	<b>4 494</b>
Community Facilities	4 343	9 310	5 577	4 127	4 399
<i>Halls</i>	-	-	369	77	75
<i>Centres</i>	1 042	1 559	508	252	407

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

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<i>Crèches</i>	-	-	-	-	-
<i>Clinics/Care Centres</i>	-	-	-	-	-
<i>Fire/Ambulance Stations</i>	-	-	-	-	-
<i>Testing Stations</i>	-	-	-	-	-
<i>Museums</i>	-	-	-	-	-
<i>Galleries</i>	-	-	-	-	-
<i>Theatres</i>	-	-	-	-	-
<i>Libraries</i>	498	698	1 500	462	453
<i>Cemeteries/Crematoria</i>	-	-	-	-	-
<i>Police</i>	-	-	-	-	-
<i>Parks</i>	-	-	-	-	-
<i>Public Open Space</i>	-	-	-	-	-
<i>Nature Reserves</i>	-	-	-	-	-
<i>Public Ablution Facilities</i>	-	-	-	-	-
<i>Markets</i>	-	-	-	-	-
<i>Stalls</i>	-	-	-	-	-
<i>Abattoirs</i>	-	-	-	-	-
<i>Airports</i>	-	-	-	-	-
<i>Taxi Ranks/Bus Terminals</i>	2 803	7 053	3 200	3 336	3 464
<i>Capital Spares</i>	-	-	-	-	-
Sport and Recreation Facilities	-	-	400	104	96
<i>Indoor Facilities</i>	-	-	-	-	-
<i>Outdoor Facilities</i>	-	-	400	104	96
<i>Capital Spares</i>	-	-	-	-	-
<b>Heritage assets</b>	-	-	-	-	-
Monuments	-	-	-	-	-
Historic Buildings	-	-	-	-	-

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

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Works of Art	-	-	-	-	-
Conservation Areas	-	-	-	-	-
Other Heritage	-	-	-	-	-
<b><u>Investment properties</u></b>	-	-	-	-	-
Revenue Generating	-	-	-	-	-
<i>Improved Property</i>	-	-	-	-	-
<i>Unimproved Property</i>	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-
<i>Improved Property</i>	-	-	-	-	-
<i>Unimproved Property</i>	-	-	-	-	-
<b><u>Other assets</u></b>	<b>1 364</b>	<b>1 120</b>	<b>1 100</b>	<b>574</b>	<b>206</b>
Operational Buildings	1 364	1 120	1 100	574	206
<i>Municipal Offices</i>	1 364	1 120	1 100	574	206
<i>Pay/Enquiry Points</i>	-	-	-	-	-
<i>Building Plan Offices</i>	-	-	-	-	-
<i>Workshops</i>	-	-	-	-	-
<i>Yards</i>	-	-	-	-	-
<i>Stores</i>	-	-	-	-	-
<i>Laboratories</i>	-	-	-	-	-
<i>Training Centres</i>	-	-	-	-	-
<i>Manufacturing Plant</i>	-	-	-	-	-
<i>Depots</i>	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-
Housing	-	-	-	-	-



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

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<i>Staff Housing</i>	-	-	-	-	-
<i>Social Housing</i>	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-
<b><u>Biological or Cultivated Assets</u></b>	-	-	-	-	-
Biological or Cultivated Assets					
<b><u>Intangible Assets</u></b>	-	-	-	-	-
Servitudes					
Licences and Rights	-	-	-	-	-
<i>Water Rights</i>	-	-	-	-	-
<i>Effluent Licenses</i>	-	-	-	-	-
<i>Solid Waste Licenses</i>	-	-	-	-	-
<i>Computer Software and Applications</i>	-	-	-	-	-
<i>Load Settlement Software Applications</i>	-	-	-	-	-
<i>Unspecified</i>	-	-	-	-	-
<b><u>Computer Equipment</u></b>	-	-	-	-	-
Computer Equipment	-	-	-	-	-
<b><u>Furniture and Office Equipment</u></b>	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-
<b><u>Machinery and Equipment</u></b>	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-
<b><u>Transport Assets</u></b>	-	-	-	-	-
Transport Assets	-	-	-	-	-

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

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>					
<u>Land</u>	-	-	-	-	-
Land	-	-	-	-	-
<u>Zoo's, Marine and Non-biological Animals</u>	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-
<b>Total Capital Expenditure on renewal of existing assets</b>	<b>173 521</b>	<b>107 103</b>	<b>27 228</b>	<b>35 885</b>	<b>6 323</b>
<i>Renewal of Existing Assets as % of total capex</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>
<i>Renewal of Existing Assets as % of deprecn"</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>	<i>0.0%</i>

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

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>					
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>					
<b>Infrastructure</b>	<b>445 816</b>	<b>437 429</b>	<b>556 874</b>	<b>576 650</b>	<b>604 679</b>
Roads Infrastructure	91 851	-	101 005	103 714	108 752
<i>Roads</i>	91 851	-	98 695	101 302	106 232
<i>Road Structures</i>	-	-	2 310	2 412	2 520
<i>Road Furniture</i>	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-
Storm water Infrastructure	-	-	-	-	-
<i>Drainage Collection</i>	-	-	-	-	-
<i>Storm water Conveyance</i>	-	-	-	-	-
<i>Attenuation</i>	-	-	-	-	-
Electrical Infrastructure	107 148	131 019	142 021	149 098	156 680
<i>Power Plants</i>	-	-	-	-	-
<i>HV Substations</i>	-	-	-	-	-
<i>HV Switching Station</i>	-	-	-	-	-
<i>HV Transmission Conductors</i>	-	-	-	-	-
<i>MV Substations</i>	-	-	-	-	-
<i>MV Switching Stations</i>	-	-	-	-	-
<i>MV Networks</i>	-	-	-	-	-
<i>LV Networks</i>	-	-	-	-	-
<i>Capital Spares</i>	107 148	131 019	142 021	149 098	156 680
Water Supply Infrastructure	165 921	199 127	200 368	208 779	219 010
<i>Dams and Weirs</i>	-	-	-	-	-
<i>Boreholes</i>	-	-	-	-	-
<i>Reservoirs</i>	-	-	-	-	-
<i>Pump Stations</i>	-	-	-	-	-

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

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<i>Water Treatment Works</i>	-	-	-	-	-
<i>Bulk Mains</i>	-	-	-	-	-
<i>Distribution</i>	-	-	-	-	-
<i>Distribution Points</i>	-	-	-	-	-
<i>PRV Stations</i>	-	-	-	-	-
<i>Capital Spares</i>	165 921	199 127	200 368	208 779	219 010
Sanitation Infrastructure	11 645	18 645	19 391	20 244	21 155
<i>Pump Station</i>	-	-	-	-	-
<i>Reticulation</i>	-	-	-	-	-
<i>Waste Water Treatment Works</i>	-	-	-	-	-
<i>Outfall Sewers</i>	-	-	-	-	-
<i>Toilet Facilities</i>	-	-	-	-	-
<i>Capital Spares</i>	11 645	18 645	19 391	20 244	21 155
Solid Waste Infrastructure	69 252	88 638	94 090	94 816	99 082
<i>Landfill Sites</i>	-	-	-	-	-
<i>Waste Transfer Stations</i>	-	-	-	-	-
<i>Waste Processing Facilities</i>	-	-	-	-	-
<i>Waste Drop-off Points</i>	-	-	-	-	-
<i>Waste Separation Facilities</i>	-	-	-	-	-
<i>Electricity Generation Facilities</i>	-	-	-	-	-
<i>Capital Spares</i>	69 252	88 638	94 090	94 816	99 082
Rail Infrastructure	-	-	-	-	-
<i>Rail Lines</i>	-	-	-	-	-
<i>Rail Structures</i>	-	-	-	-	-
<i>Rail Furniture</i>	-	-	-	-	-
<i>Drainage Collection</i>	-	-	-	-	-

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

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<i>Storm water Conveyance</i>	-	-	-	-	-
<i>Attenuation</i>	-	-	-	-	-
<i>MV Substations</i>	-	-	-	-	-
<i>LV Networks</i>	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-
<i>Sand Pumps</i>	-	-	-	-	-
<i>Piers</i>	-	-	-	-	-
<i>Revetments</i>	-	-	-	-	-
<i>Promenades</i>	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-
Information and Communication Infrastructure	-	-	-	-	-
<i>Data Centres</i>	-	-	-	-	-
<i>Core Layers</i>	-	-	-	-	-
<i>Distribution Layers</i>	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-
<b>Community Assets</b>	<b>40 785</b>	<b>48 464</b>	<b>50 366</b>	<b>50 186</b>	<b>52 781</b>
Community Facilities	8 892	12 836	13 761	11 652	12 177
<i>Halls</i>	-	-	-	-	-
<i>Centres</i>	-	-	-	-	-
<i>Crèches</i>	-	-	-	-	-
<i>Clinics/Care Centres</i>	-	-	-	-	-
<i>Fire/Ambulance Stations</i>	-	-	-	-	-
<i>Testing Stations</i>	-	-	-	-	-
<i>Museums</i>	23	23	24	25	26
<i>Galleries</i>	-	-	-	-	-

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

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<i>Theatres</i>	-	-	-	-	-
<i>Libraries</i>	-	-	-	-	-
<i>Cemeteries/Crematoria</i>	-	-	-	-	-
<i>Police</i>	-	-	-	-	-
<i>Parks</i>	2 000	2 000	2 600	-	-
<i>Public Open Space</i>	-	-	-	-	-
<i>Nature Reserves</i>	7	7	8	8	9
<i>Public Ablution Facilities</i>	-	-	-	-	-
<i>Markets</i>	-	-	-	-	-
<i>Stalls</i>	-	-	-	-	-
<i>Abattoirs</i>	-	-	-	-	-
<i>Airports</i>	-	-	-	-	-
<i>Taxi Ranks/Bus Terminals</i>	-	-	-	-	-
<i>Capital Spares</i>	6 861	10 805	11 129	11 619	12 142
Sport and Recreation Facilities	31 893	35 628	36 604	38 534	40 604
<i>Indoor Facilities</i>	-	-	-	-	-
<i>Outdoor Facilities</i>	-	-	-	-	-
<i>Capital Spares</i>	31 893	35 628	36 604	38 534	40 604
<b><u>Heritage assets</u></b>	-	-	-	-	-
Monuments	-	-	-	-	-
Historic Buildings	-	-	-	-	-
Works of Art	-	-	-	-	-
Conservation Areas	-	-	-	-	-
Other Heritage	-	-	-	-	-
<b><u>Investment properties</u></b>	-	-	-	-	-
Revenue Generating	-	-	-	-	-

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

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<i>Improved Property</i>	-	-	-	-	-
<i>Unimproved Property</i>	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-
<i>Improved Property</i>	-	-	-	-	-
<i>Unimproved Property</i>	-	-	-	-	-
<b>Other assets</b>	<b>43 660</b>	<b>40 624</b>	<b>49 358</b>	<b>51 811</b>	<b>54 439</b>
Operational Buildings	43 660	40 624	49 358	51 811	54 439
<i>Municipal Offices</i>	-	-	-	-	-
<i>Pay/Enquiry Points</i>	-	-	-	-	-
<i>Building Plan Offices</i>	-	-	-	-	-
<i>Workshops</i>	-	-	-	-	-
<i>Yards</i>	-	-	-	-	-
<i>Stores</i>	-	-	-	-	-
<i>Laboratories</i>	-	-	-	-	-
<i>Training Centres</i>	-	-	-	-	-
<i>Manufacturing Plant</i>	-	-	-	-	-
<i>Depots</i>	-	-	-	-	-
<i>Capital Spares</i>	43 660	40 624	49 358	51 811	54 439
Housing	-	-	-	-	-
<i>Staff Housing</i>	-	-	-	-	-
<i>Social Housing</i>	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-
<b>Biological or Cultivated Assets</b>	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-

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

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>					
<b><u>Intangible Assets</u></b>	11 192	9 892	11 016	11 501	12 018
Servitudes					
Licences and Rights	11 192	9 892	11 016	11 501	12 018
<i>Water Rights</i>	-	-	-	-	-
<i>Effluent Licenses</i>	-	-	-	-	-
<i>Solid Waste Licenses</i>	-	-	-	-	-
<i>Computer Software and Applications</i>	-	-	-	-	-
<i>Load Settlement Software Applications</i>	-	-	-	-	-
<i>Unspecified</i>	11 192	9 892	11 016	11 501	12 018
<b><u>Computer Equipment</u></b>	4 320	7 120	7 405	7 731	8 078
Computer Equipment	4 320	7 120	7 405	7 731	8 078
<b><u>Furniture and Office Equipment</u></b>	9 621	9 381	9 756	10 186	10 644
Furniture and Office Equipment	9 621	9 381	9 756	10 186	10 644
<b><u>Machinery and Equipment</u></b>	3	3	3	3	4
Machinery and Equipment	3	3	3	3	4
<b><u>Transport Assets</u></b>	35 940	47 140	46 357	48 397	50 575
Transport Assets	35 940	47 140	46 357	48 397	50 575
<b><u>Land</u></b>	-	-	-	-	-
Land	-	-	-	-	-
<b><u>Zoo's, Marine and Non-biological Animals</u></b>	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-
<b>Total Repairs and Maintenance Expenditure</b>	<b>591 336</b>	<b>600 053</b>	<b>731 135</b>	<b>756 464</b>	<b>793 218</b>
<b>R&amp;M as a % of PPE</b>	0.0%	0.0%	0.0%	0.0%	0.0%
<b>R&amp;M as % Operating Expenditure</b>	0.0%	0.0%	0.0%	0.0%	0.0%



**LIM354 POLOKWANE - Supporting Table SA34d Depreciation by asset class**

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>					
<b>Depreciation by Asset Class/Sub-class</b>					
<b>Infrastructure</b>	<b>165 688</b>	<b>165 688</b>	<b>172 316</b>	<b>179 897</b>	<b>187 993</b>
Roads Infrastructure	88 154	88 154	91 680	95 714	100 021
<i>Roads</i>	-	-	-	-	-
<i>Road Structures</i>	88 154	88 154	91 680	95 714	100 021
<i>Road Furniture</i>	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-
Storm water Infrastructure	9 588	9 588	9 972	10 410	10 879
<i>Drainage Collection</i>	-	-	-	-	-
<i>Storm water Conveyance</i>	9 588	9 588	9 972	10 410	10 879
<i>Attenuation</i>	-	-	-	-	-
Electrical Infrastructure	11 954	11 954	12 432	12 979	13 563
<i>Power Plants</i>	-	-	-	-	-
<i>HV Substations</i>	-	-	-	-	-
<i>HV Switching Station</i>	-	-	-	-	-
<i>HV Transmission Conductors</i>	-	-	-	-	-
<i>MV Substations</i>	-	-	-	-	-
<i>MV Switching Stations</i>	-	-	-	-	-
<i>MV Networks</i>	-	-	-	-	-
<i>LV Networks</i>	-	-	-	-	-
<i>Capital Spares</i>	11 954	11 954	12 432	12 979	13 563
Water Supply Infrastructure	2 083	2 083	2 166	2 262	2 363
<i>Dams and Weirs</i>	-	-	-	-	-

**LIM354 POLOKWANE - Supporting Table SA34d Depreciation by asset class**

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<i>Boreholes</i>	-	-	-	-	-
<i>Reservoirs</i>	-	-	-	-	-
<i>Pump Stations</i>	-	-	-	-	-
<i>Water Treatment Works</i>	-	-	-	-	-
<i>Bulk Mains</i>	-	-	-	-	-
<i>Distribution</i>	2 083	2 083	2 166	2 262	2 363
<i>Distribution Points</i>	-	-	-	-	-
<i>PRV Stations</i>	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-
Sanitation Infrastructure	8 444	8 444	8 782	9 168	9 581
<i>Pump Station</i>	-	-	-	-	-
<i>Reticulation</i>	-	-	-	-	-
<i>Waste Water Treatment Works</i>	-	-	-	-	-
<i>Outfall Sewers</i>	-	-	-	-	-
<i>Toilet Facilities</i>	-	-	-	-	-
<i>Capital Spares</i>	8 444	8 444	8 782	9 168	9 581
Solid Waste Infrastructure	44 667	44 667	46 454	48 498	50 680
<i>Landfill Sites</i>	-	-	-	-	-
<i>Waste Transfer Stations</i>	44 667	44 667	46 454	48 498	50 680
<i>Waste Processing Facilities</i>	-	-	-	-	-
<i>Waste Drop-off Points</i>	-	-	-	-	-
<i>Waste Separation Facilities</i>	-	-	-	-	-
<i>Electricity Generation Facilities</i>	-	-	-	-	-

**LIM354 POLOKWANE - Supporting Table SA34d Depreciation by asset class**

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<i>Capital Spares</i>	-	-	-	-	-
Rail Infrastructure	-	-	-	-	-
<i>Rail Lines</i>	-	-	-	-	-
<i>Rail Structures</i>	-	-	-	-	-
<i>Rail Furniture</i>	-	-	-	-	-
<i>Drainage Collection</i>	-	-	-	-	-
<i>Storm water Conveyance</i>	-	-	-	-	-
<i>Attenuation</i>	-	-	-	-	-
<i>MV Substations</i>	-	-	-	-	-
<i>LV Networks</i>	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-
<i>Sand Pumps</i>	-	-	-	-	-
<i>Piers</i>	-	-	-	-	-
<i>Revetments</i>	-	-	-	-	-
<i>Promenades</i>	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-
Information and Communication Infrastructure	798	798	830	866	905
<i>Data Centres</i>	798	798	830	866	905
<i>Core Layers</i>	-	-	-	-	-
<i>Distribution Layers</i>	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-
<b>Community Assets</b>	<b>40 973</b>	<b>40 973</b>	<b>42 612</b>	<b>44 487</b>	<b>46 489</b>

**LIM354 POLOKWANE - Supporting Table SA34d Depreciation by asset class**

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>					
Community Facilities	10 884	10 884	11 319	11 817	12 349
<i>Halls</i>	-	-	-	-	-
<i>Centres</i>	896	896	932	973	1 017
<i>Crèches</i>	-	-	-	-	-
<i>Clinics/Care Centres</i>	69	69	72	75	78
<i>Fire/Ambulance Stations</i>	842	842	876	914	955
<i>Testing Stations</i>	147	147	153	160	167
<i>Museums</i>	-	-	-	-	-
<i>Galleries</i>	-	-	-	-	-
<i>Theatres</i>	-	-	-	-	-
<i>Libraries</i>	-	-	-	-	-
<i>Cemeteries/Crematoria</i>	298	298	310	324	338
<i>Police</i>	-	-	-	-	-
<i>Parks</i>	-	-	-	-	-
<i>Public Open Space</i>	1 517	1 517	1 578	1 647	1 721
<i>Nature Reserves</i>	-	-	-	-	-
<i>Public Ablution Facilities</i>	30	30	31	33	34
<i>Markets</i>	-	-	-	-	-
<i>Stalls</i>	-	-	-	-	-
<i>Abattoirs</i>	-	-	-	-	-
<i>Airports</i>	-	-	-	-	-
<i>Taxi Ranks/Bus Terminals</i>	-	-	-	-	-
<i>Capital Spares</i>	7 085	7 085	7 368	7 693	8 039

**LIM354 POLOKWANE - Supporting Table SA34d Depreciation by asset class**

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>					
Sport and Recreation Facilities	30 089	30 089	31 293	32 669	34 140
<i>Indoor Facilities</i>	-	-	-	-	-
<i>Outdoor Facilities</i>	1 906	1 906	1 982	2 069	2 163
<i>Capital Spares</i>	28 183	28 183	29 310	30 600	31 977
<b><u>Heritage assets</u></b>	-	-	-	-	-
Monuments	-	-	-	-	-
Historic Buildings	-	-	-	-	-
Works of Art	-	-	-	-	-
Conservation Areas	-	-	-	-	-
Other Heritage	-	-	-	-	-
<b><u>Investment properties</u></b>	-	-	-	-	-
Revenue Generating	-	-	-	-	-
<i>Improved Property</i>	-	-	-	-	-
<i>Unimproved Property</i>	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-
<i>Improved Property</i>	-	-	-	-	-
<i>Unimproved Property</i>	-	-	-	-	-
<b><u>Other assets</u></b>	<b>1 169</b>	<b>1 169</b>	<b>1 216</b>	<b>1 269</b>	<b>1 326</b>
Operational Buildings	1 169	1 169	1 216	1 269	1 326
<i>Municipal Offices</i>	1 169	1 169	1 216	1 269	1 326
<i>Pay/Enquiry Points</i>	-	-	-	-	-
<i>Building Plan Offices</i>	-	-	-	-	-

**LIM354 POLOKWANE - Supporting Table SA34d Depreciation by asset class**

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>					
<i>Workshops</i>	-	-	-	-	-
<i>Yards</i>	-	-	-	-	-
<i>Stores</i>	-	-	-	-	-
<i>Laboratories</i>	-	-	-	-	-
<i>Training Centres</i>	-	-	-	-	-
<i>Manufacturing Plant</i>	-	-	-	-	-
<i>Depots</i>	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-
Housing	-	-	-	-	-
<i>Staff Housing</i>	-	-	-	-	-
<i>Social Housing</i>	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-
<b><u>Biological or Cultivated Assets</u></b>	-	-	-	-	-
Biological or Cultivated Assets					
<b><u>Intangible Assets</u></b>	43	43	45	47	49
Servitudes					
Licences and Rights	43	43	45	47	49
<i>Water Rights</i>	-	-	-	-	-
<i>Effluent Licenses</i>	-	-	-	-	-
<i>Solid Waste Licenses</i>	-	-	-	-	-
<i>Computer Software and Applications</i>	43	43	45	47	49
<i>Load Settlement Software Applications</i>	-	-	-	-	-

**LIM354 POLOKWANE - Supporting Table SA34d Depreciation by asset class**

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<i>Unspecified</i>	-	-	-	-	-
<b>Computer Equipment</b>	2 375	2 375	2 470	2 579	2 695
Computer Equipment	2 375	2 375	2 470	2 579	2 695
<b>Furniture and Office Equipment</b>	9 003	9 003	9 363	9 775	10 215
Furniture and Office Equipment	9 003	9 003	9 363	9 775	10 215
<b>Machinery and Equipment</b>	3 508	3 508	3 648	3 809	3 980
Machinery and Equipment	3 508	3 508	3 648	3 809	3 980
<b>Transport Assets</b>	27 241	27 241	28 331	29 577	30 908
Transport Assets	27 241	27 241	28 331	29 577	30 908
<b>Land</b>	-	-	-	-	-
Land	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-
<b>Total Depreciation</b>	<b>250 000</b>	<b>250 000</b>	<b>260 000</b>	<b>271 440</b>	<b>283 655</b>

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

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>					
<b>Capital expenditure on upgrading of existing assets by Asset Class/Sub-class</b>					
<b>Infrastructure</b>	<b>237 559</b>	<b>219 312</b>	<b>205 847</b>	<b>180 082</b>	<b>187 177</b>
Roads Infrastructure	143 829	146 532	179 730	163 323	173 542
<i>Roads</i>	23 601	12 648	26 000	31 000	16 000
<i>Road Structures</i>	120 228	133 884	153 730	132 323	157 542
<i>Road Furniture</i>	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-
Storm water Infrastructure	3 450	2 500	118	3 250	4 412
<i>Drainage Collection</i>	3 450	2 500	118	3 250	4 412
<i>Storm water Conveyance</i>	-	-	-	-	-
<i>Attenuation</i>	-	-	-	-	-
Electrical Infrastructure	7 000	2 000	-	6 155	3 886
<i>Power Plants</i>	-	-	-	-	-
<i>HV Substations</i>	-	-	-	-	-
<i>HV Switching Station</i>	-	-	-	-	-
<i>HV Transmission Conductors</i>	-	-	-	-	-
<i>MV Substations</i>	-	-	-	-	-
<i>MV Switching Stations</i>	-	-	-	-	-
<i>MV Networks</i>	7 000	2 000	-	6 155	3 886
<i>LV Networks</i>	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-



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

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>					
Water Supply Infrastructure	15 000	–	5 000	7 000	5 000
<i>Dams and Weirs</i>	–	–	–	–	–
<i>Boreholes</i>	–	–	–	–	–
<i>Reservoirs</i>	–	–	–	–	–
<i>Pump Stations</i>	–	–	–	–	–
<i>Water Treatment Works</i>	–	–	5 000	7 000	5 000
<i>Bulk Mains</i>	5 000	–	–	–	–
<i>Distribution</i>	10 000	–	–	–	–
<i>Distribution Points</i>	–	–	–	–	–
<i>PRV Stations</i>	–	–	–	–	–
<i>Capital Spares</i>	–	–	–	–	–
Sanitation Infrastructure	63 280	63 280	18 000	–	–
<i>Pump Station</i>	–	–	–	–	–
<i>Reticulation</i>	–	–	–	–	–
<i>Waste Water Treatment Works</i>	63 280	63 280	18 000	–	–
<i>Outfall Sewers</i>	–	–	–	–	–
<i>Toilet Facilities</i>	–	–	–	–	–
<i>Capital Spares</i>	–	–	–	–	–
Solid Waste Infrastructure	–	–	–	–	–
<i>Landfill Sites</i>	–	–	–	–	–
<i>Waste Transfer Stations</i>	–	–	–	–	–

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

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<i>Waste Processing Facilities</i>	-	-	-	-	-
<i>Waste Drop-off Points</i>	-	-	-	-	-
<i>Waste Separation Facilities</i>	-	-	-	-	-
<i>Electricity Generation Facilities</i>	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-
Rail Infrastructure	-	-	-	-	-
<i>Rail Lines</i>	-	-	-	-	-
<i>Rail Structures</i>	-	-	-	-	-
<i>Rail Furniture</i>	-	-	-	-	-
<i>Drainage Collection</i>	-	-	-	-	-
<i>Storm water Conveyance</i>	-	-	-	-	-
<i>Attenuation</i>	-	-	-	-	-
<i>MV Substations</i>	-	-	-	-	-
<i>LV Networks</i>	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-
Coastal Infrastructure	-	-	-	-	-
<i>Sand Pumps</i>	-	-	-	-	-
<i>Piers</i>	-	-	-	-	-
<i>Revetments</i>	-	-	-	-	-
<i>Promenades</i>	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-

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

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>					
Information and Communication Infrastructure	5 000	5 000	3 000	354	337
<i>Data Centres</i>	5 000	5 000	3 000	354	337
<i>Core Layers</i>	-	-	-	-	-
<i>Distribution Layers</i>	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-
<b>Community Assets</b>	<b>4 087</b>	<b>1 359</b>	<b>800</b>	<b>2 420</b>	<b>1 935</b>
Community Facilities	4 087	1 359	800	745	1 935
<i>Halls</i>	-	-	-	-	-
<i>Centres</i>	1 087	359	-	377	779
<i>Crèches</i>	-	-	-	-	-
<i>Clinics/Care Centres</i>	-	-	-	-	-
<i>Fire/Ambulance Stations</i>	-	-	-	-	-
<i>Testing Stations</i>	-	-	800	112	107
<i>Museums</i>	-	-	-	-	-
<i>Galleries</i>	-	-	-	-	-
<i>Theatres</i>	-	-	-	-	-
<i>Libraries</i>	-	-	-	-	-
<i>Cemeteries/Crematoria</i>	-	-	-	-	-
<i>Police</i>	-	-	-	-	-
<i>Parks</i>	-	-	-	-	787
<i>Public Open Space</i>	-	-	-	-	-
<i>Nature Reserves</i>	-	-	-	146	150
<i>Public Ablution Facilities</i>	-	-	-	-	-

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

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>					
<i>Markets</i>	-	-	-	-	-
<i>Stalls</i>	-	-	-	110	112
<i>Abattoirs</i>	-	-	-	-	-
<i>Airports</i>	-	-	-	-	-
<i>Taxi Ranks/Bus Terminals</i>	2 000	-	-	-	-
<i>Capital Spares</i>	1 000	1 000	-	-	-
Sport and Recreation Facilities	-	-	-	1 675	-
<i>Indoor Facilities</i>	-	-	-	-	-
<i>Outdoor Facilities</i>	-	-	-	1 675	-
<i>Capital Spares</i>	-	-	-	-	-
<b>Heritage assets</b>	-	-	-	-	-
Monuments	-	-	-	-	-
Historic Buildings	-	-	-	-	-
Works of Art	-	-	-	-	-
Conservation Areas	-	-	-	-	-
Other Heritage	-	-	-	-	-
<b>Investment properties</b>	<b>321</b>	<b>321</b>	<b>-</b>	<b>146</b>	<b>281</b>
Revenue Generating	321	321	-	146	281
<i>Improved Property</i>	-	-	-	-	-
<i>Unimproved Property</i>	321	321	-	146	281
Non-revenue Generating	-	-	-	-	-

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

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<i>Improved Property</i>	-	-	-	-	-
<i>Unimproved Property</i>	-	-	-	-	-
<b>Other assets</b>	<b>6 393</b>	<b>5 145</b>	<b>3 000</b>	<b>2 703</b>	<b>2 676</b>
Operational Buildings	6 393	5 145	3 000	2 703	2 676
<i>Municipal Offices</i>	5 849	4 849	3 000	2 529	2 510
<i>Pay/Enquiry Points</i>	-	-	-	-	-
<i>Building Plan Offices</i>	-	-	-	-	-
<i>Workshops</i>	-	-	-	-	-
<i>Yards</i>	544	296	-	175	167
<i>Stores</i>	-	-	-	-	-
<i>Laboratories</i>	-	-	-	-	-
<i>Training Centres</i>	-	-	-	-	-
<i>Manufacturing Plant</i>	-	-	-	-	-
<i>Depots</i>	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-
Housing	-	-	-	-	-
<i>Staff Housing</i>	-	-	-	-	-
<i>Social Housing</i>	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-
<b>Biological or Cultivated Assets</b>	-	-	-	-	-

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

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Biological or Cultivated Assets					
<b>Intangible Assets</b>	-	-	-	-	-
Servitudes					
Licences and Rights	-	-	-	-	-
<i>Water Rights</i>	-	-	-	-	-
<i>Effluent Licenses</i>	-	-	-	-	-
<i>Solid Waste Licenses</i>	-	-	-	-	-
<i>Computer Software and Applications</i>	-	-	-	-	-
<i>Load Settlement Software Applications</i>	-	-	-	-	-
<i>Unspecified</i>	-	-	-	-	-
<b>Computer Equipment</b>	-	-	-	-	-
Computer Equipment	-	-	-	-	-
<b>Furniture and Office Equipment</b>	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-
<b>Machinery and Equipment</b>	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-
<b>Transport Assets</b>	-	-	-	-	-
Transport Assets	-	-	-	-	-
<b>Land</b>	-	-	-	-	-
Land	-	-	-	-	-

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

Description	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousand</b>					
<u>Zoo's, Marine and Non-biological Animals</u>	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-
<b>Total Capital Expenditure on upgrading of existing assets</b>	<b>248 360</b>	<b>226 137</b>	<b>209 647</b>	<b>185 351</b>	<b>192 069</b>
<i>Upgrading of Existing Assets as % of total capex</i>	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Upgrading of Existing Assets as % of deprechn"</i>	0.0%	0.0%	0.0%	0.0%	0.0%

# **ANNEXURE B**

**Capital Budget Inclusive of VAT 2022/23-2024/25**



## Multi Year Capital Budget Program 2022/23-2024/25

MULTI YEAR BUDGET	Funding Source	Budget Year +1 2022/23	Budget Year +1 2023/24	Budget Year +1 2024/25
Description				
<b>Clusters -Chief Operations Office</b>				
Thusong Service Centre (TSC)	CRR	126 933	124 878	280 934
Mobile service sites at Ram pheri village	CRR	136 335	126 959	280 934
Construction of Segopje Mobile Service Centre	CRR	138 686	137 365	280 934
Upgrading of Mohlonong centre (Aganang cluster)	CRR	-	124 878	123 611
Renovation of existing Cluster offices	CRR	380 798	126 959	125 671
Cluster offices Construction at Seshego	CRR	-	137 365	280 934
Upgrading of existing Cluster offices	CRR	401 954	143 609	142 152
Construction of mobile service sites (Moleletjie & Mankweng)	CRR	-	141 528	-
Construction of Municipal Depots in Mankweng	CRR	-	124 878	280 934
Construction of Municipal Depot in Moleletjie	CRR	-	104 065	280 934
Construction of Municipal Depot in Sebayeng,	CRR	-	104 065	280 934
Construction of Municipal Depot in Molepo/Chuene/Maja cluster	CRR	-	104 065	280 934
Construction of Municipal Depot in Aganang cluster	CRR	-	104 065	280 934
<b>Total Clusters -Chief Operations Office</b>		<b>1 184 706</b>	<b>1 604 676</b>	<b>2 919 837</b>
<b>Facility Management- Corporate and Shared Services</b>				
Civic Centre refurbishment	CRR	500 000	83 252	93 645
Renovation of offices	CRR	600 000	116 552	112 373
Refurbishment of City Library and Auditorium	CRR	700 000	149 853	149 831
Upgrading of Seshego Library	CRR	800 000	187 316	172 306
Construction of Library facility for Aganang	CRR	501 441	145 690	149 831
Construction of Mankweng Traffic and Licensing Testing Centre	CRR	1 583 497	329 295	337 151
Refurbishment of Municipal Public toilets	CRR	600 000	166 503	151 704
Construction of Mankweng Water and Sanitation Centre	CRR	750 000	166 503	168 560
Construction of the integrated Control Center at Traffic Ladanna	CRR	765 000	162 341	149 831
Extension of the Fire and Traffic Training Facility at Ladanna	CRR	600 000	158 178	149 831
Refurbishment of Nirvana Hall	CRR	369 483	76 835	74 916
Extension of offices at Ladanna electrical workshop	CRR	395 874	87 812	93 645
Refurbishment of Mike's Kitchen Building	CRR	237 525	54 882	56 187
Upgrading of Jack Botes Hall	CRR	645 000	166 503	151 704
Refurbishment of Westernburg Hall	CRR	570 000	174 829	159 196

DRAFT MULTI-YEAR BUDGET 2022/23- 2024/25

MULTI YEAR BUDGET	Funding Source	Budget Year +1 2022/23	Budget Year +1 2023/24	Budget Year +1 2024/25
Description				
Aganang Cluster offices refurbishment	CRR	645 000	166 503	159 196
Nirvana Soccer Grounds and Cricket Grounds Refurbishment	CRR	570 000	174 829	162 942
Upgrading of Traffic Logistics Offices	CRR	700 000	166 503	157 323
Refurbishment of the City Pool	CRR	400 000	104 065	95 517
Municipal Furniture and Office Equipment	CRR	300 000	72 845	56 187
Construction of Library facility at Dikgale	CRR	-	112 390	187 289
Upgrading of Show ground facility	CRR	-	110 308	112 373
Refurbishment of Mankweng Library	CRR	-	124 878	131 102
Fencing of Itsoeng Centre	CRR	1 000 000	104 065	-
Construction of the City Multi-Functional Youth Development Centre (Planning)	CRR	-	-	93 645
<b>Total Facility Management- Corporated and Shared Service</b>		<b>13 232 820</b>	<b>3 362 732</b>	<b>3 326 285</b>
<b>Roads &amp; Stormwater - Transport Services</b>				
Upgrading of storm water system in municipal area (Vukuphile)	CRR	141 036	124 878	187 289
Rehabilitation of streets in Seshego Cluster (Vukuphile)	CRR	282 072	270 568	262 205
Installation of Robots at Southern Gateway intersection along N1	CRR	3 525 904	-	-
Installation of Road signage	CRR	117 530	187 316	206 018
Paving of streets in Molejtje Cluster	CRR	940 241	1 040 646	1 030 090
Paving of streets in Seshego Cluster	CRR	940 241	1 040 646	1 030 090
Paving of streets in Sebayeng /Dikgale Cluster	CRR	940 241	1 040 646	1 030 090
Paving of streets in Mankweng Cluster	CRR	940 241	1 040 646	1 030 090
Paving of streets in Molepo,Maja Chuene Cluster	CRR	940 241	1 040 646	1 030 090
Paving of streets in Aganang Cluster	CRR	940 241	1 040 646	1 030 090
Paving of streets in SDA 1 Extensions	CRR	940 241	1 040 646	1 030 090
Construction of Non-Motorised Transport Infrastructure in Polokwane	CRR	1 175 301	1 082 272	992 632
Upgrading of Storm Water in Seshego Cluster	CRR	117 530	145 690	224 747
Construction of 12x1200mm dia low level bridge linking Luthuli phase1 and phase 2, parallel to Polokwane drive.	CRR	-	249 755	-
Lining of Earth 500m earth channel near Maseala Primary school	CRR	-	270 568	374 578
Upgrading of storm water line Emperor street, Ivy Park Ext 22 to Sterkloop stream	CRR	-	104 065	187 289
Construction of access Noka e ntsho bridge linking D 19 and Christian to Manamela, Medistone	CRR	-	312 194	374 578
Refurbishment of Street Names Boards	CRR	1 880 482	1 456 905	1 123 735
Upgrading of the bridge in Zebediela street Ext 44 near Pietersburg cemetery	CRR	-	-	280 934
Upgrading of storm water system in Laboria next to Jumbo	CRR	-	-	224 747

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MULTI YEAR BUDGET	Funding Source	Budget Year +1 2022/23	Budget Year +1 2023/24	Budget Year +1 2024/25
Description				
Upgrading of two bridges in Bok and Press Kruger street between Bodenstein and Rabe	CRR	-	-	243 476
Upgrading of storm water system in Mankweng Unit G next to LG	CRR	-	-	243 476
Upgrading of storm water system in Solomondale	CRR	-	-	243 476
Rehabilitation of Compensatie from Rissik to Suid	CRR	1 882 904	-	-
Rehabilitation of Burger from Hospital to Suid	CRR	2 625 902	-	-
Rehabilitation of Magazyn from Marshall to Suid	CRR	232 710	-	-
Rehabilitation of Hoog from Suid to Devenish	CRR	1 705 541	-	-
Rehabilitation of Oost from van Broeschoten to Suid	CRR	2 117 918	-	-
Rehabilitation of Potgieter from Dap Naude to Kleinberg	CRR	791 747	-	-
Rehabilitation of Boshoff from Marshall to McDonalds	CRR	1 009 217	-	-
Rehabilitation of Suid from De Wet to Webster	CRR	2 371 201	-	-
Rehabilitation of Marshall from De Wet to McDonalds	CRR	991 343	-	-
Rehabilitation of McDonald from Boshoff to Suid	CRR	514 210	-	-
Rehabilitation of Eland Avenue from Grobler to Bekker	CRR	507 307	-	-
Rehabilitation of Grimm from Grobler to Eland Avenue	CRR	826 296	-	-
Rehabilitation of Grimm from Gemini to Grobler	CRR	292 398	-	-
Rehabilitation of Gemini from Munnik to Corona Avenue	CRR	418 617	-	-
Rehabilitation of Suid from De Wet to Webster	CRR	1 081 526	-	-
Rehabilitation of Munnik Avenue from De Wet Drive to Grobler	CRR	-	1 880 694	-
Rehabilitation of De Villiers from De Wet to Outspan	CRR	-	312 334	-
Rehabilitation of Schalk from De Wet to Outspan	CRR	-	1 068 397	-
Rehabilitation of Meteor from Munnik to Pierre	CRR	-	702 516	-
Rehabilitation of Pierre from Bendor Drive to Braam	CRR	-	592 882	-
Rehabilitation of Natorp from General Vijoer to Grobler	CRR	-	1 019 597	-
Rehabilitation of Natorp from Thabo Mbeki to Webster	CRR	-	915 311	-
Rehabilitation of Kleinberg from Potgieter to Klein Munnik	CRR	-	527 483	-
Rehabilitation of Gazelle from Grobler to Marshall	CRR	-	881 882	-
Rehabilitation of Diemeer from Dap Naude to N1 Landross Mare	CRR	-	1 731 230	-
Rehabilitation of Pafuri Avenue from Suid to Letaba	CRR	-	1 343 354	-
Rehabilitation of Palala from Levubu to Limpopo Avenue	CRR	-	127 750	-
Rehabilitation of Limpopo Avenue from Timbani to Palala	CRR	-	566 093	-
Rehabilitation of Sabi/Chuene from Pafuri to Timbavati	CRR	-	917 904	-
Rehabilitation of Langehoven from Marshall to Campbell	CRR	-	593 418	-
Rehabilitation of Campbell from Marshall to Mandela Circle	CRR	-	453 305	-
Rehabilitation of Smuts Avenue from Marshall to Kidds	CRR	-	877 902	-

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MULTI YEAR BUDGET	Funding Source	Budget Year +1 2022/23	Budget Year +1 2023/24	Budget Year +1 2024/25
Description				
Rehabilitation of Kidds from Kerk to Lawton	CRR	-	845 051	-
Rehabilitation of Dehli from Lawton to Nelson	CRR	-	1 087 933	-
Rehabilitation of Iran from Nelson Mandela to Nikkel	CRR	-	276 666	-
Rehabilitation of Mandela Service Rd from Nikkel to Rajkot	CRR	-	259 412	-
Rehabilitation of Nikkel from Iran to Nelson Mandela	CRR	-	510 999	-
Rehabilitation of Veldspaat from Munnik Ave to N1 Landross Mare	CRR	-	1 358 517	-
Rehabilitation of Marmer from Veldspaat to Beryl	CRR	-	1 458 819	-
Rehabilitation of Mangnesiet from Beryl to Marmer	CRR	-	314 316	-
Rehabilitation of Beryl from Veldspaat to Mangnesiet	CRR	-	1 595 866	-
Rehabilitation of Pieterburg from N1 Landross Mare to River	CRR	-	2 196 798	-
Rehabilitation of Railway from Spelonken to River	CRR	-	764 183	-
Rehabilitation of River from Vermukiliet to Blaauberg	CRR	-	356 759	-
Rehabilitation of Blaauberg from Bulawayo to Doloriet	CRR	-	1 161 115	-
Rehabilitation of Natrium from Yster to Silver	CRR	-	593 418	-
Rehabilitation of Doleriet from Mandela to Blaauberg	CRR	-	428 580	-
Rehabilitation of Silicon from Yster to Bus Depot	CRR	-	1 417 610	-
Ditlou Street upgrade to dual lane	NDPG	6 928 230	-	-
Upgrading of F8 Street in Seshego	NDPG	3 121 826	-	-
Hospital Link	NDPG	5 200 000	-	-
Polokwane Drive	NDPG	3 000 000	-	-
Hospital View Road 1	NDPG	4 751 334	-	-
Hospital View Road 2	NDPG	4 365 423	-	-
Construction of Storm water Canal in Seshego	NDPG	2 500 000	18 225 204	22 425 394
Hospital view additional roads	NDPG	10 000 000	8 113 835	6 500 000
Construction of Municipal Cluster Offices	NDPG	-	500 000	500 000
Construction of Safe Hub at Seshego(Planning)	NDPG	-	2 252 961	500 000
Construction of Nelson Mandela Bo-okelo, Ditlou Crossing	NDPG	133 187	9 708 000	14 478 348
Construction of Access Roads	NDPG	-	1 200 000	596 258

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MULTI YEAR BUDGET	Funding Source	Budget Year +1 2022/23	Budget Year +1 2023/24	Budget Year +1 2024/25
Description				
Upgrading of internal streets in SDA1 (Luthuli)	IUDG	6 000 000	2 712 000	4 000 000
Upgrading of internal streets in Toronto	IUDG	8 000 000	10 000 000	4 000 000
Upgrading of internal streets linked with Excelsior Street in Mankweng unit A	IUDG	-	-	4 000 000
Upgrading of Arterial road in Ga Rampheri	IUDG	6 000 000	6 000 000	4 000 000
Upgrading of access Roads to Maja Moshate(Molepo,ChueneMaja cluster)	IUDG	7 000 000	7 000 000	4 000 000
Rehabilitation of streets in Nirvana	IUDG	6 000 000	6 000 000	4 000 000
Upgrading of internal streets in Seshego Zone 1	IUDG	5 000 000	5 000 000	4 000 000
Upgrading of internal streets in Seshego Zone 2	IUDG	7 000 000	9 000 000	4 000 000
Upgrading of internal streets in Seshego Zone 3	IUDG	7 000 000	9 000 000	4 000 000
Upgrading of internal streets in Seshego Zone 4	IUDG	7 000 000	9 000 000	4 000 000
Upgrading of internal streets in Seshego Zone 5	IUDG	7 000 000	7 000 000	4 000 000
Upgrading of internal streets in Seshego Zone 6	IUDG	7 000 000	8 000 000	4 000 000
Upgrading of Internal Street in Seshego zone 8	IUDG	8 000 000	7 000 000	4 000 000
Upgrading of De wet Dr from MunnikAve to R81	IUDG	-	-	4 000 000
Mohlonong to Kalkspruit upgrading of roads from gravel to tar	IUDG	8 000 000	8 000 000	4 000 000
Monyoaneng to Lonsdale upgrading of roads from gravel to tar	IUDG	2 000 000	3 000 000	4 000 000
Upgrading of stormwater in Polokwane ext 76	IUDG	5 000 000	2 000 000	-
Upgrading of Storm Water Storm Water in Sterpark; Flora Park; and Fauna Park	IUDG	-	3 000 000	4 000 000
Completion of Hospital Road in Mankweng	IUDG	7 000 000	-	4 000 000
Construction of Storm Water in Ga Semanya	IUDG	3 000 000	3 885 000	-
Upgrading of Storm water Channel at Thutu Street at Seshego zone 4	IUDG	-	1 000 000	4 000 000
Upgrading of streets in Westernburg RDP Section Phase 2	IUDG	7 000 000	8 000 000	4 000 000
Upgrading of Arterial road from R37 via Thokgwaneng RDP to Silo school (ward 01)	IUDG	2 135 914	1 838 278	4 000 000
Upgrading of Arterial road D 4011 in Ga Thaba from D4018 Soetfontein Clinic to Ga Thaba connect D 4018 (Ward 02)	IUDG	2 135 914	1 838 278	4 000 000
Upgrading of Arterial road D4014 in Makgoro (Sekgweng) to Makatjane(ward 03)	IUDG	2 135 914	1 838 278	4 000 000
Upgrading of arterial road from Gravel to tar – Mountain view via Magokobung to Subiese(ward 04)	IUDG	2 135 914	1 838 278	4 000 000
Upgrading of D1809 from Gamaboi joining D3040 to Laastehoop (Ward 05)	IUDG	2 135 914	1 838 278	4 000 000
Upgrading of roads from gravel to tar Nobody traffic circle to Mothiba Mafiane(ward 06)	IUDG	2 135 914	1 838 278	4 000 000
Upgrading of arterial road from Phuti to Tjatjaneng(ward 07)	IUDG	2 135 914	1 838 278	4 000 000
Upgrading of streets in Benharris from Zebediela to D19(ward 08)	IUDG	2 135 914	1 838 278	4 000 000
Upgrading of road from Sengatane (D3330) to Chebeng(ward 09)	IUDG	2 135 914	1 838 278	4 000 000
Upgrading of Bloodriver main road via Mulautsi high school to agriculture houses(ward 10)	IUDG	2 135 914	1 838 278	4 000 000

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MULTI YEAR BUDGET	Funding Source	Budget Year +1 2022/23	Budget Year +1 2023/24	Budget Year +1 2024/25
Description				
Upgrading of arterial road D3472 Ga-Setati to Mashobohlang D3332 (ward 15)	IUDG	2 135 914	1 838 278	4 000 000
Upgrading of road D3432 from Ga-Mosi(Gilead road) via Sengatane to Chebeng(ward 16)	IUDG	2 135 914	1 838 278	4 000 000
Upgrading of road from Leokama to Moshung(ward 18)	IUDG	2 135 914	1 838 278	4 000 000
Upgrading of internal street in westernburg (ward 19)	IUDG	2 135 914	1 838 278	4 000 000
Upgrading of road D3989 Ga-mamabolo to itirelang(ward 24)	IUDG	2 135 914	1 838 278	4 000 000
Upgrading of internal street from gravel to tar in Mankweng Unit A, to Pulamadibogo street from LG to Church (ward 25)	IUDG	2 135 914	1 838 278	4 000 000
Upgrading of internal street along Dikolobe primary school (ward 26)	IUDG	2 135 914	1 838 278	4 000 000
Upgrading of road in ga Thoka from reservoir to Makanye 4034 (ward 27)	IUDG	2 135 914	1 838 278	4 000 000
Upgrading of Bus road from R71 to Dinokeng between Mshongoville Gashiloane to Matshela pata(ward 28)	IUDG	2 135 914	1 838 278	4 000 000
Upgrading of arterial road from Madiga to Moduane (ward 29)	IUDG	2 135 914	1 838 278	4 000 000
Upgrading of arterial road in Tshware from Taxi rank via Tshware village to mamotshwa	IUDG	2 135 914	1 838 278	4 000 000
Upgrading of road internal street in Tthatlaganya (Ward 31)	IUDG	2 135 914	1 838 278	4 000 000
Upgrading of internal street from Solomondale to D3997 (ward 32)	IUDG	2 135 914	1 838 278	4 000 000
Upgrading of arterial road D3997 from GaMokgopo to Ga Makalanyane (ward 33)	IUDG	2 135 914	1 838 278	4 000 000
Upgrading of road from Ga Mamphaka to Spitzkop (ward 34)	IUDG	2 135 914	1 838 278	4 000 000
Upgrading of arterial road D3413 Ramakgaphola to Gilead road D3390 (Ward 35)	IUDG	2 135 914	1 838 278	4 000 000
Upgrading of road from Ralema primary school via Krukutje , Ga Mmasehla, Ga legodi, Mokgohloa to Molepo bottle store (ward 36)	IUDG	2 135 914	1 838 278	4 000 000
Upgrading of internal street in Moletjie Ga-Makibelo to Hlahla ring road(ward 38)	IUDG	2 135 914	1 838 278	4 000 000
Upgrading of Internal Street in Ga Ujane to D3363 (ward 40)	IUDG	2 135 914	1 838 278	4 000 000
Upgrading of arterial road D3355 from Monotwane to Matlala clinic (ward 41)	IUDG	2 135 914	1 838 278	4 000 000
Upgrading of arterial road in Magongwa village from road D3378 to road D19 (ward 42)	IUDG	2 135 914	1 838 278	4 000 000
Upgrading of arterial road D3383 in Setumong via Mahoai to Kgomo school(Ward 43)	IUDG	2 135 914	1 838 278	4 000 000
Complete the incomplete road from Kordon to Gilead road (ward 44)	IUDG	2 135 914	1 838 278	4 000 000
Upgrading of arterial road D3426 in Ga- Ramoshoana to Rammobola (ward 45)	IUDG	-	-	4 000 000
<b>Total Roads &amp; Stormwater -Transport Services</b>		<b>254 675 550</b>	<b>255 887 011</b>	<b>273 379 809</b>

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MULTI YEAR BUDGET	Funding Source	Budget Year +1 2022/23	Budget Year +1 2023/24	Budget Year +1 2024/25
Description				
<b>Water Supply and reticulation - Water and Sanitation Services</b>				
Installation of (Smart Meters) in the Municipal Area	WSIG	-	-	-
Segwasi RWS	WSIG	6 302 337	5 000 000	5 600 000
Badimong RWS phase 10	WSIG	2 000 000	-	-
Aganang RWS (3)( Ramalapa, Mashamaite, Makgodu, Mars)	WSIG	34 857 663	30 000 000	20 000 000
Thakgalang Rural Sanitation Phase 1	WSIG	10 000 000	10 000 000	8 000 000
Moletjie North RWS	WSIG	12 000 000	7 000 000	-
Moletjie South RWS	WSIG	12 000 000	5 000 000	-
Bakone RWS	WSIG	-	15 700 000	43 271 000
Ground Water Development	RBIG	18 000 000	-	-
<b>Total Water Supply and reticulation - Water and Sanitation Services</b>		<b>95 160 000</b>	<b>72 700 000</b>	<b>76 871 000</b>
<b>Sewer Reticulation - Water and Sanitation Service</b>				
Plants and Equipment's	CRR	15 545	14 818	14 983
Regional waste Water treatment plant	RBIG	136 584 000	120 597 000	126 013 000
Olifantspoort RWS (Mmotong wa Perekisi) 2	IUDG	8 000 000	8 000 000	5 000 000
Mothapo RWS	IUDG	8 000 000	8 000 000	5 000 000
Moletjie East RWS 2	IUDG	4 265 000	4 186 000	5 000 000
Moletjie North RWS	IUDG	-	-	-
Sebayeng/Dikgale RWS 2	IUDG	5 000 000	8 000 000	5 000 000
Moletjie South RWS	IUDG	-	-	-
Houtriver phase 10	IUDG	7 000 000	7 000 000	5 000 000
Chuene Maja RWS phase 10	IUDG	8 000 000	6 000 000	5 000 000
Molepo RWS phase 10	IUDG	8 000 000	8 000 000	5 000 000
Laastehoop RWS phase 12	IUDG	5 000 000	7 000 000	5 000 000
Mankweng RWS phase 12	IUDG	7 000 000	7 000 000	5 000 000
Boyne RWS phase 10	IUDG	8 000 000	7 000 000	5 000 000
Aganang RWS (2) (Mahoai and Rammetoana, villages)	IUDG	17 000 000	20 000 000	15 000 000
Bakone RWS (for development of technical report)	IUDG	1 361 000	10 000 000	10 000 000
Mashashane Water Works	IUDG	5 000 000	7 000 000	5 000 000
<b>Total Sewer Reticulation - Water and Sanitation</b>		<b>228 225 545</b>	<b>227 797 818</b>	<b>206 027 983</b>

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MULTI YEAR BUDGET	Funding Source	Budget Year +1 2022/23	Budget Year +1 2023/24	Budget Year +1 2024/25
Description				
<b>Energy Services - Energy</b>				
Illumination of Public areas road (Street Lights ) Polokwane Ext 44 towards Matlala road	CRR	2 000 000	175 850	-
Installation of streetlights at Nelson Mandela Drive from Ext 74 Robots to Seshego Circle Mall (Removed by BRT Project)	CRR	-	527 550	582 949
Illumination of public areas (Streetlights): Kidds Street and Church Street	CRR	1 000 000	87 925	-
Illumination of public areas ( High Mast lights) (Rural areas)	CRR	5 000 000	967 175	1 165 897
Illumination of public areas ( High mast lights) Westenburg-Grand Canyon Street (Urban)	CRR	-	351 700	427 496
Retrofit streetlights with LED lights	CRR	-	527 550	777 265
Retrofit high mast lights with LED lights	CRR	-	439 625	582 949
Upgrade SCADA and RTU	CRR	2 500 000	2 373 974	2 914 744
Replacement of overhead lines by underground cables	CRR	-	-	-
Replacement of Oil RMU's and Substation switchgear	CRR	2 000 000	527 550	680 107
Replacement of Fiber glass enclosures	CRR	-	879 250	971 581
Install New Bakone to IOTA 66kV double circuit GOAT line	CRR	30 000 000	3 516 999	1 943 162
Build 66kV/Bakone substation	CRR	20 000 000	-	-
Electrification Of Urban Households in Extension 40, 78, 126, 127, 133, 134	CRR	-	3 516 999	2 914 744
Plant and Equipment	CRR	1 200 000	967 175	1 165 897
Increase license area assets	CRR	300 000	8 792 497	9 715 812
Installation of 3x185mm <sup>2</sup> cables from Steropark to Iota sub	CRR	-	879 250	-
Replacement of Fences at Substations: Hospital	CRR	-	87 925	-
Replacement of Fences at Substations: LeRouxville	CRR	-	87 925	-
Replacement of Fences at Substations: Superbia	CRR	-	87 925	-
Replacement of Fences at Substations: Laboria	CRR	-	175 850	194 316
Replacement of Fences at Substations: Industria	CRR	-	175 850	194 316
Replacement of Fences at Substations: Beta	CRR	-	-	582 949
Upgrade Gamma Substation and install additional 20MVA transformer	CRR	-	6 154 748	3 886 325
Design and Construction of New Pietersburg 11kV switching station	CRR	-	3 516 999	1 943 162
Install bulk supply power to new Pietersburg switching station	CRR	12 000 000	5 275 498	1 943 162
Replacement of undersized XLPE cables with PILCSTA cable: Sterpark, Nirvana, Ext 29	CRR	-	1 055 100	1 360 214
Construction of new 66kV Lines as per master plan	CRR	500 000	3 516 999	9 715 812
Installation of additional 11kV feeder cables to 11kV Switching stations: Bendor, LeRouxville, Superbia, Flora Park, Laboria, Industria	CRR	-	3 868 699	3 886 325



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MULTI YEAR BUDGET CAPITAL REPLACEMENT RESERVE	Funding Source	Budget Year +1 2022/23	Budget Year +1 2023/24	Budget Year +1 2024/25
Description				
<b>Environmental Management - Community Services</b>				
Refurbishment of water fountains at Civic Centre(Head Office)	CRR	-	374 633	-
Construction of Ablution facilities at Tom Naude Park	CRR	-	541 136	-
Grass cutting equipment's	CRR	1 834 391	60 371	56 187
Upgrading of Security at Game Reserve	CRR	-	145 690	149 831
Upgrading of Environ-mental Education Centre	CRR	-	114 471	-
Upgrading of municipal nursery	CRR	-	116 552	56 187
Fencing of Municipal Parks	CRR	-	145 690	187 289
Purchase of land for New Mankweng Cemetery	CRR	-	187 316	280 934
Development of Heroes Acre in Silicon Cemetery	CRR	-	116 552	224 747
Purchase of Watering Tanks for Street Trees	CRR	-	166 503	-
Paving of internal Street at Silicon Cemetery	CRR	-	-	374 578
Upgrading of Game Reserve facilities	CRR	-	-	412 036
Upgrading of Mankweng Unit C Park	CRR	-	-	187 289
Upgrading of Mankweng Unit A Park	CRR	-	-	187 289
Greening programme	IUDG	1 500 000	670 000	700 000
Development of a regional parks In Rural Areas	IUDG	-	550 000	1 000 000
<b>Total Environmental Management - Community Services</b>		<b>3 334 391</b>	<b>3 188 916</b>	<b>3 816 367</b>
<b>Control Centre Services/Safety and Security -Public Safety</b>				
Installation of CCTV cameras and fibre network	CRR	541 814	270 568	299 663
Provision two way radios	CRR	-	41 626	18 729
Provision of Access Control Systems and equipment	CRR	-	166 503	187 289
Supply of National flags	CRR	-	20 813	-
Supply and installation of prohibited signs	CRR	-	37 463	-
Supply and delivery of mobile guard houses	CRR	-	104 065	140 467
Purchase of firearms	CRR	-	-	67 424
Purchase of mobile container	CRR	-	-	112 373
<b>Total Control Centre/Safety and Security - Public Safety</b>		<b>541 814</b>	<b>641 038</b>	<b>825 945</b>
<b>Waste Management - Community Services</b>				
Extension of landfill site(Weltevreden)	CRR	195 920	832 517	842 801
240 litre bins	CRR	632 265	131 121	187 289
6 & 9 M3 Skip containers	CRR	500 000	143 609	187 289
Procurement of Concrete Street Bins	CRR	-	333 007	187 289
Seshego transfer station	CRR	-	270 568	280 934

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MULTI YEAR BUDGET	Funding Source	Budget Year +1 2022/23	Budget Year +1 2023/24	Budget Year +1 2024/25
Description				
Lowering Pole mount boxes to ground mounted in Westernburg, Zone1, Zone8, Zone5, Ext 71,73,75, and Lethuli 9A and 9L	CRR	-	879 250	1 943 162
Design and construction 66kV Distribution substation Tweefontein	CRR	-	263 775	3 886 325
Design and construction of 66kV line between Iota and Tweefontein substations	CRR	-	263 775	3 886 325
Design and construction 66kV Distribution substation Matlala	CRR	-	8 792 497	5 829 487
Design and construct 66kV line between Alpha and Matlala substations	CRR	-	8 792 497	9 715 812
Design and construction of 90MW Solar Farm	CRR	-	-	1 554 530
Cherry Pickers x6 (1 of 25m in 2023/2024)	CRR	-	879 250	-
LDV's for electricians x15	CRR	-	439 625	388 632
Power generation at Municipal Buildings (SSEG)	CRR	-	1 318 875	388 632
Refurbishing of overhead networks in Ivydale	CRR	2 500 000	615 475	-
Electrification of newly built Low-cost housing in urban areas (New housing package approach)	CRR	-	3 516 999	3 886 325
Energy Efficient Demand Side Management	EEDSM	5 000 000	4 000 000	5 000 000
New Pietersburg 11kV Switching station Phase 2	INEP	18 300 000	-	-
Electrification Of Urban Households in Extension 40	INEP	11 100 000	9 000 000	5 112 000
Install New Bakone to IOTA 66KV double circuit GOAT line	IUDG	12 000 000	15 000 000	15 000 000
<b>Total Energy Services - Energy</b>		<b>126 400 000</b>	<b>103 000 000</b>	<b>105 112 000</b>
<b>Disaster and Fire - Public Safety</b>				
Acquisition of fire Equipment	CRR	269 061	27 441	28 439
Floto pumps	CRR	-	27 441	30 312
65 and 100 mm Large Fire bore hoses with stortz coupling	CRR	-	16 465	16 689
38mm small Fire hoses with instantaneous couplings	CRR	-	43 906	58 238
Miscellaneous equipment and gear/ Ancillary equipment	CRR	-	10 977	17 369
Hydraulic equipment	CRR	600 000	38 418	53 300
Electric submersible portable pump	CRR	-	10 977	15 496
Multipurpose branches (Monitors)	CRR	-	10 977	28 606
Obsolete fire equipment: Lighting and high mast	CRR	-	-	37 458
Rescue ropes/high angle	CRR	-	10 977	11 237
Industrial lifting rescue equipment,	CRR	-	-	37 458
Upgrading of Fire Training facility	CRR	-	71 347	65 551
Extension of Silicon Fire station (Planning)	CRR	-	-	93 645

DRAFT MULTI-YEAR BUDGET 2022/23- 2024/25

MULTI YEAR BUDGET	Funding Source	Budget Year +1 2022/23	Budget Year +1 2023/24	Budget Year +1 2024/25
Description				
New Matlala Fire Station( Planning)	CRR	-	93 296	112 373
New Fire Station at Molepo/Chuene/Maja Cluster (Planning )	CRR	-	93 300	93 645
Industrial Fire Fighting portable Pumps	CRR	-	35 674	46 822
Resuscitation equipment	CRR	-	21 953	28 093
New Moletji Fire Station (Planning)	CRR	-	82 324	74 916
New skid units	CRR	-	-	46 822
New Breathing Apparatus	CRR	-	-	37 458
Compressors	CRR	-	-	74 916
Gas detection equipment	CRR	-	-	37 458
Flir/Thermal Imaging Camera	CRR	-	-	33 712
<b>Total Disaster and Fire - Public Safety</b>		<b>869 061</b>	<b>595 470</b>	<b>1 080 014</b>
<b>Traffic &amp; Licencing - Public Safety</b>				
Purchase of alcohol testing device /Machine/Equipment)	CRR	-	312 194	297 790
Upgrading of City Licencing and vehicle testing facility	CRR	800 000	312 194	297 790
Procurement of AARTO equipment's	CRR	50 000	104 065	112 373
Procurement of of office cleaning equipment's	CRR	50 000	31 219	33 712
Computerized Learners license	CRR	-	139 447	133 013
Procurement of 2 X Metro counters (law enforcement)	CRR	-	291 381	-
Procurement of 7 X Pro-laser 4 Speed equipment's	CRR	-	520 323	496 316
Licencing eye testing equipment's.	CRR	-	176 910	-
Upgrading of Logistics offices	CRR	300 000	183 154	187 289
Construction of Traffic Law enforcement waiting area	CRR	200 000	124 878	1 191 159
Construction of Licenses waiting area	CRR	200 000	124 878	119 116
Construction of steel parking shelters at Traffic and Licenses	CRR	-	174 829	166 762
Upgrading of City traffic & licencing centre	CRR	800 000	112 390	107 204
Procurement of 7 x K78 Trailers(Road block trailers)	CRR	-	312 194	393 307
Procurement of 2 x equipped mobile Bus	CRR	-	1 040 646	992 632
Upgrading Traffic and Licencing centre with municipal Court Building.	CRR	-	-	374 578
<b>Total Traffic &amp; Licencing - Public Safety</b>		<b>2 400 000</b>	<b>3 960 699</b>	<b>4 903 041</b>

DRAFT MULTI-YEAR BUDGET 2022/23- 2024/25

MULTI YEAR BUDGET	Funding Source	Budget Year +1 2022/23	Budget Year +1 2023/24	Budget Year +1 2024/25
Description				
<b>Environmental Management - Community Services</b>				
Refurbishment of water fountains at Civic Centre(Head Office)	CRR	-	374 633	-
Construction of Ablution facilities at Tom Naude Park	CRR	-	541 136	-
Grass cutting equipment's	CRR	1 834 391	60 371	56 187
Upgrading of Security at Game Reserve	CRR	-	145 690	149 831
Upgrading of Environ-mental Education Centre	CRR	-	114 471	-
Upgrading of a park in Westernburg	CRR	-	-	-
Upgrading of municipal nursery	CRR	-	116 552	56 187
Fencing of Municipal Parks	CRR	-	145 690	187 289
Purchase of land for New Mankweng Cemetery	CRR	-	187 316	280 934
Development of Heroes Acre in Silicon Cemetery	CRR	-	116 552	224 747
Purchase of Watering Tanks for Street Trees	CRR	-	166 503	-
Paving of internal Street at Silicon Cemetery	CRR	-	-	374 578
Upgrading of Game Reserve facilities	CRR	-	-	412 036
Upgrading of Mankweng Unit C Park	CRR	-	-	187 289
Upgrading of Mankweng Unit A Park	CRR	-	-	187 289
Greening programme	IUDG	1 500 000	670 000	700 000
Development of a regional parks In Rural Areas	IUDG	-	550 000	1 000 000
<b>Total Environmental Management - Community Services</b>		<b>3 334 391</b>	<b>3 188 916</b>	<b>3 816 367</b>
<b>Control Centre Services/Safety and Security -Public Safety</b>				
Installation of CCTV cameras and fibre network	CRR	541 814	270 568	299 663
Provision two way radios	CRR	-	41 626	18 729
Provision of Access Control Systems and equipment	CRR	-	166 503	187 289
Supply of National flags	CRR	-	20 813	-
Supply and installation of prohibited signs	CRR	-	37 463	-
Supply and delivery of mobile guard houses	CRR	-	104 065	140 467
Purchase of firearms	CRR	-	-	67 424
Purchase of mobile container	CRR	-	-	112 373
<b>Total Control Centre/Safety and Security - Public Safety</b>		<b>541 814</b>	<b>641 038</b>	<b>825 945</b>
<b>Waste Management - Community Services</b>				
Extension of landfill site(Weltevreden)	CRR	195 920	832 517	842 801
240 litre bins	CRR	632 265	131 121	187 289
6 & 9 M3 Skip containers	CRR	500 000	143 609	187 289
Procurement of Concrete Street Bins	CRR	-	333 007	187 289
Seshego transfer station	CRR	-	270 568	280 934
Westernburg Transfer Station	CRR	-	270 568	280 934
Building plans for Mankweng transfer station	CRR	190 000	-	-
Purchase of Educational and Awareness equipment	CRR	350 000	62 439	46 822
No dumping Boards	CRR	150 000	83 252	93 645
Mankweng depot truck wash bay	CRR	-	141 528	-

DRAFT MULTI-YEAR BUDGET 2022/23- 2024/25

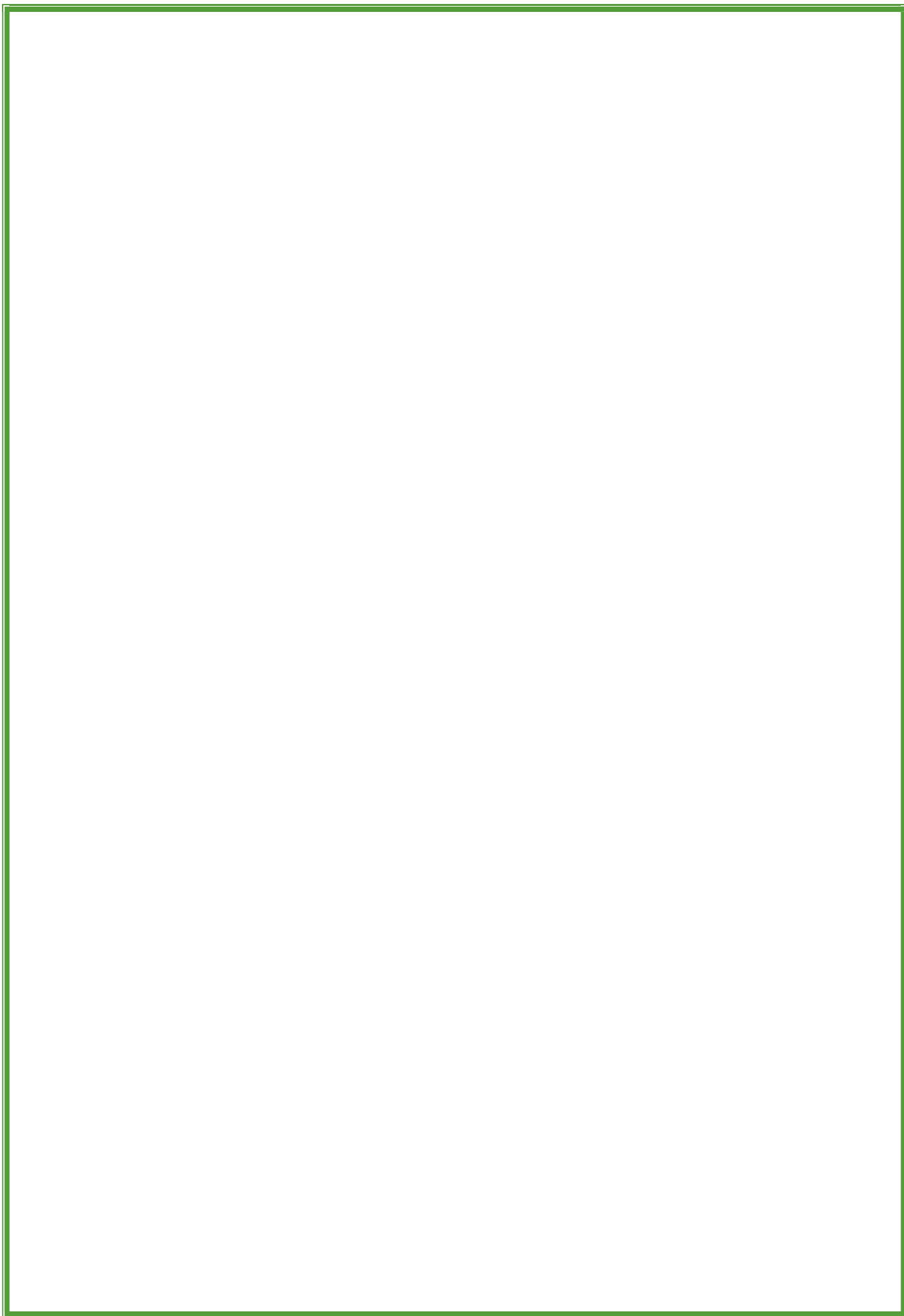
MULTI YEAR BUDGET	Funding Source	Budget Year +1 2022/23	Budget Year +1 2023/24	Budget Year +1 2024/25
Description				
Seshego depot truck wash bay	CRR	-	143 609	-
Construction of septic tank at Mankweng transfer station	CRR	-	141 528	-
Gates and parameter fence at Ladanna depot	CRR	-	145 690	-
Extension of boardroom at waste offices	CRR	-	93 658	-
Installation of air conditioners at Waste Management Offices	CRR	-	-	-
Installation of CCTV cameras at the landfill sites (Weltevreden and Aganang )	CRR	-	124 878	-
Purchase of street pavement bins	CRR	-	-	93 645
Purchase of truck washing machines	CRR	-	-	112 373
Purchase of speed points for the Land fill sites	CRR	-	-	187 289
Rural transfer Station(Molepo )	IUDG	6 000 000	-	-
Ga- Maja transfer (Planning)	IUDG	-	4 500 000	2 000 000
Ga- Chuene transfer station(Planning)	IUDG	-	4 500 000	2 000 000
<b>Total Waste Management - Community Services</b>		<b>8 018 185</b>	<b>11 917 972</b>	<b>6 500 309</b>
<b>Sport &amp; Recreation - Community Services</b>				
Grass Cutting equipment's	CRR	215 480	166 503	187 289
Procurement of Conference Table and Chairs for (Peter Mokaba Basement Boardroom)	CRR	-	71 347	84 280
Establishment of artificial grass surfaces in stadiums	CRR	-	249 755	280 934
Construction of clear view fencing around the playing areas.	CRR	-	312 194	318 391
Nirvana stadium outside field and ablution facilities	CRR	-	416 258	318 391
Procurement of fields maintenance equipment's	CRR	-	270 568	280 934
Procurement of Sports Fields Poles and Nets	CRR	-	208 129	280 934
EXT 44/78 Sports and Recreation Facility	IUDG	8 000 000	9 000 000	-
Construction of Sebayeng / Dikgale Sport Complex	IUDG	1 361 000	3 349 000	10 755 340
Construction of Softball stadium in City Cluster	IUDG	5 608 450	-	-
Upgrading of Mankweng Stadium-roadworks	IUDG	-	1 675 000	-
Construction of Softball Stadium	IUDG	35 000 000	-	-
<b>Total Sport &amp; Recreation - Community Services</b>		<b>50 184 930</b>	<b>15 718 755</b>	<b>12 506 493</b>
<b>Cultural Services - Community Services</b>				
Collection development -books	CRR	404 304	145 690	140 467
New exhibition Irish House	CRR	-	118 634	149 831
Pur-chase of Art works	CRR	-	124 878	112 373
Installation of the Boardwalk at Bakone Malapa	CRR	-	65 859	112 373
Public Sculpture	CRR	-	122 796	112 373
Purchase of the museum shelves	CRR	-	-	56 187
Purchase of the Drone for museum	CRR	-	-	28 093
Purchase of the fridge for the museum	CRR	-	-	2 809
<b>Total Cultural Services - Community Services</b>		<b>404 304</b>	<b>577 857</b>	<b>714 508</b>

DRAFT MULTI-YEAR BUDGET 2022/23- 2024/25

MULTI YEAR BUDGET	Funding Source	Budget Year +1 2022/23	Budget Year +1 2023/24	Budget Year +1 2024/25
Description				
<b>Information Services - Corporate and Shared Services</b>				
Procurement of Laptops, PCs and Peripheral Devices	CRR	2 500 000	353 820	337 120
Implementation of ICT Strategy	CRR	188 048	187 316	172 306
Network Upgrade	CRR	3 000 000	353 820	337 120
<b>Total Information Services - Corporate and Shared Services</b>		<b>5 688 048</b>	<b>894 956</b>	<b>846 547</b>
<b>City Planning - Planning and Economic Development</b>				
Township establishment at Farm Volgestruisfontein 667 LS (Polokwane X 134)	CRR	-	249 755	280 934
Township establishment at portion 151-160 of the Farm Sterkloop 688 LS.	CRR	611 157	291 381	187 289
Land Acquisition	CRR	198 177	104 065	187 289
Implementation of the ICM program (IUDF) Precinct Plan	CRR	-	76 835	280 934
Township Establishment for the Eco-estate at Game Reserve	CRR	493 627	145 690	187 289
Mixed use development on the land adjacent to the Municipal Airport and Stadium (Portion 10 of farm Sterkloop 688LS)	CRR	-	312 194	280 934
Establishment of Arts and Cultural HUB at Bakoni Malapa	CRR	141 036	199 804	561 867
Upgrading of the R293 area Townships	CRR	-	145 690	280 934
Township establishment at the remainder of portion 179 of the Farm Sterkloop 688 LS.	CRR	-	-	280 934
Provision of short term engineering services for Bakone Malapa	IUDG	15 000 000	10 000 000	12 000 000
<b>Total City Planning - Planning and Economic Development</b>		<b>16 443 997</b>	<b>11 525 415</b>	<b>14 528 403</b>
<b>Human Settlement - Planning and Economic Development</b>				
New Municipal Offices HQ (Polokwane Towers)Planning	CRR	668 903	329 295	1 872 891
Electronic System for Approval of Building Plans	CRR	705 181	-	-
<b>Total Human Settlement - Planning and Economic Development</b>		<b>1 374 084</b>	<b>329 295</b>	<b>1 872 891</b>
<b>LED - Planning and Economic Development</b>				
Development of the Industrial Park or Special Economic Zone	CRR	352 590	312 194	374 578
Post Incubation Hub-Installation of services at the Township	CRR	587 651	582 762	561 867
Post Incubation Hub Development Concept	CRR	587 651	582 762	561 867
<b>Total LED - Planning and Economic Development</b>		<b>1 527 892</b>	<b>1 477 718</b>	<b>1 498 313</b>
<b>GIS - Planning and Economic Development</b>				
Procurement of a drone for aerial imagery acquisition	CRR	-	374 633	337 120
<b>Total GIS - Planning and Economic Development</b>		<b>-</b>	<b>374 633</b>	<b>337 120</b>

DRAFT MULTI-YEAR BUDGET 2022/23- 2024/25

MULTI YEAR BUDGET	Funding Source	Budget Year +1 2022/23	Budget Year +1 2023/24	Budget Year +1 2024/25
Description				
<b>Total Fleet Management - Corporate and Shared Services</b>				
Purchase of fleet	CRR	-	312 194	374 578
Purchase of Yellow Fleet (3 x Graders / 2 x TLB)	CRR	15 000 000	-	-
Purchase of Waste Trucks (2 X Compactors)	CRR	5 000 000	-	-
<b>Total Fleet Management - Corporate and Shared Services</b>		<b>20 000 000</b>	<b>312 194</b>	<b>374 578</b>
<b>Transport Operations(IPRTS)- Transport and Services</b>				
PT facilities Upgrade	PTNG	7 500 000	7 819 894	8 118 546
Upgrad & constr of Trunk route WP1	PTNG	14 500 000	15 118 461	15 695 856
widening of sandriver bridge(trunk)	PTNG	38 000 000	39 620 794	41 133 968
Refurshment of daytime layover facility	PTNG	2 000 000	2 085 305	2 164 946
Construction of Bus station upper structure(general joubert str)	PTNG	23 000 000	23 981 007	24 896 875
Upgrad of transit mall	PTNG	3 200 000	3 336 488	3 463 913
Ditlou intersection	PTNG	6 500 000	6 777 241	7 036 073
Construction of bus Station at Seshego	PTNG	-	-	-
Construction of bus depot Civil works WP3	PTNG	15 000 000	15 639 787	16 237 092
Environmental Management Seshego & SDA1	PTNG	1 500 000	1 563 979	1 623 709
Environmental Management in Polokwane City Cluster	PTNG	1 500 000	1 563 979	1 623 709
Upgrade & rehab of Trunk Ext in Seshego & SDA1	PTNG	-	-	-
Rehabilitation of Feeder Routes in Polokwane	PTNG	-	-	-
Construction and upgrading of NMT facilities	PTNG	-	-	-
Construction & provision of Bus Depot Upper structure in Seshego	PTNG	23 300 000	24 293 803	25 221 617
Occupational Health & Safety (OHS) Management	PTNG	2 000 000	2 085 305	2 164 946
Upgrade & rehab of Trunk Ext in Moletjie	PTNG	-	-	-
<b>Total Transport Operations(IPRTS)- Transport and Services</b>		<b>138 000 000</b>	<b>143 886 043</b>	<b>149 381 251</b>
<b>Total Capital Expenditure</b>		<b>967 665 326</b>	<b>859 378 565</b>	<b>866 485 572</b>
Intergrated Urban Development Grant	IUDG	359 580 617	331 690 184	339 455 340
Public Transport Network Grant	PTIG	138 000 000	143 886 043	149 381 251
Neighbourhood Development Grant	NDPG	40 000 000	40 000 000	45 000 000
Water Services Infrastructure Grant	WSIG	77 160 000	72 700 000	76 871 000
Regional Bulk Infrastructure Grant	RBIG	154 584 000	120 597 000	126 013 000
Integrated National Electrification Programme Grant	INEP	29 400 000	9 000 000	5 112 000
Energy Efficiency and Demand Side Management Grant (EEDSM)	EEDSM	5 000 000	4 000 000	5 000 000
<b>Total DoRA Allocations</b>		<b>803 724 617</b>	<b>721 873 226</b>	<b>746 832 591</b>
Capital Replacement Reserve	CRR	163 940 709	137 879 971	119 990 102
<b>TOTAL FUNDING</b>		<b>967 665 326</b>	<b>859 753 198</b>	<b>866 822 693</b>





# **ANNEXURE C**

**Entity Draft Budget 2022/23-2024/25**

**Annexure A: Polokwane Housing Association**



**Annual Budget and service delivery agreement - Polokwane Housing Association (PHA) For the Period 2022/2023 to 2024/2025**

Despite global and national economic challenges and international pandemic, 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 2022/23 reflects that, with the projected allocation of all rental units of 1150 units, the entity will be generating R15.8million for the year. The 2022/23 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 R4.4mil for the year, this deficit is mainly due non-cash items ( Depreciation and Impairment of Receivables) of R13million.

The 2022/23 budget includes a R14million 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 2023/24 and 2024/25 the operational grant remains at R14million. For two outer years the operational budget is split between R9million to fund operations R5million 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. This 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 2022/23 employment costs are budgeted at 3.5% for budget purposes which is consistent with South African Local Government Bargaining Council, the 3.5% is consistent with the 2021/22 increase.

## 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 2021 Polokwane Municipality 100%
Mandate	Develop and Manage Intergrated Human Settlements
Funding over medium term	R14 Million 2022/23 R14 Million 2023/24

	R14 Million 2024/25
Summary of SDA	Sets out the obligation of PHA to Polokwane Municipality in respect of compliance and performance Issues
Past performance and future objectives	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.  PHA hopes to meet future housing demands





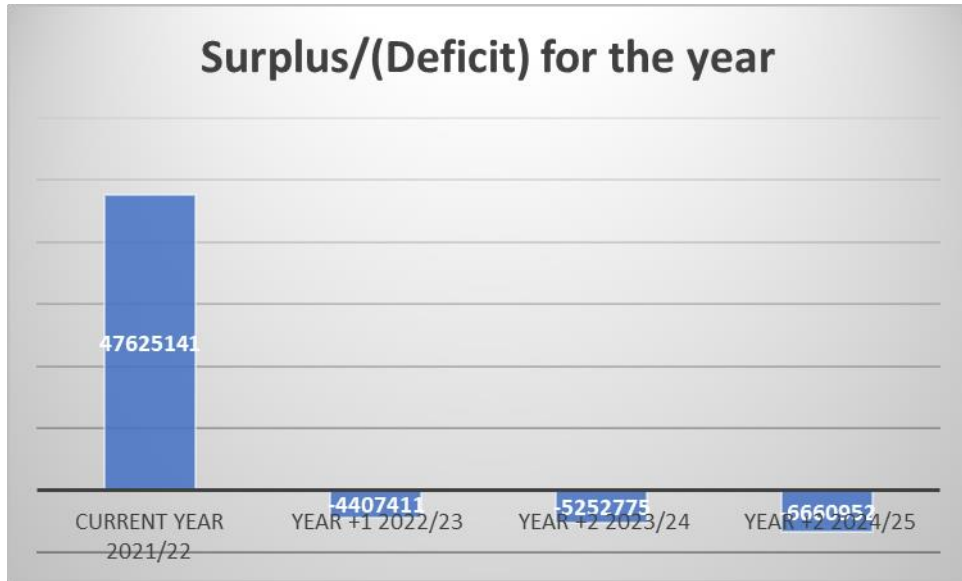
## **SUMMARY**

1. The Annual Budget for the financial year 2022/2023 and indicative for the two projected outer years 2023/2024 and 2024/2025 can be summarized as follow

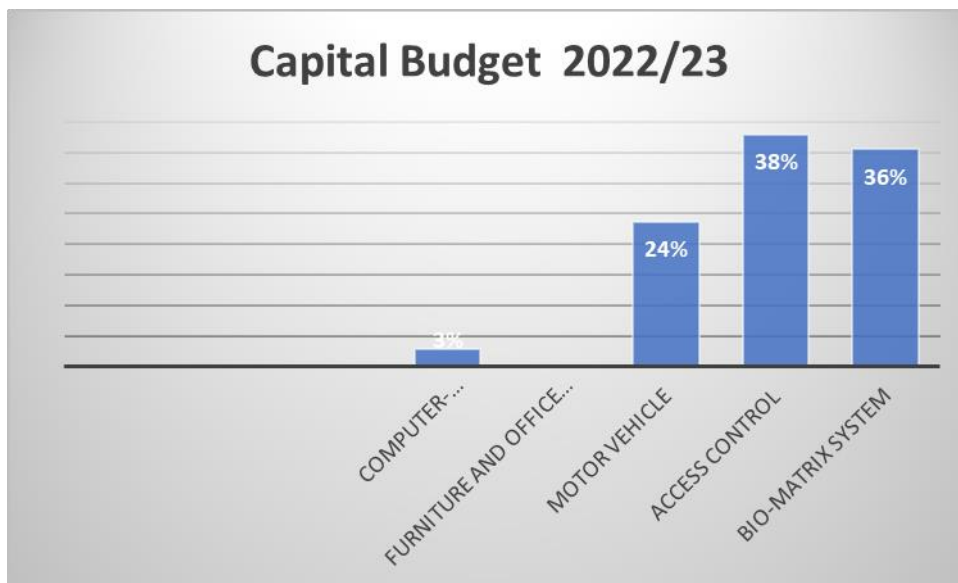
### **Operating revenue and expenditure summary:**

Description R thousand	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Total Operational Revenue	29 872	26 677	29 872	29 873	29 873
Capital transfers recognised	25 000	54 055	-	-	-
<b>Total Revenue</b>	<b>54 872</b>	<b>80 732</b>	<b>29 872</b>	<b>29 873</b>	<b>29 873</b>
<b>Total Expenditure</b>	<b>32 469</b>	<b>33 107</b>	<b>34 279</b>	<b>35 125</b>	<b>36 534</b>
<b>Surplus/ (Deficit) for the year</b>	<b>22 403</b>	<b>47 625</b>	<b>(4 407)</b>	<b>(5 253)</b>	<b>(6 661)</b>

### **Surplus and deficit**



### Capital Budget



**Table D1 Budget Summary**

Description	2018/19	2019/20	2020/21	Current Year 2021/22			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousands</b>									
<b>Financial Performance</b>									
Rental of facilities and equipment	11 696	11 558	11 316	15 851	12 647	12 647	15 850	15 850	15 850
Service charges	-	-	-	-	-	-	-	-	-
Investment revenue	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	11 000	7 834	11 811	14 000	14 000	14 000	14 000	14 000	14 000
Other own revenue	33 741	65 239	107 999	22	30	30	22	23	23
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>56 437</b>	<b>84 630</b>	<b>131 126</b>	<b>29 872</b>	<b>26 677</b>	<b>26 677</b>	<b>29 872</b>	<b>29 873</b>	<b>29 873</b>
Employee costs	7 134	8 346	9 064	10 183	10 398	10 398	11 752	12 163	13 014
Remuneration of directors	1 296	894	991	2 367	2 134	2 134	2 242	2 354	2 472
Debt impairment	8 732	8 641	8 359	8 000	8 000	8 000	8 000	8 000	8 000
Depreciation & asset impairment	4 694	5 146	5 144	5 027	5 027	5 027	5 027	5 027	5 027
Finance charges	-	-	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	-	-	-	-	-	-	-	-	-
Transfers and grants	-	-	-	-	-	-	-	-	-
Other expenditure	20 156	6 191	6 226	6 893	7 548	7 548	7 258	7 581	8 020
<b>Total Expenditure</b>	<b>42 011</b>	<b>29 218</b>	<b>29 784</b>	<b>32 469</b>	<b>33 107</b>	<b>33 107</b>	<b>34 279</b>	<b>35 125</b>	<b>36 534</b>
<b>Surplus/(Deficit)</b>	<b>14 426</b>	<b>55 412</b>	<b>101 342</b>	<b>(2 597)</b>	<b>(6 430)</b>	<b>(6 430)</b>	<b>(4 407)</b>	<b>(5 253)</b>	<b>(6 661)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	-	-	-	-	-	-	-	-	-
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)	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>14 426</b>	<b>55 412</b>	<b>101 342</b>	<b>(2 597)</b>	<b>(6 430)</b>	<b>(6 430)</b>	<b>(4 407)</b>	<b>(5 253)</b>	<b>(6 661)</b>
Taxation	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>14 426</b>	<b>55 412</b>	<b>101 342</b>	<b>(2 597)</b>	<b>(6 430)</b>	<b>(6 430)</b>	<b>(4 407)</b>	<b>(5 253)</b>	<b>(6 661)</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>									
Transfers recognised - capital	-	48	-	25 150	54 085	54 085	2 110	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-
<b>Total sources of capital funds</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Financial position</b>									
Total current assets	23 494	2 677	17 716	7 775	7 921	7 921	7 960	7 671	7 671
Total non current assets	122 795	179 442	283 449	241 700	312 171	312 171	307 203	303 815	298 240
Total current liabilities	29 390	9 914	27 618	4 130	4 400	4 400	3 877	5 453	6 539
Total non current liabilities	-	-	-	-	-	-	-	-	-
Community wealth/Equity	116 898	172 205	273 546	245 344	315 691	315 691	311 285	306 032	299 371
<b>Cash flows</b>									
Net cash from (used) operating	45 710	41 224	109 233	161	261	261	(261)	161	100
Net cash from (used) investing	(25 744)	(61 901)	(109 160)	-	-	-	-	-	-
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>22 449</b>	<b>1 773</b>	<b>1 846</b>	<b>4 350</b>	<b>4 450</b>	<b>4 450</b>	<b>4 189</b>	<b>4 350</b>	<b>4 450</b>

**Table D2 Budgeted Financial Performance (revenue and expenditure)**



Description	2018/19	2019/20	2020/21	Current Year 2021/22			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousands</b>									
<b>Revenue by Source</b>									
Property rates									
Service charges - electricity revenue									
Service charges - water revenue									
Service charges - sanitation revenue									
Service charges - refuse revenue									
Rental of facilities and equipment	11 696	11 558	11 316	15 851	12 647	12 647	15 850	15 850	15 850
Interest earned - external investments									
Interest earned - outstanding debtors									
Dividends received									
Fines, penalties and forfeits									
Licences and permits									
Agency services									
Transfers and subsidies	11 000	7 834	11 811	14 000	14 000	14 000	14 000	14 000	14 000
Other revenue	33 741	65 239	107 999	22	30	30	22	23	23
Gains									
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>56 437</b>	<b>84 630</b>	<b>131 126</b>	<b>29 872</b>	<b>26 677</b>	<b>26 677</b>	<b>29 872</b>	<b>29 873</b>	<b>29 873</b>
<b>Expenditure By Type</b>									
Employee related costs	7 134	8 346	9 064	10 183	10 398	10 398	11 752	12 163	13 014
Remuneration of directors	1 296	894	991	2 367	2 134	2 134	2 242	2 354	2 472
Debt impairment	8 732	8 641	8 359	8 000	8 000	8 000	8 000	8 000	8 000
Depreciation & asset impairment	4 694	5 146	5 144	5 027	5 027	5 027	5 027	5 027	5 027
Finance charges									
Bulk purchases - electricity									
Inventory consumed									
Contracted services									
Transfers and subsidies									
Other expenditure	20 156	6 191	6 226	6 893	7 548	7 548	7 258	7 581	8 020
Losses									
<b>Total Expenditure</b>	<b>42 011</b>	<b>29 218</b>	<b>29 784</b>	<b>32 469</b>	<b>33 107</b>	<b>33 107</b>	<b>34 279</b>	<b>35 125</b>	<b>36 534</b>
<b>Surplus/(Deficit)</b>	<b>14 426</b>	<b>55 412</b>	<b>101 342</b>	<b>(2 597)</b>	<b>(6 430)</b>	<b>(6 430)</b>	<b>(4 407)</b>	<b>(5 253)</b>	<b>(6 661)</b>
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)									
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)				25 000	54 055	54 055			
Transfers and subsidies - capital (in-kind - all)									
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>14 426</b>	<b>55 412</b>	<b>101 342</b>	<b>22 403</b>	<b>47 625</b>	<b>47 625</b>	<b>(4 407)</b>	<b>(5 253)</b>	<b>(6 661)</b>
Taxation									
<b>Surplus/ (Deficit) for the year</b>	<b>14 426</b>	<b>55 412</b>	<b>101 342</b>	<b>22 403</b>	<b>47 625</b>	<b>47 625</b>	<b>(4 407)</b>	<b>(5 253)</b>	<b>(6 661)</b>

Table D3 Capital Budget by vote and funding



Vote Description	2018/19	2019/20	2020/21	Current Year 2021/22			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousands</b>									
<b>Capital expenditure by Asset Class/Sub-class</b>									
<b>Other assets</b>	-	48	-	25 150	54 085	54 085	2 110	-	-
<i>plant &amp; equipment</i>	-	-	-	120	-	-	-	-	-
<i>computer-hardwar/equipment</i>	-	48	-	15	30	30	60	-	-
<i>furniture and office equipment</i>	-	-	-	15	-	-	-	-	-
<i>Motor Vehicle</i>	-	-	-	-	-	-	500	-	-
<i>Access control</i>	-	-	-	-	-	-	800	-	-
<i>Bio-matrix system</i>	-	-	-	-	-	-	750	-	-
<i>Laboratories</i>	-	-	-	-	-	-	-	-	-
<i>Training Centres</i>	-	-	-	-	-	-	-	-	-
<i>Manufacturing Plant</i>	-	-	-	-	-	-	-	-	-
<i>Depots</i>	-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>	-	-	-	-	-	-	-	-	-
Housing	-	-	-	25 000	54 055	54 055	-	-	-
<i>Staff Housing</i>	-	-	-	-	-	-	-	-	-
<i>Social Housing</i>	-	-	-	25 000	54 055	54 055	-	-	-
<i>Capital Spares</i>	-	-	-	-	-	-	-	-	-
<b>Total capital expenditure on assets</b>	-	48	-	25 150	54 085	54 085	2 110	-	-
<b>Funded by:</b>									
National Government	-	-	-	-	19 055	19 055	-	-	-
Provincial Government	-	-	-	-	-	-	-	-	-
Parent Municipality	-	-	-	25 000	35 000	35 000	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	-	-	-	25 000	54 055	54 055	-	-	-
<b>Borrowing</b>	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>	-	48	-	150	30	30	2 110	-	-
<b>Total Capital Funding</b>	-	48	-	25 150	54 085	54 085	2 110	-	-

Table D4 Budgeted Financial Position

Description	2018/19	2019/20	2020/21	Current Year 2021/22			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousands</b>									
<b>ASSETS</b>									
<b>Current assets</b>									
Cash	22 449	1 773	1 846	4 350	4 450	4 450	4 189	4 350	4 450
Call investment deposits									
Consumer debtors	1 015	907	812	3 400	3 450	3 450	3 750	3 300	3 200
Other debtors	29	(2)	15 057	25	21	21	21	21	21
Current portion of long-term receivables									
Inventory									
<b>Total current assets</b>	<b>23 494</b>	<b>2 677</b>	<b>17 716</b>	<b>7 775</b>	<b>7 921</b>	<b>7 921</b>	<b>7 960</b>	<b>7 671</b>	<b>7 671</b>
<b>Non current assets</b>									
Long-term receivables									
Investments							-	3 957	3 413
Investment property									
Investment in Associate									
Property, plant and equipment	122 737	179 392	283 408	241 620	312 137	312 137	307 110	299 769	294 742
Biological									
Intangible	58	50	42	80	34	34	93	89	85
Other non-current assets									
<b>Total non current assets</b>	<b>122 795</b>	<b>179 442</b>	<b>283 449</b>	<b>241 700</b>	<b>312 171</b>	<b>312 171</b>	<b>307 203</b>	<b>303 815</b>	<b>298 240</b>
<b>TOTAL ASSETS</b>	<b>146 289</b>	<b>182 119</b>	<b>301 165</b>	<b>249 475</b>	<b>320 092</b>	<b>320 092</b>	<b>315 163</b>	<b>311 486</b>	<b>305 911</b>
<b>LIABILITIES</b>									
<b>Current liabilities</b>									
Bank overdraft									
Borrowing									
Consumer deposits									
Trade and other payables	27 840	8 070	25 485	3 250	2 150	2 150	3 197	4 803	5 909
Provisions	1 551	1 844	2 134	880	2 250	2 250	680	650	630
<b>Total current liabilities</b>	<b>29 390</b>	<b>9 914</b>	<b>27 618</b>	<b>4 130</b>	<b>4 400</b>	<b>4 400</b>	<b>3 877</b>	<b>5 453</b>	<b>6 539</b>
<b>Non current liabilities</b>									
Borrowing									
Provisions									
<b>Total non current liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>29 390</b>	<b>9 914</b>	<b>27 618</b>	<b>4 130</b>	<b>4 400</b>	<b>4 400</b>	<b>3 877</b>	<b>5 453</b>	<b>6 539</b>
<b>NET ASSETS</b>	<b>116 899</b>	<b>172 206</b>	<b>273 547</b>	<b>245 345</b>	<b>315 692</b>	<b>315 692</b>	<b>311 286</b>	<b>306 033</b>	<b>299 372</b>
<b>COMMUNITY WEALTH/EQUITY</b>									
Accumulated Surplus/(Deficit)	38 580	93 887	195 228	167 026	242 854	242 854	238 447	233 194	226 533
Reserves	78 318	78 318	78 318	78 318	72 838	72 838	72 838	72 838	72 838
Share capital	1	1	1	1	1	1	1	1	1
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>116 898</b>	<b>172 205</b>	<b>273 546</b>	<b>245 344</b>	<b>315 691</b>	<b>315 691</b>	<b>311 285</b>	<b>306 032</b>	<b>299 371</b>

**Table D5 Budgeted Cash Flow**

Description	2018/19	2019/20	2020/21	Current Year 2021/22			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
<b>R thousands</b>									
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>									
<b>Receipts</b>									
Property rates, penalties and collection charges	3 502	3 028	3 051	4 200	4 300	4 300	7 289	7 350	7 550
Service charges									
Other revenue									
Transfers and Subsidies - Operational	28 497	73 073	119 810	14 000	14 000	14 000	14 000	14 000	14 000
Transfers and Subsidies - Capital									
Interest									
Dividends									
<b>Payments</b>									
Suppliers and employees	13 711	(34 876)	(13 628)	(18 039)	(18 039)	(18 039)	(21 550)	(21 189)	(21 450)
Finance charges									
Dividends paid									
Transfers and Grants									
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>45 710</b>	<b>41 224</b>	<b>109 233</b>	<b>161</b>	<b>261</b>	<b>261</b>	<b>(261)</b>	<b>161</b>	<b>100</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>									
<b>Receipts</b>									
Proceeds on disposal of PPE									
Decrease (increase) in non-current receivables									
Decrease (increase) in non-current investments									
<b>Payments</b>									
Capital assets	(25 744)	(61 901)	(109 160)						
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(25 744)</b>	<b>(61 901)</b>	<b>(109 160)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>									
<b>Receipts</b>									
Short term loans									
Borrowing long term/refinancing									
Increase (decrease) in consumer deposits									
<b>Payments</b>									
Repayment of borrowing									
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>19 966</b>	<b>(20 677)</b>	<b>74</b>	<b>161</b>	<b>261</b>	<b>261</b>	<b>(261)</b>	<b>161</b>	<b>100</b>
Cash/cash equivalents at the year begin:	2 483	22 449	1 773	4 189	4 189	4 189	4 450	4 189	4 350
Cash/cash equivalents at the year end:	22 449	1 773	1 846	4 350	4 450	4 450	4 189	4 350	4 450



# **ANNEXURE D**

**ANNEXURE D: DRAFT MFMA BUDGET CIRCULARS**



## Municipal Budget Circular for the 2022/23 MTREF

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## Introduction

This budget circular is a follow-up to MFMA Circular No. 112 that was issued on 06 December 2021. It aims to provide further guidance to municipalities with the preparation of their 2022/23 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 2022 Budget Review and the 2022 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

The world economy is expected to grow by 4.4 per cent this year. This is lower than the 4.9 per cent that was anticipated when tabling the medium-term budget policy statement (MTBPS). The Omicron variant of the coronavirus caused many countries to impose restrictions to manage its spread. In addition, continued imbalances in global value chains have limited the pace of the world's economic recovery.

The South African economy has not been shielded from these global developments. National Treasury has revised South Africa's economic growth estimate for 2021 to 4.8 per cent, from 5.1 per cent at the time of the MTBPS.

This revision reflects a combination of the impact of changes in the global environment, along with South Africa's own unique challenges. Commodity prices, which have supported South Africa's economic recovery, slowed in the second half of 2021.

Also, violent unrest in July, and restrictions imposed to manage the third wave of COVID-19 further eroded the gains South Africa made in the first half of the year.

Industrial action in the manufacturing sector, and the re-emergence of loadshedding, also slowed the pace of the recovery.

Real Gross Domestic Product (GDP) growth of 2.1 per cent is projected for 2022. Over the next three years, GDP growth is expected to average 1.8 per cent.

Headline inflation is expected to remain between 3 to 6 per cent target range over the 2022/23 MTEF.

In summary, the tax revenue in 2021/22 was higher than projections and this was mainly due to commodity price rally. However, these are projected to be short term, and as such long-term spending commitments should not be made based on short term revenue benefits. There are measures in place to reduce expenditure to narrow the budget deficit.

The following macro-economic forecasts must be considered when preparing the 2022/23 MTREF municipal budgets.

**Table 1: Macroeconomic performance and projections, 2020 - 2025**

Fiscal year	2020/21	2021/22	2022/23	2023/24	2024/25
	Actual	Estimate		Forecast	
CPI Inflation	2.9%	4.5%	4.8%	4.4%	4.5%

Source: Budget Review 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.

## 2. Key focus areas for the 2022/23 budget process

### 2.1 Local government conditional grants allocations

Over the 2022 MTEF period, direct transfers to municipalities will grow above inflation, at an annual average rate of 7.9 per cent. Direct conditional grants grow at an annual average rate of 5.3 per cent over the MTEF, while the Local Government Equitable Share (LGES) grows faster, at an annual average rate of 10.3 per cent over the same period.

The higher than inflation growth of allocations to local government is due to additional allocations over the medium term as follows:

- 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 2022 MTEF period. R28.9 billion is added to the LGES over the MTEF to increase coverage of the provision of free basic services; and
- An amount of R1.7 billion over the MTEF is added to the Neighbourhood Development Partnership Grant to fund the continuation of the upscaling of city-led public employment programmes, as part of the Presidential Youth Employment Intervention; and an amount of R347 million over the first two years of the MTEF period is allocated to fund the introduction of the Municipal Disaster Recovery Grant. More detail is provided below.

The Division of Revenue Bill was published on 23 February 2022, following the tabling of the Budget in Parliament. The Bill specifies all local government transfers and municipalities must reconcile their budgets to the numbers published herein.

In terms of the outer year allocations (2023/24 and 2024/25), it is proposed that municipalities conservatively limit funding allocations to the indicative numbers as presented in the 2022 Division of Revenue Act. The DoRB is available at:

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

### 2.2 Division of Revenue Bill, 2022: changes to local government allocations

**Budget Facility for Infrastructure (BFI) Funding** – There are reductions of R754 million in 2022/23 and R105 million in 2023/24; and an increase of R621 million in 2024/25 in the *Public Transport Network Grant* to align to the revised implementation plan and cash flow projections for the City of Cape Town's MyCiTi public transport network.

**Neighbourhood Development Partnership Grant** – R1.7 billion is added to the direct component of the *Neighbourhood Development Partnership Grant* for the eight metropolitan municipalities to fund the continuation of the upscaling of city-led public employment programmes that contribute to informal settlement upgrading, public space and asset maintenance, development and management, greening and cleaning, food security, innovative service delivery, local knowledge and information sharing and management, community safety, environmental services and management and community tourism. This is part of the Presidential Youth Employment Intervention and is a continuation of government's response to job losses due to COVID-19, introduced as part of the stimulus package to respond to the impact of the COVID-19 pandemic during 2020.

**Regional Bulk Infrastructure Grant** – R1 billion is added to the *Regional Bulk Infrastructure Grant*, funded from the BFI, to fund the continuation of the implementation of the Potable Water Security and Remedial Works project in George Local Municipality.



**Integrated National Electrification Programme (Eskom) Grant** – R50 million is reprioritised from the *Integrated National Electrification Programme (Eskom) Grant* to finance the operational requirements of the Independent Power Producer Office in 2022/23.

**Energy Efficiency and Demand Side Management Grant** – R8 million in 2022/23 and 2023/24, respectively is reprioritised from the *Energy Efficiency and Demand-Side Management Grant* to finance the operational requirements within the vote of the Department of Mineral Resources and Energy.

R10 million is shifted from the sport component of the **Municipal Infrastructure Grant (MIG)** to the **Integrated Urban Development Grant (IUDG)** in 2022/23, to fund a sport project in Polokwane Local Municipality.

The **Municipal Disaster Recovery Grant** is introduced to fund infrastructure recovery in municipalities in KwaZulu-Natal. This grant is allocated R347 million between 2022/23 and 2024/25.

### 2.3 Changes to gazetted frameworks and allocations

**Infrastructure Skills Development Grant (ISDG)** – The grant framework for the infrastructure skills development grant is amended to include a condition that municipalities must have a capacitated Project Management Units with qualified people to act as supervisors in terms of the relevant statutory council requirements.

**Municipal Infrastructure Grant (MIG)** – Over the 2022 MTEF, the Department of Cooperative Governance (DCoG) will introduce an indirect component to the MIG. This is to improve efficiency in grant expenditure to develop more and better-quality infrastructure. The conversion will be done in-year. The criteria as determined by DCoG includes indicators related to expenditure and reliability of infrastructure.

**Municipal Systems Improvement Grant** – Over the MTEF, a portion of the grant will be utilised to continue to support institutionalisation of the district development model.

**Municipal Disaster Relief Grant** – The name of the *Municipal Disaster Relief Grant* is changed to the *Municipal Disaster Response Grant*. The objective of the grant remains the same and the change aligns to existing National Disaster Management Centre (NDMC) processes in responding to disasters that have occurred.

**Local Government Financial Management (FMG) Grant** – Over the 2022 MTEF, the grant framework for the FMG will make provision for the preparation of asset registers.

## 3. IDP Consultation Process Post 2021 Local Government Elections

Municipalities are advised to refer to the guidance (refer to the email sent by the Department of Cooperative Governance and Traditional Affairs (CoGTA) to all municipalities on 20 October 2021) provided through the joint South African Local Government Association (SALGA)/ Department of Cooperative Governance (DCoG) and National Treasury (NT) Joint Circular No.1 on the transitional measures in relation to the integrated development plan (IDP) consultation process. This circular indicates that the previous municipal councils had an obligation to ensure that the legislative stipulations were complied with. Therefore, they were expected to continue the process of the development of the IDP starting with the development and adoption of the process plans as provided for in section 28 of the Municipal Systems Act,

2000. Municipalities should then implement the adopted budget process plan and conduct the public engagements as per dates they have indicated in the process plan.

#### **4. Municipalities unable to pass the annual budget after 1 July**

The provincial executive council must urgently request the Mayor to submit a report outlining detailed reasons and or circumstances that led to failure to approve the annual budget by the 1 July.

The provincial executive council must intervene in terms of section 139(4) of the Constitution and take appropriate steps by issuing a directive to the municipal council to approve a budget and any revenue raising measures necessary to give effect to the budget within a reasonable period.

Section 26(4) and (5) of the MFMA provides for how the expenses can be met pending the approval of a budget through a directive. Provincial Treasuries should establish clear internal processes for reviewing and recommending the approval of withdrawals by their MEC for Finance (templates can be obtained from National Treasury).

The provincial executive council must upon issuing of a directive to the Municipal Council conduct an assessment of the budget tabled by the Mayor against the norms and standards, approved budget process plan, and the outcome of public participation processes.

In the event the Municipal Council fails to approve a budget due to walk out or individual misconduct by a majority of councillors, the Speaker must immediately investigate the conduct of those identified councillors in terms of the Code of Conduct for councillors as provided for in the Municipal Systems Act, 2000.

If in terms of the assessment by the provincial executive council of the tabled budget, it is found that there are no justifiable grounds for not approving the budget, the former must submit/ present the outcome of the assessment to the Municipal Council with a directive to consider the assessment and adopt the budget. If the assessment of the provincial executive council of the tabled budget finds that it does not adhere to the required norms and standards, the directive from the provincial executive council should instruct the council to first amend the budget to remedy this before adopting the budget.

The provincial executive council must, if necessary give the municipal council a further 14 days to approve a tabled budget that complies with norms and standards and incorporates the outcome of public participation, failing which the provincial executive council must consider dissolution of municipal council, approval of a temporary budget and appointment of an administrator as a last resort.

#### **5. Municipal Standard Chart of Accounts (mSCOA)**

##### **5.1 Release of Version 6.6.1 of the Chart**

Version 6.6.1 of the chart will be released through a patch to accommodate the following changes/conditions published in the 2022 Division of Revenue (DoR) Bill:

- The capital leg of the Local Government Financial Management (FMG) grant that was retired in chart version 6.2 of the chart. As per the conditions published in the 2022 DoR Bill, the grant may be used, inter alia, for the acquisition, upgrade and maintenance of financial management systems to produce multi-year budgets, in-year reports, service

delivery and budget implementation plans, annual financial statements, annual reports and automated financial management practices including the *m*SCOA;

- Allocation-in-kind for the MIG grant to make provision for the indirect grant portion of the grant; and
- The name change from Municipal Disaster relief grant to Municipal Disaster Response Grant. Municipalities should take note of this change when they report on COVID-19 in terms of *m*SCOA Circular No. 9.

Version 6.6.1 of the chart will be effective from 01 July 2022 and must be used to compile the 2022/23 MTREF. The patch is available on the link below:

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

## 5.2 Funding Depreciation

From the analysis of the *m*SCOA data strings it is evident that a number of municipalities are allocating non-funding as the funding source in the fund segment for depreciation charges. Depreciation charges must be funded from operational funds such as service charges for electricity if assets are utilised for electricity purposes, service charges water for water management purposes, waste and wastewater management in the same manner and property rates for services like roads that is primarily funded from property rates.

When deprecation is funded, it will assist the municipalities to accumulate sufficient surpluses that must be transferred to cash backed reserves. Depreciation is the method to provide for the replacement of the assets. If depreciation remains a journal without the funds being ring-fenced, municipalities will not be in a financial position to fund future infrastructure assets.

## 5.3 Application of Costing

The mapping for Table A2 on Financial Performance of the regulated Schedule A was updated to include the costing segment. The costing segment in *m*SCOA provides for the recording of the full cost for the four core municipal functions, namely: electricity, water, wastewater and waste management. It also allows for the charge out of costs between functions and projects. Costing: recoveries was previously recorded as 'revenue: default' in the item segment. However, as the charge out of cost does not present revenue, municipalities must use 'expenditure: default' in the item segment to record the debit and credit of all costing transactions where the charges increase cost and the recoveries decrease the cost per function or project.

Municipalities are also reminded that one of the validation rules that are applied when *m*SCOA data strings are submitted is that costing transactions for charges and recoveries must balance to zero.

## 5.4 Change in calculation of consumer deposits

The addition of consumer deposits as a funding source in version 6.6 of the *m*SCOA chart impacts on the population of Tables SA30 and A7 in the Schedule A. The calculation will be changed in the 6.6 chart version to the following:

CASH FLOWS FROM FINANCING ACTIVITIES	
Increase in consumer deposits	Consumer deposits FD001001001014 linked to IA001 Deposits
(Decrease) in consumer deposits	Consumer deposit IL001002 :Withdrawals

All payments received in respect of consumer deposits will be picked up utilising the consumer deposit fund source linked to the bank: deposits posting level. The payment of consumer

deposits will be picked up from item liability: consumer deposits: withdrawals posting levels, which represent the outflow of cash.

### 5.5 NERSA reporting

Municipalities are reminded to complete the D-Forms that the National Energy Regulator of South Africa (NERSA) requires. The National Treasury is currently looking into ways of how the *mSCOA* data strings can be used to populate the NERSA reports and will provide guidance in this regard during 2022.

### 5.6 Restructuring of the Long-Term Component of Trade Payables

In an effort to assist municipalities to get to a funded budget position, the National Treasury have requested municipalities to negotiate with their major trade creditors like Eskom, Water Boards and the Department of Water Affairs to restructure their outstanding trade creditors. Where the debt owed by a municipality was restructured, in terms of a debt repayment agreement, and the repayment period exceeds a period of 12 months, the debt will remain under *current liabilities trade payables* as per the version 6.6 of the *mSCOA* chart.

The restructuring of debt in the Statement of Financial Position to include the non-current portion through the reclassification of the debt to a *non-current liability of trade payables* under non-current liabilities has a major impact on the working capital requirement disclosure in the funding compliance assessment on Table A8 of the Schedule A and on the entire funding methodology of the National Treasury. The restructuring of debt also affects a number of liquidity measurement ratios such as the Current Ratio, Liquidity Ratio and Creditors to Cash Ratio.

Detailed analysis and careful consideration of the appropriate accounting treatment to ensure that future adjustments to the chart will not compromise the funding methodology of the National Treasury is required. Therefore, any changes required to the *mSCOA* Chart to accommodate the restructuring of the long-term component of trade payables will only be considered for inclusion in version 6.7 of the chart.

The restructuring of the non-current portion should not only impact on the Statement of Financial Position as it requires that municipalities include additional cost in the operation budget for the repayment of the non-current liability, including any finance charges that may be payable as per the repayment agreement. The restructuring of the trade payables without the inclusion of the interest and redemption payments of the non-current liability on the cash flow statement will significantly misstate the funding position of the municipality.

The Budget Funding Assessment Tool used by the National and provincial treasuries to assess the funding position of municipal budgets has been enhanced to include a *Restructuring of Trade Payables Module* to assess the full impact of the restructuring on both the Statement of Financial Position and the impact of interest charges and repayment of the non-current liability on the cash flow position of the municipality. Municipalities that have restructured their trade payables should:

- Indicate this to the respective National and provincial treasuries when submitting their tabled and adopted 2022/23 MTREF budget; and
- Submit the approved agreement with the supplier to the respective National and provincial treasuries with their budget documentation.

The necessary restructuring will then be taken into account in the funding assessment by the respective National and provincial treasuries prior to determining the funding position of the municipality.

## 5.7 mSCOA eLearning

A web-based eLearning course on mSCOA will be available on the National School of Government (NSG) website from April 2022. This is a self-paced course aimed at all government and municipal officials, especially new employees and interns to on-board them on mSCOA.

The course is structured as follows:

### *Module 1 – The fundamentals of mSCOA (for financial and non-financial officials)*

- An overview of the Local Government Budget and Financial Management Reform Agenda and mSCOA Legislative Framework;
- mSCOA implementation oversight (including the role of internal audit, risk management and councilors); and
- Understanding the mSCOA segments.

### *Module 2 – System and reporting requirements (for financial and non-financial officials)*

- An overview of the reporting requirements in a mSCOA environment;
- Key business processes that underpins mSCOA;
- Minimum system specifications required to comply with the mSCOA Regulations;
- Submission of documents and data strings to the National Treasury (i.e. registration process and upload process); and
- Period Control and how to transact and report in period 13, 14 and 15.

### *Module 3 – Budgeting and transacting on the mSCOA chart (for financial officials)*

An understanding of accounting principles and GRAP is required to complete this module.

Municipalities are reminded to budget for the course in their 2022/23 MTREF. For further information, contact the NSG on their website link: <https://www.thensg.gov.za>.

## 6. 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.

It should be noted that it is easier for consumers to pay for services if they are reliable and when the environment is well maintained.



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; therefore, municipalities are required to **justify all increases in excess of the projected inflation target for 2022/23** in their budget narratives and pay careful attention to 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.

### 6.1 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 2022/23 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.

It is essential that municipalities reconcile their most recent valuation roll data to that of the billing system to ensure that revenue anticipated from property rates are accurate. 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. The list of exceptions derived from this reconciliation will indicate where the municipality may be compromising its revenue generation in respect of property rates. 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 to the billing system to the National Treasury on a quarterly basis.

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

### 6.2 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, 2000 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.

Municipalities are encouraged to utilise the tariff setting tool referenced in MFMA Circular No. 98, item 4.2. This tool will assist in setting tariffs that are cost-reflective and would enable a municipality to recover costs to fulfil its mandate. 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>

It is also imperative that every municipality is utilising the *m*SCOA cost segment correctly.

### 6.3 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 advised 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.**

In this regard municipalities are reminded to take note of the Constitutional Court decision in **Mazibuko and Others vs City of Johannesburg and Others (CCT 39/09) [2009] ZACC 28; 2010 (3) BCLR 239 (CC); 2010 (4) SA 1 (CC) (8 October 2009)**. The Constitutional Court confirmed that a municipality has the right to disconnect the water service in the event of non-payment. In the case of registered indigent users, water may not be disconnected but can and should be restricted to the national policy limit of 6 kilolitres of water monthly.

### 6.4 Timeous allocations and clearing of the control accounts

Municipalities are encouraged to clear the control accounts on a monthly basis and to allocate trade and other receivable payments in these suspense accounts to the relevant debtor accounts regularly before the monthly submissions as required by the MFMA. Implementing and enforcing the credit control policy of the municipality whilst payments are not cleared in the control account is negligent and irresponsible. Municipalities are warned against this bad practice, and this must be avoided at all costs.

## 6.5 Smart Prepaid Meters Solution

The Inter-Ministerial Task Team (IMTT) of the 5<sup>th</sup> administration appointed a panel to investigate the electricity function to better understand what is causing the non-payment to Eskom. Cabinet subsequently endorsed the panel's recommendation that a smart prepaid solution for all municipalities must be explored. Municipalities are advised that the National Treasury, through the Office of the Chief Procurement Officer (OCPO), will soon facilitate a transversal contract to standardise prepaid smart meter solutions for electricity that align to minimum and critical technical specifications for local government.

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

- Against proceeding prior to the OCPO having issued and awarded the transversal prepaid smart meter 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 any smart meter solution or similar system solution. 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 smart meter solution or similar system solution 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](mailto:Sadesh.Ramjathan@treasury.gov.za).

Your assistance in proactively ensuring that the municipality and/ or its entities are not adversely affected by these processes will be appreciated.

## 6.6 Critical Notice Affecting STS Meters

Municipalities are alerted that there is 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.

If your municipality or 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 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](mailto: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
- 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.

### **6.7 Completeness and credibility of revenue related information in the Budget**

The Municipal Budget and Reporting Regulations (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 2022/23 MTREF.

### **6.8 Eskom Bulk Tariff increases**

The National Energy Regulator of South Africa (NERSA) is responsible for price determination of the bulk costs for electricity. Bulk electricity costs are consistently much higher than inflation, having gone as high as 17.8 per cent in the 2021/22 municipal financial year. Eskom's need for increased funding means that over the period ahead they are applying for much higher tariff increases. In their Multi-Year Price Determination (MYPD 5) application Eskom requested approval for municipal bulk tariff increases of 20.5 per cent in 2022/23, 15 per cent in 2023/24 and 10 per cent in 2024/25. NERSA rejected this revenue application at the end of September 2021 and in October 2021 ESKOM filed an application in the High Court to review NERSA's decision. Following the deliberations, NERSA has approved a 9.6 per cent tariff increase for Eskom starting from April 2022 and this figure accounts for a 3.49 per cent increase in 2022/23.

### **6.9 Long Term Financial Strategies**

National Treasury is supporting municipalities to develop and implement long-term financial models and strategies. This reform seeks to develop more sustainable, and integrated infrastructure development programmes over the longer term, informed by strategic plans, and financed in the most effective and efficient manner.

Although some municipalities have long-term financial models (LTFM), they are not always integrated with municipal plans, or based on actual cash flow analysis and investment programmes, or able to consider alternative financial scenarios and outcomes in relation to the ability to borrow and the structuring of market transactions.

Municipalities need to develop LTFM that support decisions on investment selection and assesses the financial impact of policy choices, by forecasting future financial performance and the impact of infrastructure projects on borrowing capacity. The LTFM needs to inform the municipality's long-term financial strategy, which must articulate a sustainable, efficient

and effective borrowing strategy and practices for the municipality and provide a clear statement of intent for lenders and other stakeholders.

National Treasury has initiated this reform in the metropolitan municipalities and some of the Intermediate City municipalities and will continue with this reform in the next financial year. Based on the piloting of this reform, guidance will be provided to all municipalities to develop and implement LTFM's and strategies.

### 6.10 Water management

Reference is made to the 2011, Chapter 8 of the Local Government Budget and Expenditure Review (LGBER) which emphasizes the importance of water management.

It has been observed recently in various platforms where municipalities engage with treasuries and the sector departments that there is no uniformity in reporting water and electricity losses. These are material items and need to be disclosed in planning, budgeting, reporting and in the annual report and Annual Financial Statements in uniform ways in order to track performance. In order to ensure consistency of reporting, the following information must be provided:

Accounting for water sold, non-revenue water and water losses:

- System input volume (kl)
- Water Billings (sum of accounts issued) – volume in kl and rand value
- Free basic water allowance (not included in billings) - volume in kl and rand value
- Physical water losses (estimated): volume in kl and rand value
- Water revenue collected (Rand value)

Accounting for electricity sold and electricity losses:

- Electricity purchased and generated (Electricity input) (kWh)
- Electricity Billings (sum of accounts issued) (KWh and Rand value)
- Free basic electricity allowance (not included in billings) (KWh and Rand value)
- Technical losses (estimated) (KWh and Rand value)
- Electricity revenue collected (Rand value)

In addition, the norms articulated in MFMA Circular No. 71 should also be taken into consideration.

### 6.11 Unauthorised, Irregular, Fruitless and Wasteful Expenditure (UIFW)

Cabinet adopted the Medium-Term Strategic Framework (MTSF) for 2019-2024 wherein it amongst others, committed that government will reduce irregular expenditure by 75 per cent and fruitless and wasteful expenditure by 100 per cent by 2024. It is important to note that these targets are applicable to each sphere of government. To this end, the Minister of Finance approved the UIFW Reduction Strategy for municipalities which was issued through MFMA Circular No. 111 in November 2021. The latter strategy advocated for municipalities to develop UIFW reduction plans that is approved by the municipal council, with the aim being for municipalities to utilize their 2018/19 UIFW figures as contained in their audited annual financial statements for that financial year as a baseline to develop the reduction plans. Whilst progress has been slow in terms of municipalities developing and submitting these plans to the National Treasury, some municipalities has made strides in this regard.

National Treasury would like again to encourage municipalities to develop the UIFW reduction plans and have it approved by the municipal councils through a council resolution for submission to the National Treasury to the MFMA helpdesk at [mfma@treasury.gov.za](mailto:mfma@treasury.gov.za) for the attention of Mr. Wayne McComans on [wayne.mccomans@treasury.gov.za](mailto:wayne.mccomans@treasury.gov.za). Municipalities are also advised to report progress against these UIFW reduction plans as part of their monthly

section 71 reporting to enable the necessary monitoring and oversight by the National Treasury on the implementation of these plans.

Going forward the Treasuries will place increased attention and focus on the processing of UIFW by municipalities as required by section 32(2) of the MFMA read with MFMA Circular No. 68. The National Treasury regards this consistent non-compliance for failure to adequately process and investigate UIFW as serious and if persistent will consider applying the available legal sanctions, including recourse in terms of section 216(2) of the Constitution.

## 7. Funding choices and management issues

Municipalities are under pressure to generate revenue as a result of the economic landscape, the COVID-19 pandemic, weak tariff setting and increases in key cost drivers to provide basic municipal services. 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 2022/23 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 2022/23 MTREF. In terms of the agreement, all employees covered by this agreement shall receive with effect from 01 July 2022 and 01 July 2023 an increase based on the projected average CPI percentages for 2022 and 2023. The forecasts of the Reserve Bank, in terms of the January 2022 and January 2023, 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.

### 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 councilors 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.

### 7.3 Equitable Share allocation

As highlighted in Minister Enoch Godongwana's 2022 Budget Speech, municipalities must be mindful that the Equitable Share is meant to fund basic municipal services to the indigent. Municipalities must ensure that monies are used for the purpose they were allocated for.

## 8. Transfers to Municipalities

The circular reiterates the requirements of the rollover and unspent conditional grants process in line with conditions outlined in the annual Division of Revenue Act. Municipalities are required to request for a rollover approval against any unspent conditional grants that were allocated through the annual Division of Revenue Act, therefore this section provides guidance to municipalities with regard to the preparation for the 2021/22 unspent conditional grants and roll-over process and should be referenced against previous annual budget circulars.

### 8.1 Criteria for the rollover of conditional grant funds

In terms of Section 21 of the Division of Revenue Act, 2021 (Act No.9 of 2021) (DoRA) read in conjunction with the Division of Revenue Amendment Act, 2021 (Act No. 17 of 2021) (DoRAA), the Act requires that any conditional allocation or a portion thereof that is not spent at the end of the 2021/22 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 transferring national 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 2021 DoRA, municipalities must include the following information with their submission to National Treasury:

- 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 2021 DoRA;
- A list of all the projects that are linked to the unspent conditional grants and a breakdown of how much was allocated and spent per project;
- 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 2022; or
  - b) Proof of project tender and tender submissions published and finalised before 31 March 2022 with the appointment of contractor or service provider for delivery of the service before 30 June 2022 in cases where additional funding was allocated during the course of the final year of the project. Further, municipalities must note the letters issued by National Treasury dated 25 February and 03 March 2022 respectively regarding the Preferential Procurement Regulation, 2017;
  - c) Incorporation of the Appropriation Statement; and

- d) Evidence that all projects linked to an allocation will be fully utilised by 30 June 2022 (attach cash flow projection for the applicable grant).
- A progress report (also in percentages) on the status of each project's implementation that includes an attached legible implementation plan);
  - The value of the committed project funding, and the conditional allocation from the funding source;
  - Reasons why the grants were not fully spent during the year of original allocation per the DoRA;
  - Rollover of rollovers will not be considered therefore municipalities must not include previous year's unspent conditional grants as rollover request;
  - An indication of the time-period within which the funds are to be spent if the roll-over is approved; and
  - 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 as a result 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 2022, the application will not be considered.

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:

- Compliance with the in-year reporting requirements in terms of sections 71 and 72 of the MFMA and section 12 of the 2021 DoRA, including the municipal manager and Chief Financial Officer signing-off on the information sent to National Treasury;
- Submission of the pre-audited Annual Financial Statements to National Treasury by 31 August 2022;
- Accurate disclosure of grant performance in the 2021/22 pre-audited Annual Financial Statements, (i.e. correct disclosure of grant receipts and spending in the notes to the AFS);
- Despite the fact that local government is required to comply to different norms and standards prescribed by different legislations, municipalities are expected to fully comply with the provisions of DoRA that relates to rollover processes and disclose conditional grant performance in the 2021/22 pre-audited Annual Financial Statements in order to verify grant expenditure; and
- Cash available in the bank (net position including short-term investments) as at 30 June 2022 is equivalent to the amount that is unspent as at the end of the financial year. If the amount that is requested for roll-over is not entirely cash backed, such a roll-over 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 roll-over:

- The entire 2021/22 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 2021/22 allocation;
- Rollover request of the same grant for the third consecutive time;



- Funding for projects constituted through Regulation 32 of the Municipal Supply Chain Management Regulations (Gazette No.27636). Projects linked to additional funding and disasters are exempted; and
- 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 2022.

## 8.2 Unspent conditional grant funds for 2021/22

The 2021/22 unspent conditional process will be managed in accordance with section 21 of DoRA, in order to ensure that the unspent conditional grants against the 2021/22 financial year return to the National Revenue Fund (NRF). In addition to the previous MFMA Circulars, the following practical arrangements will apply:

- Step 1: Municipalities must submit their 30 June 2022 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 reconcile;
- 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 2022. These amounts MUST exclude all interest earned on conditional grants, retentions and VAT related to conditional grant spending that has been reclaimed from SARS, which must be disclosed separately; and
- Step 3: If the receiving officer wants to motivate in terms of section 21(2) of the 2021 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 2022.

***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 21 October 2022;
- Step 5: National Treasury will communicate the unspent conditional grants amount by 08 November 2022. A municipality must return the remaining unspent conditional grant funds that are not subject to a specific repayment arrangement to the National Revenue Fund (NRF) by 18 November 2021; and
- Step 6: Any unspent conditional grant funds that should have, but has not been repaid to the National Revenue Fund (NRF) by 18 November 2021, and for which a municipality has not requested a repayment arrangement, these funds will be offset against the municipality's 07 December 2022 equitable share allocation.

*Annexure to MFMA Circular No. 86 addresses all the issues pertaining to Appropriation Statement and reporting on approved roll-overs.*

## 8.3 Importance of section 16 of the Division of Revenue Act

The circular again reiterates the importance of compliance to section 16 of DoRA in relation to the allocation or transfer of funds by municipalities to other organs of state in order to implement projects on behalf of the municipalities.

Section 16 (3) of DoRA states that a receiving officer may not allocate any portion of a schedule 5 allocation to any other organ of state for the performance of a function, unless the receiving officer and the organ of the state agree on the obligation of both parties and a payment schedule, the receiving officer has notified the transferring officer, the relevant provincial treasury and National Treasury of the agreed payment schedule and:

- The allocation
  - i) Is approved in the budget for the receiving provincial department or municipality; or
  - ii) If not already approved;
    - aa) the receiving officer notifies the National Treasury that the purpose of the allocation is not to artificially inflate the expenditure estimates of the relevant municipality and indicates the reasons for the allocation; and
    - bb) the National Treasury approves the allocation; or
- The allocation is for the payment for goods or services procured in accordance with the procurement prescripts applicable to the relevant province or municipality and, if it is an advance payment, paragraph (a) (ii) applies with the necessary changes.

Further, section 16 (4) states that the receiving officer must submit a copy of the agreement envisaged in subsection (3) to the transferring officer and the National Treasury before payment is made.

This section requires municipalities to comply with section 16 (3) before any DoRA allocated funds that are allocated or transferred to any organ of state and the municipality should first seek approval from National Treasury. The allocation includes transfers made to any organ of state in order to perform a function using conditional grants allocated through the DoRA.

Note that National Treasury considers the following when assessing the request from the municipality for approval:

- If the municipality is benefitting and utilising from the five per cent from capital grants that may be utilized for Project Management Unit (PMU). In terms of the capital grant framework (i.e. MIG and the Integrated Urban Development Grant (IUDG) and three per cent for the Urban Settlements Development Grant (USDG) municipalities are allowed to utilise a certain per cent of the grant for PMU or capacity support in order to implement capital projects. Therefore, if municipalities are benefitting from this initiative the PMU should be capacitated enough to implement capital project;
- Municipalities that are benefitting from the added technical support from Municipal Infrastructure Support Agent (MISA) will not be granted approval because MISA would assist with providing support and develop technical capacity towards sustained accelerated municipal capacity and service delivery. This implies that the municipality would be capacitated and be in a better position to implement capital projects; and
- If the request does not comply to the grant conditions, framework and if the transfer artificially inflates the expenditure estimates.

The following information must be submitted to National Treasury before approval is granted to municipalities to transfer funds to other organs of the state:

- In consultation with the relevant transferring officer municipalities must submit their request to National Treasury for approval;
- Provide the time frames regarding the duration of this arrangement between the municipality and the organ of the state;
- Provide the Service Level Agreement (SLA) between the municipality and the organ of state in consultation with the relevant transferring officer;
- Provide the agreed payment schedule reflecting the disbursement of the funds;
- Must provide the reasons why such a decision has been taken by the municipality;
- If amongst the reasons for the request is related to capacity challenges the municipality must therefore prove beyond reasonable doubt that there are capacity challenges and the reasons thereof; and
- Upon approval the municipality must submit the approved budget that includes the allocation.

Note that once the allocation or transfer has been approved the payment for goods or services must be procured in accordance with or in compliance to the procurement prescripts applicable to the relevant municipality. If there is an agreement for an advancement, subsection (a) (ii) will apply in order to determine if the payment does not artificially inflate the expenditure estimates. Further, before funds are transferred, the transferring national officer and National Treasury must agree on the payment schedule.

Therefore, if any expenditure incurred which emanates from such an arrangement while there was non-compliance with section 16, grant conditions and framework, such expenditure will not be recognised by both National Treasury and relevant transferring officer and will be classified as unauthorised expenditure.

## 9. The Municipal Budget and Reporting Regulations

### 9.1 Schedule A - version to be used for the 2022/23 MTREF

National Treasury has released Version 6.6.1 of the Schedule A1 (the Excel Specimen) which is aligned to Version 6.6.1 of the *m*SCOA classification framework and must be used when compiling the 2022/23 MTREF budget.

All municipalities **must** prepare their 2022/23 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 A1 schedule version 6.6.1 is not allowed** in terms of the *m*SCOA Regulations.

National Treasury has protected the A1 schedule version 6.6 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 6.6.1. The revised MBRR Schedules for the 2022/23 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	<a href="mailto:Matjatji.Mashoeshoe@treasury.gov.za">Matjatji.Mashoeshoe@treasury.gov.za</a>
	Abigail Maila	012-395 6737	<a href="mailto:Abigail.Maila@Treasury.gov.za">Abigail.Maila@Treasury.gov.za</a>
Buffalo City	Mandla Gilimani	012-315 5807	<a href="mailto:Mandla.Gilimani@treasury.gov.za">Mandla.Gilimani@treasury.gov.za</a>
Free State	Sifiso Mabaso	012-315 5952	<a href="mailto:Sifiso.mabaso@treasury.gov.za">Sifiso.mabaso@treasury.gov.za</a>
	Cethekile Moshane	012-315 5079	<a href="mailto:Cethekile.moshane@treasury.gov.za">Cethekile.moshane@treasury.gov.za</a>



Gauteng	Matjatji Mashoeshoe	012-315 5553	<a href="mailto:Matjatji.Mashoeshoe@treasury.gov.za">Matjatji.Mashoeshoe@treasury.gov.za</a>
Johannesburg and Tshwane	Abigail Maila	012-395 6737	<a href="mailto:Abigail.Maila@Treasury.gov.za">Abigail.Maila@Treasury.gov.za</a>
Ekurhuleni	Willem Voigt	012-315 5830	<a href="mailto:WillemCordes.Voigt@treasury.gov.za">WillemCordes.Voigt@treasury.gov.za</a>
	Kgomotso Baloyi	012-315 5866	<a href="mailto:Kgomotso.Baloyi@treasury.gov.za">Kgomotso.Baloyi@treasury.gov.za</a>
KwaZulu-Natal	Kgomotso Baloyi	012-315 5866	<a href="mailto:Kgomotso.Baloyi@treasury.gov.za">Kgomotso.Baloyi@treasury.gov.za</a>
eThekweni	Kevin Bell	012-315 5725	<a href="mailto:Kevin.Bell@treasury.gov.za">Kevin.Bell@treasury.gov.za</a>
	Sifiso Mabaso	012-315 5952	<a href="mailto:Sifiso.mabaso@treasury.gov.za">Sifiso.mabaso@treasury.gov.za</a>
Limpopo	Sifiso Mabaso	012-315 5952	<a href="mailto:Sifiso.Mabaso@treasury.gov.za">Sifiso.Mabaso@treasury.gov.za</a>
Mpumalanga	Mandla Gilimani	012-315 5807	<a href="mailto:Mandla.Gilimani@treasury.gov.za">Mandla.Gilimani@treasury.gov.za</a>
	Lesego Leqasa		<a href="mailto:Lesego.Leqasa@treasury.gov.za">Lesego.Leqasa@treasury.gov.za</a>
Northern Cape	Mandla Gilimani	012-315 5807	<a href="mailto:Mandla.Gilimani@treasury.gov.za">Mandla.Gilimani@treasury.gov.za</a>
	Phumelele Gulukunqu	012-315 5539	<a href="mailto:Phumelele.Gulukunqu@treasury.gov.za">Phumelele.Gulukunqu@treasury.gov.za</a>
North West	Willem Voigt	012-315 5830	<a href="mailto:WillemCordes.Voigt@treasury.gov.za">WillemCordes.Voigt@treasury.gov.za</a>
	Makgabo Mabotja	012-315 5156	<a href="mailto:Makgabo.Mabotja@treasury.gov.za">Makgabo.Mabotja@treasury.gov.za</a>
Western Cape	Willem Voigt	012-315-5830	<a href="mailto:WillemCordes.Voigt@treasury.gov.za">WillemCordes.Voigt@treasury.gov.za</a>
Cape Town	Kgomotso Baloyi	012-315 5866	<a href="mailto:Kgomotso.Baloyi@treasury.gov.za">Kgomotso.Baloyi@treasury.gov.za</a>
George	Mandla Gilimani	012-315 5807	<a href="mailto:Mandla.Gilimani@treasury.gov.za">Mandla.Gilimani@treasury.gov.za</a>
Technical issues with Excel formats	Sephiri Tlhomeli	012-406 9064	<a href="mailto:lgdataqueries@treasury.gov.za">lgdataqueries@treasury.gov.za</a>

National and provincial treasuries will analyse the credibility of the data string submissions.

### 9.3 Assessing the 2022/23 MTREF budget

National and provincial treasuries will assess the 2022/23 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.

The **assessment period** of all municipal budget will therefore be from **01 April to 30 June 2022 for both the 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 need to be made must be done before the start of the municipal financial year on 1 July.

Importantly, in order to generate an adopted budget (ORGB) data string, the budget must be locked on the financial system by the 10<sup>th</sup> working day of July each year. 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 without a credible funding plan, 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 main 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 2022/23 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 2022**, the final date of submission of the electronic budget documents and corresponding *m*SCOA data strings is **Friday, 01 April 2022**; 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 2022**, the final date of submission of the electronic budget documents and corresponding *m*SCOA data strings is **Wednesday, 01 June 2022**.

**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 2022/23 MTREF

The following information should be submitted for the 2022/23 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 6.6 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; and
- A budget locking certificate immediately at the start of the new municipal financial year on 1 July.

### 10.2 GoMuni Upload Portal

The development work on the GoMuni Upload portal has been concluded and municipalities must submit all documents required for the 2022/23 MTREF in terms of legislation, as per the guidance provided in MFMA Circular No 112 dated 06 December 2021, via the GoMuni Upload Portal. The upload portal can be accessed on <https://lguploadportal.treasury.gov.za> from 01 April 2022.

All municipal officials that currently have access to the LG Upload portal will be granted access to the GoMuni Upload portal. New users will have to complete and submit a *Request for Access* to [lgdataqueries@treasury.gov.za](mailto:lgdataqueries@treasury.gov.za). The request form will be available on the GoMuni login page under new registrations.

### 10.3 Additional validation rules applicable to data string submissions

To ensure that credible data strings are submitted to the GoMuni Upload portal, additional validation rules will be introduced in the 2022/23 MTREF. The credibility and accuracy of the data strings must be verified by municipalities before submission on the GoMuni Upload. The additional validation rules will be implemented on the stage 1 validation. In other words, a data string that fails the validation will be rejected. The additional rules are as follows:

1. A balanced data string must be submitted. This means that the data strings that is submitted must always be in balance. All the transactions should be included for Revenue, Expenditure, Gains and Losses, Assets, Liabilities and Net Assets;
2. All secondary cost data strings may only be linked to Item: Expenditure: Default. All costing transactions must be linked to Item: Expenditure default as it refers to the reallocation of cost from one function to another or one operational project to another operational project. Where cost is capitalised the costing segment is not used;
3. Inventory for water must be linked to the Function: Water Management. Bulk purchases of Water must only be recorded against the Water management function; and
4. Opening balances must be linked to Project default and Fund: non funding. All opening balances that are not linked to Project default and Non funding will not be valid.

The new validation rules will come into effect from 01 July 2022.

#### 10.4 Publication of municipal documents

Going forward, the following municipal documents will be published on the GoMuni/ Go Public portal:

- Integrated Development Plans;
- Budget Documentation;
- Service Delivery and Budget Implementation Plans;
- Annual Financial Statements;
- Annual Reports; and
- Audit Reports.

Municipal documents submitted to the National Treasury prior to 2022 will be available on the MFMA webpage and can be accessed via the MFMP Share Point Documents option on GoMuni/ Go Public.

GoMuni/ Go Public can be accessed on the following link: <https://lg.treasury.gov.za>

#### 10.5 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**

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National Treasury  
REPUBLIC OF SOUTH AFRICA

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**JH Hattingh**  
**Chief Director: Local Government Budget Analysis**  
**04 March 2022**



## Municipal Budget Circular for the 2022/23 MTREF

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## Introduction

The purpose of the annual budget circular is to guide municipalities with their compilation of the 2022/23 Medium Term Revenue and Expenditure Framework (MTREF). This circular 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 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 projects real economic growth of 5.1 per cent in 2021, following an expected contraction of 6.4 per cent in 2020. Real GDP growth is expected to moderate to 1.8 per cent in 2022, 1.6 per cent in 2023 and 1.7 per cent in 2024.

South Africa experienced its largest recorded decline in economic output in 2020 due to the strict COVID-19 lockdown. Real GDP contracted by 7.2 per cent in 2020 compared to 0.1 per cent increase in 2019. It is expected to increase by 6.2 per cent in 2021/22 and moderate by an average increase of 1.7 per cent over the 2022/23 MTEF.

Manufacturing production grew by 17 per cent in the first six months of 2021 compared with the same period in 2020. Production has not recovered to pre-pandemic levels, although the Absa Purchasing Managers' Index remains above the neutral 50-point mark. Electricity disruptions, raw material shortages and rising input costs will continue to limit output in the short to medium term.

The main risks to the economic outlook are slowdown in economic growth. The evolution of COVID-19 and slow progress in vaccine rollout reinforces uncertainty and poses risks to economic recovery.

Slow implementation of structural reforms continues to weigh on business confidence and private investment. Electricity supply constraints, which could worsen over the short term, are a drag on economic growth. In contrast, progress on energy reforms poses upside risks to fixed investment and the overall economic outlook.

A further deterioration in the public finances due to various spending pressures and the materialisation of contingent liabilities could trigger further credit rating downgrades. Pressures on the government wage bill ceiling, including the implementation of the non-pensionable salary increases undermine fiscal consolidation measures.

The fiscal framework does not include any additional support to state-owned companies, but the poor financial condition and operational performance of several of these companies remains a large contingent risk. A number of entities may request further bailouts.



Government is strictly enforcing minimum criteria before guaranteeing the debt of state-owned companies, as outlined in the 2021 Budget, which has led to a decline in guarantee requests. Nonetheless, the broader context of financial distress, weak governance and unsustainable operations in many of these companies remains unaddressed.

Since the 2008 global financial crisis, economic growth has trended downwards, resulting in persistent shortfalls in tax revenue that have not been matched by adjustments to spending growth. This in turn has led to wider budget deficits, higher borrowing and a rapid increase in the ratio of debt to GDP. The reason that the debt servicing costs are growing at a pace that is faster than the rate of GDP growth, and this ratio will continue to increase until government runs a sufficiently large primary budget surplus.

To maximise the value of spending, government needs to contain costs, more especially consumption related spending, exercise prudent and compliant financial management, and eradicate wasteful treatment of public funds and resources. Compensation of employees remains a major cost pressure. It remains critical for municipalities to adhere to compensation ceilings, manage headcounts proactively and conduct staff audit to ensure the staff complement is aligned to the approved organogram. This will assist government is to improve its fiscal position.

Medium-term priorities include: reindustrialising through implementation of the master plans; growing exports through the African Continental Free Trade Area; implementing the Tourism Sector Recovery Plan; supporting township and rural economies; and promoting localisation, inclusive economic growth and job creation.

In 2021/22, gross tax revenue is expected to be R120.3 billion higher than projected in the 2021 Budget, with corresponding improvements of R69.8 billion and R59.5 billion expected in 2022/23 and 2023/24 respectively. This is still well below pre-pandemic revenue estimates, but it provides space for government to deal with immediate fiscal pressures while continuing to stabilise the public finances.

Headline inflation is expected to remain between 3 to 6 per cent target range over the 2022/23 MTEF.

In summary, the tax revenue in 2021/22 was higher than projections and this was mainly due to commodity price rally. However, these are projected to be short term, and as such long-term spending commitments should not be made based on short term revenue benefits. There are measures in place to reduce expenditure to narrow the budget deficit.

The following macro-economic forecasts must be considered when preparing the 2022/23 MTREF municipal budgets.

**Table 1: Macroeconomic performance and projections, 2020 - 2025**

Fiscal year	2020/21	2021/22	2022/23	2023/24	2024/25
	Actual	Estimate	Forecast		
CPI Inflation	2.9%	4.9%	4.0%	4.4%	4.5%

Source: Medium Term Budget Policy Statement 2021.

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 2022/23 budget process

## 2.1 Local government conditional grants allocations

Over the 2022 MTEF period, transfers to municipalities will grow below inflation. Over the next three years, local government resources increase by 4.1 per cent.

Transfers to local government will be increased by R17.8 billion, including R9.3 billion from the local government equitable share, R1.5 billion from the general fuel levy and R6.9 billion in direct conditional grants over the 2022 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 2022 MTEF period.

The annual Division of Revenue Bill will be published in February 2022 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 2021 Division of Revenue Act to compile their 2022/23 MTEF. In terms of the outer year allocations (2023/24 financial year), it is proposed that municipalities conservatively limit funding allocations to the indicative numbers as presented in the 2021 Division of Revenue Act for 2021/22. The DoRA is available at:

<http://www.treasury.gov.za/documents/national%20budget/2021/default.aspx>

### ***Division of Revenue Amendment Bill, 2021: changes to local government allocations***

***Budget Facility for Infrastructure Funding*** – R81 million is added to the direct regional bulk infrastructure grant for George Local Municipality for the implementation of the potable water security and remedial works project. Due to delays in the implementation of projects approved through Budget Facility for Infrastructure (BFI), the projects sponsors have requested funding to be reduced to align with the planned project rollout.

R1.3 billion is reduced from the public transport network grant for City of Cape Town to align to its revised implementation plan of myCiti phase 2A.

***Neighbourhood Development Partnership Grant*** – R841 million is added to the direct neighbourhood development partnership grant for local government to create 32 663 jobs through precinct management, community safety, place-making, greening, integrated waste management and digitalisation, with special focus on poor and marginalised areas and economic nodes.

***Roll-over of indirect regional bulk infrastructure grant*** – R582 million is rolled over in the indirect regional bulk infrastructure grant to fund the operational payments for the Vaal River pollution remediation project in Emfuleni Local Municipality. This change is shown in Schedule 6, Part B of this Bill.

***Reprioritisation in the neighbourhood development partnership grant*** – In the neighbourhood development partnership grant, R90 million is shifted from the direct component to the indirect component of the grant, to fund project preparation, planning and implementation for municipalities facing implementation challenges. The affected municipalities are City of Johannesburg, Mogale City, Kwa-Dukuza, West Rand, Sol Plaatje, Ray Nkonyeni and City of Cape Town. These changes are shown in Schedule 5, Part B and Schedule 6, Part B of this Bill.

### ***Changes to gazetted frameworks and allocations***

***Neighbourhood development partnership grant*** – The grant framework for the neighbourhood development partnership grant is amended to remove reference to Built



Environment Performance Plans and include the conditions attached to the approval of funds from the Presidential Youth Employment Initiative. The conditions require cities to expand the existing Expanded Public Works Programme projects and enter into new partnerships with the private sector and civil society.

**Regional bulk infrastructure grant** – The grant framework for the regional bulk infrastructure grant is amended to include the conditions attached to the approval of funding from the BFI for the implementation of the potable water security and remedial works project in George Local Municipality. The conditions require that the municipality submit a business plan, a cost-benefit analysis report and enter into a co-financing agreement with the Department of Water and Sanitation and the Department of Cooperative Governance.

**Integrated urban development grant** – The grant framework for the integrated urban development grant is amended to include a provision for purchasing special vehicles for waste management. This correction is needed to ensure alignment with conditions in the municipal infrastructure grant as municipalities can move between the two grants.

**Municipal infrastructure grant** – The grant framework for the municipal infrastructure grant is amended to correct for the omission of the baseline allocation of R14.8 billion in 2019/20 in the past performance section of the framework. The amount was erroneously not captured. This correction is needed to show the audited past financial performance of the grant.

### **3. IDP Consultation Process Post 2021 Local Government Elections**

Municipalities are advised to refer to the guidance (refer to the email sent by CoGTA to all municipalities on 20 October 2021) provided through the joint National Treasury/ Department of Cooperative Governance/ South African Local Government Association (NT/DCoG/SALGA) Joint Circular No.1 on the transitional measures in relation to the IDP consultation process. This circular indicates that the previous municipal councils had an obligation to ensure that the legislative stipulations were complied with. Therefore, they were expected to continue the process of the development of the IDP starting with the development and adoption of the process plans as provided for in section 28 of the Municipal Systems Act. Municipalities should then implement the adopted budget process plan and conduct the public engagements as per dates they have indicated in the process plan.

### **4. Municipalities unable to pass the annual budget after 1 July**

The provincial executive council must urgently request the Mayor to submit a report outlining detailed reasons and or circumstances that led to failure to approve the annual budget by the 1 July.

The provincial executive council must intervene in terms of section 139(4) of the Constitution and take appropriate steps by issuing a directive to the municipal council to approve a budget and any revenue raising measures necessary to give effect to the budget within a reasonable period.

Section 26(4) and (5) of the MFMA provides for how the expenses can be met pending the approval of a budget through a directive. Provincial Treasuries should establish clear internal processes for reviewing and recommending the approval of withdrawals by their MEC (templates can be obtained from National Treasury).

The provincial executive council must upon issuing of a directive to the Municipal Council conduct an assessment of the budget tabled by the Mayor against the norms and standards, approved budget process plan, and the outcome of public participation processes.

In the event the Municipal Council fails to approve a budget due to walk out or individual misconduct by a majority of councillors, the Speaker must immediately investigate the conduct of those identified councillors in terms of the Code of Conduct for councillors as provided for in the Municipal Systems Act, 2000.

If in terms of the assessment by the provincial executive council of the tabled budget, it is found that there are no justifiable grounds for not approving the budget, the former must submit/ present the outcome of the assessment to the Municipal Council with a directive to consider the assessment and adopt the budget. If the assessment of the provincial executive council of the tabled budget finds that it does not adhere to the required norms and standards, the directive from the provincial executive council should instruct the council to first amend the budget to remedy this before adopting the budget.

The provincial executive council must, if necessary give the municipal council a further 14 days to approve a tabled budget that complies with norms and standards and incorporates the outcome of public participation, failing which the provincial executive council must consider dissolution of municipal council, approval of a temporary budget and appointment of an administrator as a last resort.

## 5. Municipal Standard Chart of Accounts (mSCOA)

### 5.1 Release of Version 6.6 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 6.6 is released with this circular.

Version 6.6 of the chart will be effective from 2022/23 and must be used to compile the 2022/23 MTREF and is available on the link below:

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

The Project Summary Document (PSD) on the National Treasury webpage will be aligned to the chart changes in version 6.6 where applicable. The PSD is also available on the above link.

mSCOA chart changes are issued annually in December. For the National Treasury to consider a new chart change, the issue must be logged with all relevant background and details on the Frequently Asked Questions (FAQ) database. The FAQ database can also be accessed on the above link.

The matter will then be further investigated by the FAQ committee of the National Treasury. If it is found that a chart change is required in the next chart version, then the matter will be elevated to the mSCOA Technical Committee and if in agreement, it will be recommended for approval to the mSCOA Steering Committee. Requests for chart changes in the next version of the chart must be logged for consideration by 31 August of each year.

### 5.2 Credibility of mSCOA data strings

The credibility of the mSCOA data strings remains a concern although we have observed a marked improvement in some areas. At the core of the problem is:

- The incorrect use of the *m*SCOA chart and segments, balance sheet budgeting, movement accounting and basic municipal accounting practices by municipalities;
- Some municipalities are not budgeting, transacting and reporting directly in/ from their core financial systems; have not purchased all the modules of the core financial system or have not upgraded to the Enterprise Resource Planning (ERP) (*m*SCOA enabling) version of their financial systems;
- A number of municipalities are still transacting on their legacy systems that are not *m*SCOA enabling or they are using Ms Excel spreadsheets that are not incorporated in the functionality of their financial systems, while they are paying for maintenance and support for the *m*SCOA enabling system that was procured. This constitute fruitless and wasteful expenditure; and
- Municipalities are not locking their adopted budgets and their financial systems at month-end to ensure prudent financial management. To enforce municipalities to lock their budgets and close their financial system at month-end in 2022/23, the Local Government Database and Reporting System will lock all submission periods within the reporting period at the end of each quarter. The published period will NOT be opened again to ensure consistency between publications. System vendors were also requested to build this functionality into their municipal financial systems.

Municipalities should refer to the guidance provided in the *m*SCOA circulars issued by the National Treasury to classify their transactions correctly.

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 2022/23 municipal financial year.

### 5.3 Regulation of Minimum Business Processes and System Specifications

One of the key objectives of the *m*SCOA reform is to ensure that municipalities are planning, budgeting, transacting and reporting directly on and from integrated ERP systems to have one version of the truth in terms of the reported financial performance. The manual correction of data strings by municipal officials or system vendors are not allowed in terms of the *m*SCOA Regulations.

All municipalities and municipal entities had to comply with the *m*SCOA Regulations by 1 July 2017. MFMA Circular No. 80 (Annexure B) provided guidance on the minimum business processes and system specifications for all categories of municipalities (A, B and C). A number of Regulations and best practices as per the MFMA Circulars have been introduced since the issuing of MFMA Circular No. 80 in 2016.

The National Treasury will expand and regulate the business processes and system specifications in 2022/23 to these new developments. If your municipality has not yet achieved the minimum required level of *m*SCOA implementation, then a detailed action plan (road map) must be developed to indicate how the municipality will fast track the implementation of *m*SCOA. The action plan should include the following focus areas, as applicable to the municipality:

- **System landscape** – does the municipality has access to updated ICT hardware, software and licences that is sufficient to run the chosen financial management systems solution;
- **Governance and institutional arrangements** – is there a functional *m*SCOA steering committee or equivalent structure consisting of representatives from all business units, that meet regularly to monitor and report on *m*SCOA related issues to Management Committee (MANCO), Executive Committee (EXCO) and Council. Furthermore, did the

municipality appoint a suitably qualified System Administrator and the required IT securities are in place;

- **System functionality** – is the functionality of the system complying with the minimum business processes and system specifications articulated in MFMA Circular No 80; is the municipality utilising the core financial system solution and its modules optimally; and are 3rd party sub-systems seamlessly integrating with the *mSCOA* enabling financial system; and
- **Proficiency of municipal officials to use the financial system** – are the relevant municipal officials sufficiently capacitated on all system modules and functionalities to use the financial systems solution; are relevant officials in the organisation familiar with the *mSCOA* chart, balance sheet budgeting and movement accounting; and have change management taken place to ensure that *mSCOA* is institutionalised as an organisational reform and not only a financial reform.

It should be emphasised that the onus to ensure compliance with the *mSCOA* Regulations and minimum system specifications as per MFMA Circular No. 80 and its Annexure B rests with the municipality and not the system vendor. Municipalities should ensure that they budget sufficiently to become and remain *mSCOA* compliant.

The progress against the action plan must be monitored by the municipality's *mSCOA* Project Steering Committee and should also be reported at the 2021/22 Mid-year Budget and Performance engagements and the Budget and Benchmark engagements with the National and the respective provincial treasury. Copies of the action plan and progress reports should also be shared with the National and the respective provincial treasury.

#### 5.4 Extension of RT25-2016 Service Level Agreements (SLA) for Financial Systems

The National Treasury has received numerous queries about the extension of the SLA for the transversal contract for the procurement of municipal systems of financials management and internal control (RT25-2016).

The RT25-2016 contract has expired in May 2019. Therefore, the RT25-2016 cannot be utilised to procure financial systems and Service Level Agreements (SLAs) entered into through the transversal contract cannot be extended when they expire. Municipalities that procured systems through the RT25-2016 transversal tender must approach the market to procure a new service provider for system support and maintenance. Due to the high financial investment in procuring financial systems, it is not cost effective to change financial systems every 3 to 5 years. Also, the expiry of the SLA does not necessitate the procurement of a new financial system - unless the system that is being used is not complying with the required business processes and system specifications.

Furthermore, the Municipal SCM Regulations does not prohibit the use of long-term contracts as long as the needs analysis and market analysis are done to justify the continuous need for the service. Municipalities may utilise Section 33 of the MFMA, taking into account the municipality's specific circumstances, provided that the decision is legally sound and there is evidence to support the municipality's decision.

Where a municipality has entered into a SLA for the provision of system support and maintenance through an open procurement process, the SLA may be extended in terms of Section 116(3) of the MFMA.

Notwithstanding the above, since the ICT environment changes very quickly the municipal needs must be re-evaluated to ensure that the IT systems in place are still 1) compatible with the needs and systems of the municipality, 2) aligned to modern technology and new legislative requirements and 3) cost effective prior to concluding long-term maintenance and support agreements in the event that there are other financial management solutions or

systems that may be better or even more cost effective as opposed to the current ones that may be outdated.

### 5.5 *m*SCOA Monthly Trial Balance

Municipalities are required to submit the following documents to GoMuni Upload portal on a monthly basis in PDF format:

1. C Schedule
2. Primary Bank Statement
3. Bank Reconciliation
4. Quality certificate
5. Monthly budget statement (Section 71 Report)
6. Trial balance

To date, the trial balances were submitted in various formats with varying levels of detail – some of them unreadable, making it difficult to identify the submission of the trial balances. From 1 July 2022, the trial balance must include the following minimum information:

- *m*SCOA item description
- Balance brought forward (i.e. opening balance)
- Movement Debit
- Movement Credit
- Balanced closing balance at the end of the document

The name of the municipality, municipal code and relevant period (year and month) must be clearly identified in the submission. Municipalities should ensure that the monthly data string aligns to the trial balance submitted to the GoMuni Upload portal.

### 5.6 Budgeting for the COVID-19 pandemic

In terms of *m*SCOA Circular No. 9 municipalities are reminded to record and ring fence all funding and expenditure pertaining to the COVID-19 pandemic when budgeting and transacting.

It is evident from the *m*SCOA data strings that were submitted by municipalities in terms of the monthly Section 71 reporting that not all municipalities are budgeting and reporting on COVID-19 related allocations and expenditure as per the guidance provided. Therefore, the National Treasury is not able to draw complete COVID-19 reports from the *m*SCOA data strings inclusive of the data for all municipalities as yet and the weekly manual reporting is still required.

Once the National Treasury is able to draw COVID-19 reports from the *m*SCOA data strings for the majority of municipalities and the Covid-19 restrictions is lifted as per the Disaster Management Act, 2002 (Act 57 of 2002) and its regulations, the weekly manual reporting will be stopped.

### 5.7 Costing Segment

The purpose of the costing segment in *m*SCOA is to provide for the recording of the full cost for the four core municipal functions, namely: electricity, water, waste water and waste management as a minimum requirement. These four services are the most significant revenue generating functions within municipalities and essential for setting cost reflective tariffs.

The costing segment does not impact on the financial statements and will be recorded as a 'below the line cost' and are recorded in the management accounts to make decisions in



formulating tariffs and cost control. Municipalities must refer to the PSD for the detailed application of the costing segment.

### 5.8 Classification of the Skills Development Levy

Employers must pay 1 per cent of their employees pay to the skills development levy. This is a contribution of 1 per cent of the total amount paid in respect of salaries to employees, which includes overtime payments, leave pay, bonuses etc. Therefore, this does not constitute employee related cost because it is not a compensation to employees, nor social contributions. Skills Development levy must be classified as operational costs as indicated in the *mSCOA* Project Summary Document (PSD).

### 5.9 Revised Municipal Property Rates Act Categories

Reference is made to paragraph 4.3 of MFMA Circular No. 107. Municipalities are reminded that section 8 of the Municipal Property Rates Act 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 1 July 2021. The *mSCOA* chart Version 6.6 makes provision for the new and the old framework. However, the old framework will be retired in the next version of the chart and municipalities are advised to implement the new property categorisation framework as legislated. Therefore, municipalities cannot use both frameworks to avoid duplication and overstatement of revenue from property rates.

## 6. 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.

It should be noted that it is easier for consumers to pay for services if they are reliable and when the environment is well maintained.

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; therefore,

municipalities are required to **justify all increases in excess of the projected inflation target for 2022/23** in their budget narratives and pay careful attention to 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.

### 6.1 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 2022/23 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.

It is essential that municipalities reconcile their most recent valuation roll data to that of the billing system to ensure that revenue anticipated from property rates are accurate. Municipalities should undertake this exercise annually as a routine practice during the budget 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. 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 annual reconciliation of the valuation roll to the billing system to the National Treasury by no later than **04 February 2022**.

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

### 6.2 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.

Municipalities are encouraged to utilise the tariff setting tool referenced in MFMA Circular No. 98, item 4.2. This tool will assist in setting tariffs that are cost-reflective and would enable a municipality to recover costs to fulfil its mandate. 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>

It is also imperative that every municipality is utilising the *mSCOA* cost segment correctly.

### 6.3 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 advised 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.**

In this regard municipalities are reminded to take note of the Constitutional Court decision in **Mazibuko and Others vs City of Johannesburg and Others (CCT 39/09) [2009] ZACC 28; 2010 (3) BCLR 239 (CC); 2010 (4) SA 1 (CC) (8 October 2009)**. The Constitutional Court confirmed that a municipality has the right to disconnect the water service in the event of non-payment. In the case of registered indigent users, water may not be disconnected but can and should be restricted to the national policy limit of 6 kilolitres of water monthly.

### 6.4 Timeous allocations and clearing of the control accounts

Municipalities are encouraged to clear the control accounts on a monthly basis and to allocate trade and other receivable payments in these suspense accounts to the relevant debtor accounts regularly before the monthly submissions as required by the MFMA. Implementing and enforcing the credit control policy of the municipality whilst payments are not cleared in the control account is negligent and irresponsible. Municipalities are warned against this bad practice, and this must be avoided at all costs.

### 6.5 Smart Prepaid Meters Solution

The Inter-Ministerial Task Team (IMTT) of the 5<sup>th</sup> administration appointed a panel to investigate the electricity function to better understand what is causing the non-payment to Eskom. Cabinet subsequently endorsed the panel's recommendation that a smart prepaid solution for all municipalities must be explored. Municipalities are advised that the National Treasury, through the Office of the Chief Procurement Officer (OCPO), will soon facilitate a



transversal contract to standardise prepaid smart meter solutions for electricity that align to minimum and critical technical specifications for local government.

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

- Against proceeding prior to the OCPO having issued and awarded the transversal prepaid smart meter 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 any smart meter solution or similar system solution. 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 smart meter solution or similar system solution 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](mailto:Sadesh.Ramjathan@treasury.gov.za).

Your assistance in proactively ensuring that the municipality and/ or its entities are not adversely affected by these processes will be appreciated.

## 6.6 Completeness and credibility of revenue related information in the Budget

The Municipal Budget and Reporting Regulations (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 2022/23 MTREF.

## 6.7 Eskom Bulk Tariff increases

The National Energy Regulator of South Africa (NERSA) is responsible for price determination of the bulk costs for electricity. Bulk electricity costs are consistently much higher than inflation, having gone as high as 17.8 per cent in the 2021/22 municipal financial year. Eskom's need for increased funding means that over the period ahead they are applying for much higher tariff increases. In their Multi-Year Price Determination (MYPD 5) application Eskom requested approval for municipal bulk tariff increases of 20.5 per cent in 2022/23, 15 per cent in 2023/24 and 10 per cent in 2024/25. NERSA rejected this revenue application at the end of September 2021 and in October 2021 ESKOM filed an application in the High Court to review NERSA's decision. The matter is still in court with a decision anticipated to be made shortly. If Eskom succeeds, the court will compel NERSA to process the rejected application for tariffs for the year starting 1 April 2022 in terms of the existing MYPD methodology. NERSA will then be expected to immediately publish Eskom's application for public comment.

## 6.8 Long Term Financial Strategies

National Treasury is supporting municipalities to develop and implement long-term financial models and strategies. This reform seeks to develop more sustainable, and integrated infrastructure development programmes over the longer term, informed by strategic plans, and financed in the most effective and efficient manner.

Although some municipalities have long-term financial models (LTFM), they are not always integrated with municipal plans, or based on actual cash flow analysis and investment programmes, or able to consider alternative financial scenarios and outcomes in relation to the ability to borrow and the structuring of market transactions.

Municipalities need to develop LTFM that support decisions on investment selection and assesses the financial impact of policy choices, by forecasting future financial performance and the impact of infrastructure projects on borrowing capacity. The LTFM needs to inform the municipality's long-term financial strategy, which must articulate a sustainable, efficient and effective borrowing strategy and practices for the municipality and provide a clear statement of intent for lenders and other stakeholders.

National Treasury has initiated this reform in the metropolitan municipalities and some of the Intermediate City municipalities and will continue with this reform in the next financial year. Based on the piloting of this reform, guidance will be provided to all municipalities to develop and implement LTFM's and strategies.

## 7. Funding choices and management issues

Municipalities are under pressure to generate revenue as a result of the economic landscape, the COVID-19 pandemic, weak tariff setting and increases in key cost drivers to provide basic municipal services. 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 2022/23 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 2022/23 MTREF. In terms of the agreement, all employees covered by this agreement shall receive with effect from 01 July 2022 and 01 July 2023 an increase based on the projected average CPI percentages for 2022 and 2023. The forecasts of the Reserve Bank, in terms of the January 2022 and January 2023, 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.

## 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 councillor(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 2022/23 municipal financial year are as follows:

- The 2022/23 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 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 2022.

- Credible *m*SCOA data strings and source documents for the 2022/23 MTREF and 2021/22 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 council approved UIFW Reduction Strategy, proof of establishment of the Disciplinary Committee Board (or evidence of progress towards their establishment) 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 2022;
- 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 2019/20 and 2020/21 financial years as well as municipalities with outstanding 2020/21 audit opinions that also received an adverse or disclaimer opinion in 2019/20, 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 2022/23 MTREF

National Treasury has released Version 6.6 of the Schedule A1 (the Excel Formats) which is aligned to Version 6.6 of the *m*SCOA classification framework and must be used when compiling the 2022/23 MTREF budget.

All municipalities must prepare their 2022/23 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 A1 schedule version 6.6 is not allowed** in terms of the *m*SCOA Regulations.

National Treasury has protected the A1 schedule version 6.6 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 6.6. The revised MBRR Schedules for the 2022/23 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	<a href="mailto:Matjatji.Mashoeshoe@treasury.gov.za">Matjatji.Mashoeshoe@treasury.gov.za</a>
Abigail Maila		012-395 6737	<a href="mailto:Abigail.Maila@Treasury.gov.za">Abigail.Maila@Treasury.gov.za</a>
Buffalo City	Mandla Gilimani	012-315 5807	<a href="mailto:Mandla.Gilimani@treasury.gov.za">Mandla.Gilimani@treasury.gov.za</a>
Free State	Sifiso Mabaso	012-315 5952	<a href="mailto:Sifiso.mabaso@treasury.gov.za">Sifiso.mabaso@treasury.gov.za</a>
Cethekile Moshane		012-315 5079	<a href="mailto:Cethekile.moshane@treasury.gov.za">Cethekile.moshane@treasury.gov.za</a>
Gauteng	Matjatji Mashoeshoe	012-315 5553	<a href="mailto:Matjatji.Mashoeshoe@treasury.gov.za">Matjatji.Mashoeshoe@treasury.gov.za</a>
Abigail Maila		012-395 6737	<a href="mailto:Abigail.Maila@Treasury.gov.za">Abigail.Maila@Treasury.gov.za</a>
Johannesburg and Tshwane	Willem Voigt	012-315 5830	<a href="mailto:WillemCordes.Voigt@treasury.gov.za">WillemCordes.Voigt@treasury.gov.za</a>
Ekurhuleni	Kgomotso Baloyi	012-315 5866	<a href="mailto:Kgomotso.Baloyi@treasury.gov.za">Kgomotso.Baloyi@treasury.gov.za</a>
KwaZulu-Natal	Kgomotso Baloyi	012-315 5866	<a href="mailto:Kgomotso.Baloyi@treasury.gov.za">Kgomotso.Baloyi@treasury.gov.za</a>
Kevin Bell		012-315 5725	<a href="mailto:Kevin.Bell@treasury.gov.za">Kevin.Bell@treasury.gov.za</a>
eThekweni	Sifiso Mabaso	012-315 5952	<a href="mailto:Sifiso.mabaso@treasury.gov.za">Sifiso.mabaso@treasury.gov.za</a>
Limpopo	Sifiso Mabaso	012-315 5952	<a href="mailto:Sifiso.Mabaso@treasury.gov.za">Sifiso.Mabaso@treasury.gov.za</a>
Mpumalanga	Mandla Gilimani	012-315 5807	<a href="mailto:Mandla.Gilimani@treasury.gov.za">Mandla.Gilimani@treasury.gov.za</a>
Lesego Leqasa			<a href="mailto:Lesego.Leqasa@treasury.gov.za">Lesego.Leqasa@treasury.gov.za</a>
Northern Cape	Mandla Gilimani	012-315 5807	<a href="mailto:Mandla.Gilimani@treasury.gov.za">Mandla.Gilimani@treasury.gov.za</a>
Phumelele Gulukunqu		012-315 5539	<a href="mailto:Phumelele.Gulukunqu@treasury.gov.za">Phumelele.Gulukunqu@treasury.gov.za</a>
North West	Willem Voigt	012-315 5830	<a href="mailto:WillemCordes.Voigt@treasury.gov.za">WillemCordes.Voigt@treasury.gov.za</a>
Makgabo Mabotja		012-315 5156	<a href="mailto:Makgabo.Mabotja@treasury.gov.za">Makgabo.Mabotja@treasury.gov.za</a>
Western Cape	Willem Voigt	012-315-5830	<a href="mailto:WillemCordes.Voigt@treasury.gov.za">WillemCordes.Voigt@treasury.gov.za</a>
Cape Town	Kgomotso Baloyi	012-315 5866	<a href="mailto:Kgomotso.Baloyi@treasury.gov.za">Kgomotso.Baloyi@treasury.gov.za</a>
George	Mandla Gilimani	012-315 5807	<a href="mailto:Mandla.Gilimani@treasury.gov.za">Mandla.Gilimani@treasury.gov.za</a>
Technical issues with Excel formats	Sephiri Tlhomeli	012-406 9064	<a href="mailto:Iqdataqueries@treasury.gov.za">Iqdataqueries@treasury.gov.za</a>



National and provincial treasuries will analyse the credibility of the data string submissions.

### 9.3 Assessing the 2022/23 MTREF budget

National and provincial treasuries will assess the 2022/23 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.

The **assessment period** of all municipal budget will therefore be from **01 April to 30 June 2022 for both the 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 need to be made must be done before the start of the municipal financial year on 1 July.

Importantly, in order to generate an adopted budget (ORGB) data string, the budget must be locked on the financial system by the 10<sup>th</sup> working day of July each year. 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 without a credible funding plan, 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 2022/23 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 2022**, the final date of submission of the electronic budget documents and corresponding *m*SCOA data strings is **Friday, 01 April 2022**; 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 2022**, the final date of submission of the electronic budget documents and corresponding *m*SCOA data strings is **Wednesday, 01 June 2022**.

**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 2022/23 MTREF

The following information should be submitted for the 2022/23 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 *m*SCOA data string in the format published with Version 6.6 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; and
- A budget locking certificate immediately at the start of the new municipal financial year on 1 July.

## 10.2 Go Muni Upload Portal

The National Treasury is in the process of finalising the development work on the GoMuni Upload portal. Municipalities, provincial treasuries, system vendors and sector departments should ensure that the names and contact details of the data uploaders or users of the data, as reflected on the LG Database, for their respective institutions are correct and updated as and when changes occur.

## 10.3 Portals for the submission of information

Municipalities must ensure that the documents are submitted to the correct portals/ mailboxes. These portals/ mailboxes are:

<https://lguploadportal.treasury.gov.za> (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://lguploadportal.treasury.gov.za/>. The GoMuni Upload Portal does not have the same size restrictions encountered with [lgdocuments@treasury.gov.za](mailto: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](mailto:lgdocuments@treasury.gov.za) when experiencing problems with the GoMuni Upload Portal.

[lgdataqueries@treasury.gov.za](mailto:lgdataqueries@treasury.gov.za) – Database related and submission queries and the grant rollover templates.

[lgdocuments@treasury.gov.za](mailto:lgdocuments@treasury.gov.za) – Any additional information required by National Treasury that is not listed under the GoMuni Upload portal such as the manual COVID-19 reports.

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.**

## 10.4 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.



## 10.5 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

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**JH Hattingh**  
**Chief Director: Local Government Budget Analysis**  
**06 December 2021**

# **ANNEXURE E**

**ANNEXURE E: DIVISION OF REVENUE BILL**

REPUBLIC OF SOUTH AFRICA

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# DIVISION OF REVENUE BILL

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*(As introduced in the National Assembly (proposed section 76); explanatory summary of Bill and prior notice of its introduction published in Government Gazette No. 45903 of 11 February 2022)*  
*(The English text is the official text of the Bill)*

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(MINISTER OF FINANCE)

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## SCHEDULE 3

**DETERMINATION OF EACH MUNICIPALITY'S EQUITABLE SHARE OF THE LOCAL GOVERNMENT  
SPHERE'S SHARE OF REVENUE RAISED NATIONALLY**

Number		Municipality		National Financial Year		
				Column A	Column B	
				2022/23	Forward Estimates	
			2023/24	2024/25		
		R'000	R'000	R'000		
<b>LIMPOPO</b>						
B	LIM331	Greater Giyani	352 203	374 568	399 166	
B	LIM332	Greater Letaba	341 960	363 981	388 217	
B	LIM333	Greater Tzaneen	481 161	515 385	553 067	
B	LIM334	Ba-Phalaborwa	189 853	203 780	219 209	
B	LIM335	Maruleng	153 904	164 158	175 461	
C	DC33	Mopani District Municipality	1 170 419	1 262 191	1 360 105	
<b>Total: Mopani Municipalities</b>			<b>2 689 500</b>	<b>2 884 063</b>	<b>3 095 225</b>	
B	LIM341	Musina	193 793	213 536	235 863	
B	LIM343	Thulamela	547 969	584 829	625 454	
B	LIM344	Makhado	445 889	476 726	510 634	
B	LIM345	Collins Chabane	454 043	483 226	515 331	
C	DC34	Vhembe District Municipality	1 276 805	1 381 588	1 493 927	
<b>Total: Vhembe Municipalities</b>			<b>2 918 499</b>	<b>3 139 905</b>	<b>3 381 209</b>	
B	LIM351	Blouberg	221 256	232 831	245 509	
B	LIM353	Molemole	168 761	177 379	186 814	
B	LIM354	Polokwane	1 196 549	1 300 435	1 413 976	
B	LIM355	Lepele-Nkumpi	301 329	318 557	337 450	
C	DC35	Capricorn District Municipality	730 232	777 919	828 511	
<b>Total: Capricorn Municipalities</b>			<b>2 618 127</b>	<b>2 807 121</b>	<b>3 012 260</b>	
B	LIM361	Thabazimbi	122 061	133 346	145 780	
B	LIM362	Lephalale	202 071	223 270	246 827	
B	LIM366	Bela-Bela	117 909	128 236	139 598	
B	LIM367	Mogalakwena	535 476	570 087	607 300	
B	LIM368	Modimolle-Mookgophong	134 343	143 095	152 490	
C	DC36	Waterberg District Municipality	145 500	150 601	156 119	
<b>Total: Waterberg Municipalities</b>			<b>1 257 360</b>	<b>1 348 635</b>	<b>1 448 114</b>	
B	LIM471	Ephraim Mogale	178 826	190 583	203 533	
B	LIM472	Elias Motsoaledi	334 260	357 024	382 127	
B	LIM473	Makhuduthamaga	324 200	343 247	364 150	
B	LIM476	Fetakgomo Tubatse	537 000	580 487	628 645	
C	DC47	Sekhukhune District Municipality	989 172	1 070 187	1 157 043	
<b>Total: Sekhukhune Municipalities</b>			<b>2 363 458</b>	<b>2 541 528</b>	<b>2 735 498</b>	
<b>Total: Limpopo Municipalities</b>			<b>11 846 944</b>	<b>12 721 252</b>	<b>13 672 306</b>	

**Table W1.31 Formula for integrated urban development grant incentive component**

	Planning allocation (R 000)	Performance incentive						Total for incentive and planning (R 000)
		Non-grant capital as percentage of total capital spend	Maintenance spend	Asset management plan	Land use and building plans in priority areas	Weighted score	Total incentive (R 000)	
uMhlathuze	3 674	20%	30%	20%	–	15%	21 022	24 697
Drakenstein	1 193	20%	20%	30%	–	15%	21 022	22 216
Mogale City	4 029	10%	30%	20%	–	13%	18 019	22 049
Polokwane	11 680	10%	20%	20%	–	11%	15 016	26 696
Ray Nkonyeni	2 107	10%	10%	10%	–	7%	9 010	11 117
Sol Plaatje	1 700	10%	30%	0%	–	9%	12 013	13 713
Stellenbosch	1 215	40%	10%	30%	–	17%	24 026	25 241
Steve Tshwete	1 698	30%	10%	20%	–	13%	18 019	19 717
<b>Total</b>	<b>27 298</b>					<b>100%</b>	<b>138 147</b>	<b>165 445</b>

Source: Department of Cooperative Governance

### *Urban settlements development grant*

The *urban settlements development grant* is an integrated source of funding for infrastructure for municipal services and upgrades to urban informal settlements in the eight metropolitan municipalities. It is allocated as a supplementary grant to cities (schedule 4, part B of the Division of Revenue Act), which means that municipalities are expected to use a combination of grant funds and their own revenue to develop urban infrastructure and integrated human settlements. Cities report their progress on these projects against the targets set in their service-delivery and budget implementation plans. Since 2019/20, cities have been required to report in line with the requirements of the Municipal Finance Management Act Circular 88. This is the result of a process led by the National Treasury to rationalise and streamline built environment reporting for the eight metropolitan municipalities. Cities report on one agreed set of indicators used by multiple stakeholders to monitor progress on the integrated and functional outcomes, rather than reporting separately to each department.

The grant is allocated R7.4 billion in 2022/23, R7.7 billion in 2023/24 and R8 billion in 2024/25. The allocation per municipality is based on the *municipal infrastructure grant* formula. Up to 3 per cent of the grant may be used to fund municipal capacity in the built environment in line with the Department of Human Settlements' capacity-building guideline.

### *Informal settlements upgrading partnership grant*

Upgrading informal settlements remains a priority over the medium term. The *informal settlements upgrading partnership grant* is allocated R4.2 billion in 2022/23, R4.4 billion in 2023/24 and R4.6 billion in 2024/25. Informal settlements upgrading is an inclusive process through which informal residential areas are incrementally improved, formalised and incorporated into the city or neighbourhood by extending land tenure security, infrastructure and services to residents of informal settlements. This grant requires cities to work in partnership with communities to develop and complete their informal settlements upgrading strategies.

### *Programme and project preparation support grant*

The *programme and project preparation support grant* supports metropolitan municipalities in developing a pipeline of investment-ready capital programmes and projects. This is done by establishing and institutionalising an effective and efficient system of programme and project preparation and the allocation of a growing level of municipal resources for preparation activities. The grant is allocated R1.1 billion over the 2022 MTEF period and grows at an average annual rate of 4.9 per cent.

### Public transport network grant

The *public transport network grant*, administered by the Department of Transport, helps cities create or improve public transport systems in line with the National Land Transport Act (2009) and the Public Transport Strategy. This includes all integrated public transport network infrastructure, such as bus rapid transit systems, conventional bus services, and pedestrian and cycling infrastructure. The grant also subsidises the operation of these services. It is allocated R20.4 billion over the medium term. The grant has been reduced by R754 million in 2022/23 and R105 million in 2024/25. These reductions are aligned to the City of Cape Town's revised implementation plan and cashflow projections for the MyCiTi public transport network, funded through the Budget Facility for Infrastructure through this grant. This grant grows at an annual average rate of 14.3 per cent over the 2022 MTEF period.

The allocations for this grant are determined through a formula, which determines 95 per cent of the allocations, and a performance-based incentive component which accounts for the remaining 5 per cent. The formula increases certainty about the extent of national funding that municipalities can expect when planning their public transport networks and encourages cities to make more sustainable public transport investments.

To qualify for an allocation from the performance incentive, a city must have an operational municipal public transport system approved by the national Department of Transport and it must have spent more than 80 per cent of its grant allocation in the previous financial year. Incentive allocations are then calculated based on the coverage of costs from fares, passenger trips and the city's own financial commitment to the system. Cities must exceed the minimum threshold in at least one of these three indicators. The calculation of the performance incentive allocations for 2022/23 is set out in Table W1.32. The raw scores for the cities are weighted using the sum of the base and formula components to account for the size of the city.

**Table W1.32 Public transport network grant**

	Oper- ational public transport system	Grant spent in 2020/21	Eligible for incentive	Coverage of direct costs from farebox	Average weekday passenger trips (% of populatio	City's contri- bution (% of property rates)	Raw scores for incentive	Incentive allocation for 2022/23 (R 000)
<b>Minimum threshold</b>	<b>Yes</b>	<b>80%</b>		<b>35.0%</b>	<b>1.0%</b>	<b>2.0%</b>		
City of Cape Town	Yes	96%	Yes	24.3%	1.05%	9.2%	0.196	159 469
City of Johannesburg	Yes	100%	Yes	18.3%	1.16%	3.9%	0.064	70 331
City of Tshwane	Yes	95%	Yes	6.9%	0.03%	1.6%	–	–
Ekurhuleni	Yes	100%	Yes	3.8%	0.06%	0.0%	–	–
eThekweni	No	100%	No	0.0%	0.00%	0.0%	–	–
George	Yes	89%	Yes	18.0%	5.13%	5.0%	0.397	54 095
Mangaung	No	100%	No	0.0%	0.00%	0.0%	–	–
Nelson Mandela Bay	Yes	61%	No	6.7%	0.18%	2.4%	–	–
Polokwane	No	80%	No	0.0%	0.00%	0.0%	–	–
Rustenburg	No	96%	No	0.0%	0.00%	0.0%	–	–
<b>Total</b>							<b>1</b>	<b>283 895</b>

Source: National Treasury

In the formula for the grant, a base component accounts for 20 per cent of total allocations and is divided equally among all participating cities – this ensures that smaller cities in particular have a significant base allocation to run their transport system regardless of their size. The bulk of the formula (75 per cent) is allocated based on three demand-driven factors, which account for the number of people in a city, the number of public transport users in a city (the weighting of train commuters is reduced as trains are subsidised separately through the Passenger Rail Authority of South Africa) and the size of a city's economy.

Table W1.33 sets out how the final allocation for each municipality is determined, taking account of both the formula and incentive components.

**Table W1.33 Formula for the public transport network grant**

	Base 20%	Demand-driven factors 75%			Subtotal: base and demand- driven factors	Perfor- mance 5%	Fiscal consolida- tion reduc- tions	100%
	Equally shared	Populatio n compo- nent shares	Regional gross value added compo- nent shares	Public transport users compo- nent shares		Incentive compo- nent (R 000)		Grant alloca- tions <sup>1</sup> (R 000)
City of Cape Town	7.7%	16.3%	15.8%	13.9%	15.2%	159 469	–	979 261
City of Johannesburg	7.7%	19.3%	25.2%	20.5%	20.6%	70 331	–	1 181 159
City of Tshwane	7.7%	12.7%	15.0%	14.0%	14.0%	–	–	753 681
Ekurhuleni	7.7%	13.8%	9.5%	14.9%	13.0%	–	–	702 334
eThekweni	7.7%	15.0%	15.8%	18.0%	16.0%	–	–	863 393
George	7.7%	0.8%	0.5%	0.2%	2.5%	54 095	–	191 410
Mangaung	7.7%	3.3%	2.4%	3.2%	4.6%	–	–	249 894
Nelson Mandela Bay	7.7%	5.0%	4.7%	3.6%	5.9%	–	–	318 543
Polokwane	7.7%	2.7%	1.5%	1.3%	3.7%	–	–	199 496
Rustenburg	7.7%	2.4%	3.5%	2.3%	4.4%	–	–	238 721
Unallocated incentive								
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>283 895</b>	<b>–</b>	<b>5 677 892</b>

1. Excludes additional funds for Cape Town allocated through the Budget Facility for Infrastructure

Source: National Treasury

In addition to the formula and performance incentive, R621 million is allocated through the *public transport network grant* over the medium term for Phase 2A of the City of Cape Town's MyCiTi public transport network, linking the underserved areas of Khayelitsha and Mitchells Plain to the city centre. This project is funded through the Budget Facility for Infrastructure. The facility seeks to support quality public investments through robust project appraisal, effective project development and execution, and sustainable financing arrangements. The process includes engaging with relevant stakeholders, the National Treasury and the Presidential Infrastructure Coordinating Commission. The amount allocated for the MyCiTi network over the 2022 MTEF period is aligned to the revised implementation plan and cashflow projections for the project.

#### *Neighbourhood development partnership grant*

The *neighbourhood development partnership grant* supports municipalities in developing and implementing urban network plans. The grant funds the upgrading of identified precincts to stimulate third-party public and private investment. In metropolitan municipalities, the focus is on upgrading urban hubs in townships. The National Treasury, in collaboration with other stakeholders, including the Department of Agriculture, Rural Development and Land Reform and the Department of Cooperative Governance, has identified a cohort of non-metropolitan municipalities to implement new projects as part of this grant. The National Treasury will partner with these municipalities to identify, plan and implement infrastructure upgrades in targeted urban hub precincts. The grant is allocated R3.8 billion over the 2022 MTEF period, made up of R3.5 billion for the direct capital component and R307 million for the indirect technical assistance component. This allocation includes an additional allocation of R1.7 billion over the 2022 MTEF period for metropolitan municipalities to continue to create jobs through labour-intensive projects as part of government's response to the impacts of COVID-19.

#### *Water services infrastructure grant*

This grant, administered by the Department of Water and Sanitation, aims to accelerate the delivery of clean water and sanitation facilities to communities that do not have access to basic water services. It provides

<b>Integrated Urban Development Grant</b>	
	<ul style="list-style-type: none"> <li>• Before newly participating municipalities can receive their first tranche, their three-year capital programme and 10-year Capital Expenditure Framework must have been approved through processes led by the Department of Cooperative Governance (DCoG)</li> <li>• The second transfer will only be released to municipalities that have spent at least 50 per cent of their first tranche</li> <li>• A maximum of 5 per cent of a municipality's IUDG allocations may be used for programme management costs related to grant funded projects, only if a business plan for their programme management unit is approved by the transferring officer before the start of the municipal financial year. If these funds (5 per cent) are not planned or spent for this purpose they must revert back to capital projects in the IUDG</li> <li>• Local municipalities investing in roads infrastructure must utilise data from the Rural Roads Asset Management System (RRAMS), where available, to identify and prioritise their investment on roads projects; including maintenance</li> <li>• IUDG funds can be used for road maintenance only if projects are planned and prioritised using RRAMS data</li> <li>• Ring-fenced sport infrastructure allocation: <ul style="list-style-type: none"> <li>○ municipalities that have allocations gazetted as part of the ring-fenced allocation for specific sport infrastructure projects may only spend these allocations on the projects identified by the Department of Sports, Arts and Culture (DSAC)</li> <li>○ municipalities must make use of framework contracts approved by DSAC when implementing projects funded from this allocation unless an exemption from this requirement is approved by DSAC</li> <li>○ initial transfers of funds from the ring-fenced funds will be subject to signing of a memorandum of understanding between DSAC and the beneficiary municipalities</li> <li>○ subsequent transfers funded through the ring-fenced amount will also be subject to approval by DSAC</li> </ul> </li> <li>• Municipalities that are already part of the IUDG but do not continue to meet all of the qualification criteria for the grant must adopt and implement a Performance Improvement Plan (PIP) and meet the qualification criteria within 2 years of the implantation of the PIP if they are to remain part of this grant. By the 31st of March 2022, Polokwane Local Municipality and Sol Plaatjie Local Municipality must have adopted PIPs, which must: <ul style="list-style-type: none"> <li>○ be agreed with DCoG</li> <li>○ set out measurable indicators to improve performance on the gaps in the municipality's performance on IUDG qualification criteria</li> <li>○ address how the audit action plan will be implemented</li> <li>○ be adopted by the municipal council</li> </ul> </li> <li>• Municipalities implementing a PIP must submit quarterly reports on its progress to DCoG</li> <li>• Municipalities using IUDG funding to purchase specialised vehicles for waste management must prepare a technical assessment report (TAR) which must comply with the norms and standards for specialised waste management vehicles. The TAR must demonstrate that IUDG funds will only be used for the expansion of waste management services to poor households not previously served. The purchase will only be done through the National Treasury's RT57 transversal contract and the TAR must include a recommendation from the provincial Department of Environment, Forestry and Fisheries (DEFF) and a final recommendation from the national DEFF before it is considered. Vehicles may not be purchased with IUDG funds for other purposes</li> <li>• To respond to the COVID-19 pandemic: <ul style="list-style-type: none"> <li>○ municipalities must prioritise the provision of water and sanitation to communities that do not currently have access to water services</li> <li>○ municipalities may spend 10 per cent of their allocations for the urgent repair and refurbishment of water and sanitation infrastructure to restore functionality</li> <li>○ municipalities may use up to 10 per cent of their allocations for the sanitisation of public transport facilities and other municipal public facilities including the provision of temperature scanners, hand washing facilities, hand sanitisers (as per the standard determined by the Department of Health), personal protective equipment for municipal and public transport workers and provisions for physical distancing; and to repair municipal-owned infrastructure identified for quarantine sites (limited to repairs to existing facilities, not modifications and operational costs)</li> <li>○ municipalities must submit a separate business plan through their programme management unit for this spending under the Special Municipal Infrastructure Fund (SMIF) option in the MIG-MIS by 29 July 2022. Municipalities must report on how these funds are spent through the MIG-MIS. DCoG may approve that amounts above the 10 per cent threshold be used for these activities based on the municipality's motivation and its progress on committed projects</li> </ul> </li> <li>• Polokwane Local Municipality should not use the sanitisation provision for the sanitisation of public transport facilities as it is funded for this in the Public Transport Network Grant</li> <li>• Municipalities must report on the use of funds for the COVID-19 response in line with the requirements of section 12 of the Division of Revenue Act</li> </ul>
<b>Allocation criteria</b>	<ul style="list-style-type: none"> <li>• Allocations are focused on municipalities whose circumstances align with the IUDG's criteria, these include: higher urban population densities and high economic activity</li> <li>• The IUDG includes a base component, a performance-based component and a once-off planning component</li> </ul>



<b>Infrastructure Skills Development Grant</b>	
<b>Past performance</b>	<p><b>2020/21 audited financial outcomes</b></p> <ul style="list-style-type: none"> <li>R143 million was allocated and transferred to 15 municipalities</li> </ul> <p><b>2020/21 service delivery performance</b></p> <ul style="list-style-type: none"> <li>The grant has created employment and training opportunities</li> <li>Currently 367 graduates are in training</li> <li>Since inception of the grant, 303 graduates have been professionally registered with the relevant statutory councils</li> <li>263 graduates are professionally registered and absorbed by the municipalities</li> <li>In 2020/21 the following municipalities hosted graduates through the grant: Buffalo City (27 graduates); Nelson Mandela Bay (30 graduates); eThekweni (48 graduates); City of Johannesburg (18 graduates); Polokwane (18 graduates); Govan Mbeki (56 graduates); Gert Sibande (31 graduates); Alfred Nzo (19 graduates); Sol Plaatje (13 graduates); John Taolo Gaetsewe (9 graduates); King Sabata Dalindyebo (10 graduates); City of Cape Town (28 graduates); George (15 graduates); Alfred Duma (11 graduates); Thulamela (10 graduates)</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>This grant continues until 2024/25, subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>2022/23: R159 million; 2023/24: R160 million and 2024/25: R167 million</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>Transfers are made in accordance with a payment schedule approved by the National Treasury</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>Issue guidelines and supporting documentation for the implementation of the ISDG</li> <li>Rollout the ISDG in municipalities in compliance with the ISDG framework, guidelines and relevant prescripts</li> <li>Manage, monitor and report on the programme</li> <li>Ensure professional development is aligned to statutory council requirements</li> <li>Monitor the registration progress of graduates with the relevant statutory councils by municipalities</li> <li>Monitor financial and non-financial performance of the ISDG</li> <li>Maintain graduates' database for the ISDG</li> <li>Work with relevant stakeholders on policies, strategies and guidelines to recruit graduates into permanent positions in local government after they have registered as professionals</li> <li>Participate in the review of the municipal capacity support system during 2022</li> </ul> <p><b>Responsibilities of municipalities</b></p> <ul style="list-style-type: none"> <li>Comply with the requirements of the 2022 Division of Revenue Act, ISDG guidelines, service level agreement and the requirements of the relevant statutory councils</li> <li>Municipalities must prepare a structured training plan, indicating how graduates will be exposed to suitable projects, to ensure that graduates achieve competencies in relevant activities and are developed professionally to meet the outcome(s) requirements for professional registration</li> <li>Seek and provide secondment opportunities/agreements with professional service providers, appointed by the municipality, when there is no more relevant work with adequate responsibility for the candidate to progress</li> <li>Provide the candidate with the requisite workspace, supervisor, tools of profession/trade and logistics to perform the recommended activities within their training plans</li> <li>Continuously review and assess the candidates' work and progress on the road-to-registration and make recommendations for corrective action</li> <li>Ensure that candidates attend professional development activities in accordance with their training plans, progress and the requirements of their respective statutory councils</li> <li>Attend all meetings and workshops convened by the National Treasury relating to this grant</li> <li>Support and supervise graduates on the road-to-registration training</li> <li>Recruit professionally registered mentors who are able to provide the skills training required and ensure that they are adequately orientated on the registration process and its requirements</li> <li>Manage the programme and provide progress reports on a monthly and quarterly basis in the standard reporting templates provided by the National Treasury</li> <li>Manage the utilisation of ISDG funds and report to the National Treasury</li> <li>The municipality must provide, and update, the list of business tools procured with ISDG funds. The business tools must be procured in accordance with ISDG guidelines</li> <li>Municipalities must submit applications for graduates to register as candidates with the relevant statutory councils within six months, and where not initially eligible, must complete the additional requirements for acceptance as a candidate within 12 months of intake</li> <li>Municipalities must submit evidence of the graduates' registration to National Treasury when graduates have registered as professionals</li> </ul>
<b>Process for approval of 2023/24 business plans</b>	<ul style="list-style-type: none"> <li>Interested municipalities must submit a three-year business plan by 31 August 2022 for assessment by the National Treasury</li> <li>Participating municipalities must submit revised business plans to the National Treasury by 31 August 2022</li> </ul>

<b>Public Transport Network Grant</b>	
	<p>IPTS trunk and feeder routes is 100 complete; average of 2 115 weekday passenger journeys and average of 70.25 weekday passengers per network vehicle</p> <ul style="list-style-type: none"> <li>• <b>Polokwane:</b> Construction of civil works at the layover facility is complete; continuation of depot civil works is 30 percent complete; trunk at 25 percent completion and station at 30 percent completion; renovation of day-time layover facility buildings is 98 percent complete; development and testing of 5 x 9-meter buses is 90 percent complete; upgrading of the public transport facilities is 95 percent complete: AFC and PTMS installations on 21 x 12m buses, one-9-meter bus, layover facility and control centre is completed</li> <li>• <b>Rustenburg:</b> 4 kilometres bi-directional roadway constructed; 2 closed stations constructed and 20 kilometres cycling lane or walkway constructed; funding model and the delivery of 10 buses for phase 1A is 100 percent completed; 100 percent of the bus deposit paid; turn-around facility and depot are 35 percent complete; progress on the interim service agreement negotiations is at 65 percent; station construction is 59 percent complete</li> <li>• <b>Tshwane:</b> Line 2B: Lynnwood Road design reviews are 98 percent complete; Capital Park bridges are 97 percent complete; Wonderboom civil and bulk earthworks is 100 complete; building works for Wonderboom intermodal facility is 39 percent complete; progress on the Belle Ombre Phase 2 is at 48 percent; average of 23 017 weekday passenger journeys and average of 137.8 weekday passengers per network vehicle</li> </ul>
<b>Projected life</b>	<ul style="list-style-type: none"> <li>• This grant continues until 2024/25, subject to review</li> </ul>
<b>MTEF allocations</b>	<ul style="list-style-type: none"> <li>• 2022/23: R6 billion; 2023/24: R6.7 billion and 2024/25: R7.7 billion</li> </ul>
<b>Payment schedule</b>	<ul style="list-style-type: none"> <li>• Transfers are made in accordance with an agreed payment schedule approved by the National Treasury</li> </ul>
<b>Responsibilities of the transferring officer and receiving officer</b>	<p><b>Responsibilities of the national department</b></p> <ul style="list-style-type: none"> <li>• Disburse PTNG funds and monitor PTNG expenditure</li> <li>• Monitor IPTN implementation progress and operating performance in line with the NLTA and the public transport strategy</li> <li>• Verify reports from municipalities by conducting at least one site visit per annum</li> <li>• Allocate funds based on stated priorities through an allocation mechanism agreed to by the DoT and National Treasury</li> <li>• Review and comment on draft compensation agreements for economic rights</li> <li>• Review and comment on the network model submitted by each municipality</li> <li>• Evaluate the performance of the grant annually</li> <li>• Maintain the database of operational performance based on the indicators and continue to track, report, and evaluate the performance of the grant based on these measures</li> <li>• Finalise the public transport subsidy policy for South Africa</li> <li>• Develop cost norms for ITS and include these in the annual PTNG guidelines and requirements circulated to municipalities by DoT</li> <li>• Submit copies of allocation letters and milestones to the National Treasury</li> <li>• Review the Public Transport Strategy to ensure its requirements enable municipalities to develop fiscally sustainable IPTN systems</li> <li>• Implement internal mechanisms to monitor adherence to grant conditions and manage the disbursements of the grant where there is non-compliance. Measures to address non-compliance include withholding transfers, as provided for in section 17 of the Division of Revenue Act (DoRA). If matters are still unresolved, this may result in the stopping and reallocation of tranche payments in terms of sections 18 and 19 of DoRA</li> <li>• DoT must report separately on COVID-19 expenditure, in its reports submitted in terms of the requirements of section 10 of the DoRA and must share these reports with the National Disaster Management Centre</li> </ul> <p><b>Responsibilities of municipalities</b></p> <ul style="list-style-type: none"> <li>• Ensure that projects are implemented in line with approved business plans and are also reflected in the integrated development plan of the municipality. Additional plans that municipalities will need to complete include: <ul style="list-style-type: none"> <li>○ network operational plans, including universal design access plans</li> <li>○ business and financial plans (including financial modelling, economic evaluation, and operator transition plans)</li> <li>○ institutional network management plans</li> <li>○ engineering and architectural preliminary and detailed designs</li> <li>○ public transport vehicle and technology plans</li> <li>○ marketing and communication plans</li> </ul> </li> <li>• Projects funded by this grant must promote the integration of the public transport networks in a municipality, through: <ul style="list-style-type: none"> <li>○ physical integration between different services within a single network</li> <li>○ fare integration between different services</li> <li>○ marketing integration with unified branding</li> <li>○ institutional integration between the services</li> <li>○ spatial integration, in conjunction with other grants directed at the built environment</li> </ul> </li> <li>• Provide budget proposals for the PTNG funding that: <ul style="list-style-type: none"> <li>○ are based on sound operational and financial plans that cover direct vehicle company operating costs from local sources at a minimum</li> </ul> </li> </ul>

ANNEXURE W4

SPECIFIC PURPOSE ALLOCATIONS TO MUNICIPALITIES  
(SCHEDULE 5, PART B AND SCHEDULE 7, PART B): CURRENT GRANTS

Category	Municipality	Infrastructure Skills Development Grant			Local Government Financial Management Grant			Expanded Public Works Programme Integrated Grant for Municipalities			Programme and Project Preparation Support Grant			SUB-TOTAL: CURRENT			
		2022/23 (R'000)	2023/24 (R'000)	2024/25 (R'000)	2022/23 (R'000)	2023/24 (R'000)	2024/25 (R'000)	2022/23 (R'000)	2023/24 (R'000)	2024/25 (R'000)	2022/23 (R'000)	2023/24 (R'000)	2024/25 (R'000)	2022/23 (R'000)	2023/24 (R'000)	2024/25 (R'000)	
<b>LIMPOPO</b>																	
B	LM331 Greater Giyani	-	-	2 400	2 400	2 400	-	4 055	-	-	-	-	-	-	6 435	2 400	2 400
B	LM332 Greater Letaba	-	-	2 000	2 000	2 000	-	2 139	-	-	-	-	-	-	4 139	2 000	2 000
B	LM333 Greater Tzaneen	-	-	2 000	2 000	2 000	-	8 065	-	-	-	-	-	-	10 065	2 000	2 000
B	LM334 Ba-Panahwenwa	-	-	3 100	3 100	3 100	-	1 186	-	-	-	-	-	-	4 286	3 100	3 100
B	LM335 Mairatling	-	-	1 850	1 850	1 850	-	1 246	-	-	-	-	-	-	3 096	1 850	1 850
C	DC33 - Mopani District Municipality	-	-	3 000	3 000	3 000	-	10 600	-	-	-	-	-	-	13 600	3 000	3 000
	<b>Total: Mopani Municipalities</b>	-	-	<b>14 350</b>	<b>14 350</b>	<b>14 350</b>	-	<b>27 271</b>	-	-	-	-	-	-	<b>41 621</b>	<b>14 350</b>	<b>14 350</b>
B	LM331 Musina	-	-	3 000	3 000	3 000	-	1 390	-	-	-	-	-	-	4 390	3 000	3 000
B	LM333 Thulamela	5 250	5 500	1 650	1 700	1 700	-	4 864	-	-	-	-	-	-	11 764	7 200	7 200
B	LM334 Mookgweetsen	-	-	1 500	1 500	1 500	-	1 500	-	-	-	-	-	-	4 500	1 500	1 500
B	LM345 Collins Chabane	-	-	2 850	2 850	2 850	-	1 759	-	-	-	-	-	-	4 309	2 850	2 850
C	DC34 - Vhembe District Municipality	-	-	3 000	3 000	3 000	-	4 754	-	-	-	-	-	-	7 754	3 000	3 000
	<b>Total: Vhembe Municipalities</b>	<b>5 250</b>	<b>5 500</b>	<b>12 150</b>	<b>12 200</b>	<b>12 200</b>	-	<b>16 024</b>	-	-	-	-	-	-	<b>33 426</b>	<b>17 700</b>	<b>17 700</b>
B	LM351 Bloubaai	-	-	2 400	2 400	2 400	-	1 950	-	-	-	-	-	-	4 350	2 400	2 400
B	LM353 Molemole	-	-	2 300	2 300	2 300	-	1 407	-	-	-	-	-	-	3 707	2 300	2 300
B	LM354 Polokwane	6 000	6 000	2 400	2 400	2 400	-	11 570	-	-	-	-	-	-	19 970	8 400	8 400
B	LM355 Lepelle-Shepeli	-	-	2 000	2 000	2 000	-	1 380	-	-	-	-	-	-	3 380	2 000	2 000
C	DC35 - Capricorn District Municipality	<b>6 000</b>	<b>6 000</b>	<b>10 100</b>	<b>10 100</b>	<b>10 100</b>	-	<b>3 247</b>	-	-	-	-	-	-	<b>26 153</b>	<b>16 100</b>	<b>16 100</b>
B	LM461 Thabazanehi	-	-	3 100	3 100	3 100	-	1 356	-	-	-	-	-	-	4 356	3 100	3 100
B	LM462 Lephalale	-	-	1 650	1 700	1 700	-	1 392	-	-	-	-	-	-	2 942	1 700	1 700
B	LM466 Bela-Bela	-	-	1 650	1 700	1 700	-	1 802	-	-	-	-	-	-	3 152	1 700	1 700
B	LM467 Mopani	-	-	2 100	2 100	2 100	-	3 518	-	-	-	-	-	-	3 261	2 100	2 100
B	LM468 Mopani-Mookgweetsen	-	-	2 650	2 650	2 650	-	2 041	-	-	-	-	-	-	4 691	2 650	2 650
C	DC36 - Waterberg District Municipality	-	-	1 000	1 000	1 000	-	1 000	-	-	-	-	-	-	1 000	1 000	1 000
	<b>Total: Waterberg Municipalities</b>	-	-	<b>12 150</b>	<b>12 250</b>	<b>12 250</b>	-	<b>7 252</b>	-	-	-	-	-	-	<b>19 402</b>	<b>12 250</b>	<b>12 250</b>
B	LM471 Ephraim Mogale	-	-	3 100	3 100	3 100	-	1 310	-	-	-	-	-	-	4 410	3 100	3 100
B	LM472 Elias Mosekole	-	-	2 850	2 850	2 850	-	1 796	-	-	-	-	-	-	4 646	2 850	2 850
B	LM473 Mafikeng	-	-	1 720	1 720	1 720	-	1 925	-	-	-	-	-	-	3 645	1 720	1 720
B	LM476 Ficksburg-Tlokweng	-	-	2 550	2 550	2 550	-	1 385	-	-	-	-	-	-	3 935	2 550	2 550
C	DC37 - Sekake District Municipality	-	-	2 400	2 400	2 400	-	13 010	-	-	-	-	-	-	15 410	2 400	2 400
	<b>Total: Sekake District Municipality</b>	-	-	<b>12 620</b>	<b>12 620</b>	<b>12 620</b>	-	<b>19 536</b>	-	-	-	-	-	-	<b>31 946</b>	<b>12 620</b>	<b>12 620</b>
	<b>Total: Limpopo Municipalities</b>	<b>11 250</b>	<b>11 500</b>	<b>61 370</b>	<b>61 520</b>	<b>62 208</b>	-	<b>89 229</b>	-	-	-	-	-	-	<b>102 549</b>	<b>73 620</b>	<b>74 438</b>
<b>MPUMALANGA</b>																	
B	MP301 Chief Albert Luthuli	-	-	2 000	2 000	2 000	-	2 227	-	-	-	-	-	-	4 227	2 000	2 000
B	MP302 Middelburg	-	-	3 000	3 000	3 000	-	1 086	-	-	-	-	-	-	4 086	3 000	3 000
B	MP303 Middelburg	-	-	3 100	3 100	3 100	-	2 853	-	-	-	-	-	-	5 953	3 100	3 100
B	MP304 Dr Fikile J. Mkhosana	-	-	2 450	2 450	2 450	-	1 854	-	-	-	-	-	-	4 304	2 450	2 450
B	MP306 Eshowe	-	-	2 800	2 800	2 800	-	1 644	-	-	-	-	-	-	4 444	2 800	2 800
B	MP307 Govan Mbeki	24 500	24 000	25 500	2 100	3 518	-	2 629	-	-	-	-	-	-	29 229	26 100	29 018
C	DC30 - Gert Sibande District Municipality	13 550	13 107	13 516	1 000	1 000	-	2 295	-	-	-	-	-	-	17 145	14 107	14 536
	<b>Total: Gert Sibande District Municipality</b>	<b>38 050</b>	<b>37 107</b>	<b>39 016</b>	<b>19 300</b>	<b>22 186</b>	-	<b>17 245</b>	-	-	-	-	-	-	<b>74 595</b>	<b>56 457</b>	<b>61 222</b>
B	MP311 Victor Khanye	-	-	1 850	1 850	1 850	-	2 284	-	-	-	-	-	-	4 134	1 850	1 850
B	MP312 Emalaheni	-	-	3 000	3 000	3 000	-	6 151	-	-	-	-	-	-	9 151	3 000	3 000
B	MP313 Steve Fikwe	-	-	1 650	1 700	1 700	-	4 780	-	-	-	-	-	-	6 430	1 700	1 700
B	MP314 Emakhazeni	-	-	2 900	2 900	4 318	-	1 473	-	-	-	-	-	-	4 373	2 900	4 318
B	MP315 Thembisile Hani	-	-	1 720	1 770	1 770	-	3 735	-	-	-	-	-	-	5 455	1 770	1 770
B	MP316 Dr JS Moroka	-	-	2 450	2 450	2 450	-	2 432	-	-	-	-	-	-	4 882	2 450	2 450
C	DC31 - Sekake District Municipality	-	-	1 000	1 000	1 000	-	2 215	-	-	-	-	-	-	3 215	1 000	1 000
	<b>Total: Sekake District Municipality</b>	-	-	<b>14 570</b>	<b>14 670</b>	<b>16 083</b>	-	<b>23 170</b>	-	-	-	-	-	-	<b>37 740</b>	<b>14 670</b>	<b>16 083</b>
B	MP321 Thabo Chwen	-	-	3 000	3 000	3 000	-	1 922	-	-	-	-	-	-	4 922	3 000	3 000
B	MP324 Mmamagadi	-	-	1 770	1 770	1 770	-	4 621	-	-	-	-	-	-	6 391	1 770	1 770
B	MP325 Mmamagadi	-	-	2 650	2 650	2 650	-	5 519	-	-	-	-	-	-	7 869	2 650	2 650
B	MP326 Chief MK Mosotho	-	-	2 650	2 650	2 650	-	8 555	-	-	-	-	-	-	11 205	2 650	2 650
C	DC32 - Ehlanzeni District Municipality	-	-	1 000	1 000	1 000	-	2 457	-	-	-	-	-	-	3 457	1 000	1 000
	<b>Total: Ehlanzeni District Municipality</b>	-	-	<b>11 070</b>	<b>11 070</b>	<b>11 070</b>	-	<b>22 784</b>	-	-	-	-	-	-	<b>33 854</b>	<b>11 070</b>	<b>11 070</b>
	<b>Total: Mpumalanga Municipalities</b>	<b>38 050</b>	<b>37 107</b>	<b>39 016</b>	<b>44 940</b>	<b>45 096</b>	-	<b>63 199</b>	-	-	-	-	-	-	<b>146 189</b>	<b>82 197</b>	<b>88 580</b>

ANNEXURE NS  
INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES  
(SCHEDULE 4, PART B AND SCHEDULE 5, PART B) 1 OF 2

Category	Municipality	Municipal Infrastructure Grant		Municipal Disaster Recovery Grant		Energy Efficiency and Demand-Side Management Grant		Integrated National Electrification Programme (Municipal Grant)		Rural Roads Asset Management Systems Grant		Regional Bulk Infrastructure Grant		Water Services Infrastructure Grant	
		2022/23 (R'000)	2023/24 (R'000)	2022/23 (R'000)	2023/24 (R'000)	2022/23 (R'000)	2023/24 (R'000)	2022/23 (R'000)	2023/24 (R'000)	2022/23 (R'000)	2023/24 (R'000)	2022/23 (R'000)	2023/24 (R'000)	2022/23 (R'000)	2023/24 (R'000)
<b>LIMPOPO</b>															
B	LIM31 Greater Giyani	69 261	72 338												
B	LIM32 Greater Letaba	65 707	68 614	17 706				20 584	21 000						
B	LIM33 Greater Tzaneen	119 044	112 957	5 000	5 000	4 000	5 000	14 000	16 000						
B	LIM34 Inyanga	38 186	37 681	39 270	4 000	2 500		8 000	8 000						
C	DECS - Mgungundlovu Municipality	521 660	542 585	574 696						2 361	2 370	2 856		50 000	67 000
	<b>Total Mpumalanga Municipalities</b>	<b>841 708</b>	<b>871 231</b>	<b>9 12 117</b>	<b>9 000</b>	<b>14 000</b>	<b>7 500</b>	<b>63 144</b>	<b>55 000</b>	<b>2 361</b>	<b>2 370</b>	<b>2 856</b>		<b>50 000</b>	<b>67 000</b>
B	LIM54 Mooka	32 713	34 040						10 000						
B	LIM55 Middelburg	110 997	107 271	112 253				22 200	22 000						
B	LIM56 Collin Chubane	91 889	91 146	105 674				5 000	12 000						
C	DECS - Vhembe District Municipality	580 243	621 140	651 375						2 407	2 416	2 503		60 000	64 750
	<b>Total Vhembe Municipalities</b>	<b>939 304</b>	<b>979 904</b>	<b>1 056 421</b>				<b>47 230</b>	<b>50 000</b>	<b>2 407</b>	<b>2 416</b>	<b>2 503</b>		<b>60 000</b>	<b>64 750</b>
B	LIM57 Bushong	59 408	52 582	54 895											
B	LIM58 Mookmoo	39 782	41 458	43 232				34 138	21 000						
B	LIM59 Mookwa	61 628	64 530	67 225				33 000	30 733						
C	DECS - East Rand District Municipality	294 256	317 247	334 269				5 000	9 000						
	<b>Total East Rand Municipalities</b>	<b>411 275</b>	<b>426 440</b>	<b>456 427</b>				<b>72 138</b>	<b>72 733</b>	<b>2 801</b>	<b>2 601</b>	<b>2 606</b>		<b>115 000</b>	<b>107 812</b>
B	LIM60 Thabazimbi	37 573	39 134	40 794					30 000						
B	LIM62 Letaba	29 552	31 207	32 859				25 000	22 000						
B	LIM63 Diale	35 648	36 273	37 519				10 000	10 000						
B	LIM67 Mgikakana	179 727	183 000	198 994				7 000	15 000						
B	LIM68 Mafeni-Mookgongop	41 725	43 579	47 583				40 000	38 500						
C	DECS - West Rand District Municipality	339 347	364 819	379 826						2 281	2 290	2 373		109 600	104 915
	<b>Total West Rand Municipalities</b>	<b>664 466</b>	<b>705 910</b>	<b>736 125</b>				<b>144 000</b>	<b>144 000</b>	<b>2 281</b>	<b>2 290</b>	<b>2 373</b>		<b>109 600</b>	<b>104 915</b>
B	LIM71 Ebitang Msigale	37 821	39 594	41 066					11 000						
B	LIM72 Eka Mkwakwi	65 666	65 364	68 300				17 000	11 494						
B	LIM73 Mafeni Mhlambatha	79 915	74 072	77 450				6 000	11 000						
B	LIM75 Nkomo	66 488	65 548	67 491				25 000	11 000						
C	DECS - Mankwago District Municipality	545 528	573 527	601 197											
	<b>Total Mankwago Municipalities</b>	<b>816 508</b>	<b>853 501</b>	<b>885 033</b>				<b>51 000</b>	<b>22 988</b>	<b>2 451</b>	<b>2 460</b>	<b>2 549</b>		<b>51 652</b>	<b>54 425</b>
B	LIM74 Albert Luthuli	104 242	109 067					10 000	12 539						
B	MP101 Mafikeng	62 601	64 496					5 000	10 000						
B	MP102 Mmabatho	39 232	39 906					11 420	13 000						
B	MP103 Nkomo	32 514	33 832	35 235				7 000	15 000						
B	MP106 Diale	20 943	21 708	22 520				4 000	15 000						
B	MP107 Gwato	66 932	68 849	71 954				15 000	22 000						
C	DECS - North West District Municipality	190 407	415 945	434 427						2 876	2 885	2 972			
	<b>Total North West Municipalities</b>	<b>499 627</b>	<b>605 894</b>	<b>632 737</b>				<b>105 000</b>	<b>109 539</b>	<b>2 876</b>	<b>2 885</b>	<b>2 972</b>		<b>105 000</b>	<b>109 539</b>
B	MP111 Vektor Khanye	27 976	29 078	30 248				5 000	13 321						
B	MP112 Tlokweng	137 675	144 029	150 787				49 000	39 705						
B	MP114 Bhebe	20 272	21 004	21 782				4 000	15 000						
B	MP115 Thabane	141 661	148 204	155 167				14 000	15 624						
B	MP116 Dr. J.S. Moroka	133 660	150 239	157 299				12 000							
C	DECS - Limpopo District Municipality	461 324	492 554	515 263						2 332	2 341	2 427		115 000	129 714
	<b>Total Limpopo Municipalities</b>	<b>1 058 866</b>	<b>1 131 214</b>	<b>1 197 244</b>				<b>146 000</b>	<b>146 000</b>	<b>2 332</b>	<b>2 341</b>	<b>2 427</b>		<b>146 000</b>	<b>161 154</b>
B	MP121 Thaba Chesa	53 907	56 248	58 740				20 000	12 539						
B	MP124 Nkomoni	238 939	271 099	284 035				10 000							
B	MP125 Bhebe	439 851	451 242	475 934				4 000							
C	DECS - Eastern District Municipality	308 392	304 258	312 852						2 516	2 525	2 617		50 000	51 500
	<b>Total Eastern District Municipality</b>	<b>1 138 669</b>	<b>1 191 115</b>	<b>1 237 561</b>				<b>52 000</b>	<b>52 000</b>	<b>2 516</b>	<b>2 525</b>	<b>2 617</b>		<b>100 000</b>	<b>103 000</b>
B	MP131 Mookgongop	249 800	249 574	249 271				23 284	23 000						
B	MP132 Mookgongop	249 800	249 574	249 271				23 284	23 000						
	<b>Total Mookgongop Municipalities</b>	<b>499 600</b>	<b>499 148</b>	<b>498 542</b>				<b>46 568</b>	<b>46 000</b>						

ANNEXURE W5  
**INFRASTRUCTURE GRANT ALLOCATIONS TO MUNICIPALITIES**  
 (SCHEDULE 4, PART B AND SCHEDULE 5, PART B) 2 OF 2

Category	Municipality	Integrated Urban Development Grant (National and Municipal Financial Year)		Neighbourhood Development Partnership Grant (National and Municipal Financial Year)		Informal Settlements Upgrade Partnership (National and Municipal Financial Year)		Urban Settlements Development Grant (National and Municipal Financial Year)		Public Transport Network Grant (National and Municipal Financial Year)		SUB-TOTAL: INFRASTRUCTURE (R'000)	
		2022/23 (R'000)	2023/24 (R'000)	2022/23 (R'000)	2023/24 (R'000)	2022/23 (R'000)	2023/24 (R'000)	2022/23 (R'000)	2023/24 (R'000)	2022/23 (R'000)	2023/24 (R'000)	2022/23 (R'000)	2023/24 (R'000)
<b>LIMPOPO</b>													
B	LIM31 Greater Giyani	-	-	-	-	-	-	-	-	-	-	93 538	202 673
B	LIM32 Greater Tzaneen	-	-	-	-	-	-	-	-	-	-	96 465	202 673
B	LIM33 Greater Tzaneen	-	-	-	-	-	-	-	-	-	-	138 004	134 902
B	LIM34 Be-Panahiswa	-	-	-	-	-	-	-	-	-	-	49 083	49 083
B	LIM35 Mmabang	-	-	-	-	-	-	-	-	-	-	30 170	32 659
C	DC33 Mopani District Municipality	-	-	-	-	-	-	-	-	-	-	61 765	63 812
<b>Total Limpopo Municipalities</b>		-	-	-	-	-	-	-	-	-	-	<b>1 099 091</b>	<b>1 038 512</b>
B	LIM41 Midsi	-	-	-	-	-	-	-	-	-	-	32 713	44 040
B	LIM43 Thabatha	-	-	-	-	-	-	-	-	-	-	143 112	146 394
B	LIM44 Makhado	-	-	7 000	5 000	-	-	-	-	-	-	122 717	128 961
D	LIM45 CollinsChabane	-	-	-	-	-	-	-	-	-	-	98 889	100 446
D	LIM46 CollinsChabane	-	-	-	-	-	-	-	-	-	-	19 392	19 392
C	DC35 Capricorn District Municipality	-	-	7 000	5 000	-	-	-	-	-	-	46 600	46 600
<b>Total Capricorn Municipalities</b>		-	-	<b>7 000</b>	<b>5 000</b>	-	-	-	-	-	-	<b>103 081</b>	<b>1 112 200</b>
B	LIM51 Bhoteng	-	-	-	-	-	-	-	-	-	-	84 546	75 582
B	LIM53 Melenole	-	-	-	-	-	-	-	-	-	-	39 792	51 458
B	LIM54 Ficksburg	426 044	406 823	40 000	45 000	-	-	199 996	208 005	-	-	156 638	156 638
C	DC35 Capricorn District Municipality	-	-	-	-	-	-	-	-	-	-	383 338	384 224
<b>Total Capricorn Municipalities</b>		<b>426 044</b>	<b>406 823</b>	<b>40 000</b>	<b>45 000</b>	-	-	<b>199 996</b>	<b>208 005</b>	-	-	<b>1 509 386</b>	<b>1 467 462</b>
B	LIM61 Tlokweng	-	-	-	-	-	-	-	-	-	-	62 573	69 134
B	LIM62 Tlokweng	-	-	-	-	-	-	-	-	-	-	15 000	15 000
B	LIM66 Bole-Bole	-	-	-	-	-	-	-	-	-	-	92 140	97 428
B	LIM67 Mogalewena	-	-	-	-	-	-	-	-	-	-	234 367	258 426
B	LIM68 Modimole-Mookgopong	-	-	-	-	-	-	-	-	-	-	8 772	68 079
C	DC36 Waterberg District Municipality	-	-	-	-	-	-	-	-	-	-	2 281	2 290
<b>Total Waterberg Municipalities</b>		-	-	-	-	-	-	-	-	-	-	<b>362 678</b>	<b>608 224</b>
B	LIM47 Ephraim Mqale	-	-	-	-	-	-	-	-	-	-	37 921	41 066
B	LIM47 Elias Motsoaledi	-	-	-	-	-	-	-	-	-	-	79 666	76 864
B	LIM47 Mkhathatung	-	-	-	-	-	-	-	-	-	-	76 915	77 430
B	LIM47 Ficksburg	-	-	-	-	-	-	-	-	-	-	124 588	119 974
<b>Total Sediberg Municipalities</b>		-	-	-	-	-	-	-	-	-	-	<b>210 011</b>	<b>207 246</b>
<b>Total Limpopo Municipalities</b>		<b>426 044</b>	<b>406 823</b>	<b>47 000</b>	<b>45 000</b>	-	-	<b>199 996</b>	<b>208 005</b>	-	-	<b>5 014 081</b>	<b>5 144 133</b>
<b>MPUMALANGA</b>													
B	MP101 Chief Albert Luthuli	-	-	-	-	-	-	-	-	-	-	337 593	316 242
B	MP102 Mookgongwe	-	-	-	-	-	-	-	-	-	-	299 065	203 691
B	MP103 Mkhondo	-	-	-	-	-	-	-	-	-	-	156 045	141 677
B	MP104 Dr Phisoa Isaka Seme	-	-	-	-	-	-	-	-	-	-	49 722	58 906
B	MP105 Mankweng	-	-	-	-	-	-	-	-	-	-	42 943	36 708
B	MP107 Groot Mvoti	-	-	-	-	-	-	-	-	-	-	30 932	98 849
C	DC30 Gert Sibande District Municipality	-	-	-	-	-	-	-	-	-	-	2 476	2 485
<b>Total Gert Sibande Municipalities</b>		-	-	-	-	-	-	-	-	-	-	<b>1 002 580</b>	<b>919 599</b>
B	MP111 Vioer Klippe	-	-	-	-	-	-	-	-	-	-	5 2976	62 399
B	MP112 Ermaloleni	-	-	1 000	10 000	-	-	-	-	-	-	20 775	210 269
B	MP113 Steve Tshwete	76 895	58 924	-	-	-	-	-	-	-	-	270 705	192 824
B	MP114 Enkhotzeni	-	-	-	-	-	-	-	-	-	-	54 272	61 004
B	MP115 Thembuleni	-	-	-	-	-	-	-	-	-	-	182 661	178 204
B	MP116 Mankweng	-	-	-	-	-	-	-	-	-	-	15 000	15 000
C	DC31 Mankweng District Municipality	-	-	-	-	-	-	-	-	-	-	2 312	2 341
<b>Total Mankweng Municipalities</b>		<b>76 895</b>	<b>58 924</b>	<b>1 000</b>	<b>10 000</b>	-	-	-	-	-	-	<b>924 331</b>	<b>891 140</b>
B	MP121 Thaba Chewa	-	-	-	-	-	-	-	-	-	-	115 907	138 248
B	MP124 Nkomaz	-	-	-	-	-	-	-	-	-	-	519 539	491 026
B	MP125 Mankweng	-	-	-	-	-	-	-	-	-	-	46 600	51 458
B	MP126 City of Mankweng	-	-	1 000	10 000	-	-	-	-	-	-	484 305	576 319
C	DC32 Ehlangeni District Municipality	-	-	-	-	-	-	-	-	-	-	2 516	2 525
<b>Total Ehlangeni Municipalities</b>		-	-	<b>1 000</b>	<b>15 000</b>	-	-	-	-	-	-	<b>1 617 518</b>	<b>1 664 270</b>
<b>Total Mpumalanga Municipalities</b>		<b>76 895</b>	<b>58 924</b>	<b>2 000</b>	<b>25 000</b>	-	-	-	-	-	-	<b>3 581 179</b>	<b>3 582 900</b>

ANNEXURE W6  
ALLOCATIONS-IN-KIND TO MUNICIPALITIES  
(SCHEDULE 6 PART B)

Category	Municipality	Municipal Systems Improvement Grant		Integrated National Electrification Programme (Ekono) Grant		Neighbourhood Development Partnership Grant (Technical Assistance)		Regional Bulk Infrastructure Grant		Water Services Infrastructure Grant		SUB-TOTAL: INDRERCT	
		2023/24 (R'000)	2023/24 (R'000)	2023/23 (R'000)	2023/24 (R'000)	2023/23 (R'000)	2023/24 (R'000)	2023/23 (R'000)	2023/24 (R'000)	2023/23 (R'000)	2023/24 (R'000)	2023/23 (R'000)	2023/24 (R'000)
<b>LIMPOPO</b>													
B	LM431 Greater Giyani	-	-	17 795	15 111	12 888	-	-	-	-	-	17 795	15 111
B	LM432 Greater Letaba	-	-	7 474	7 730	17 334	-	-	-	-	-	7 474	7 730
B	LM433 Greater Tzaneen	-	-	28 359	15 230	8 994	-	-	-	-	-	28 359	15 230
B	LM434 Bz-Pfalshoewa	-	-	16 597	21 607	42 990	-	-	-	-	-	16 597	21 607
B	LM435 Murrumbidgee	-	-	3 224	8 012	4 186	-	-	-	-	-	3 224	8 012
C	DC33 - Mopani District Municipality	4 192	3 580	3 580	-	-	587 856	581 995	6 09 383	44 362	78 862	636 410	664 037
	<b>Total Limpopo Municipalities</b>	<b>4 192</b>	<b>3 580</b>	<b>73 449</b>	<b>67 699</b>	<b>86 972</b>	<b>587 856</b>	<b>581 995</b>	<b>6 09 383</b>	<b>44 362</b>	<b>78 862</b>	<b>709 859</b>	<b>731 727</b>
B	LM431 Mafikeng	-	-	8 232	14 339	9 034	-	-	-	-	-	8 232	14 339
B	LM432 Mmabatho	-	-	3 304	20 678	3 000	100	100	-	-	-	3 304	20 678
B	LM433 Mmasekela	-	-	15 521	20 678	25 154	100	100	-	-	-	15 521	20 678
B	LM434 Mmuthi	-	-	20 961	33 882	24 970	100	100	-	-	-	20 961	33 882
C	DC34 - Vhembe District Municipality	6 300	5 380	5 380	-	-	50 000	50 000	50 000	-	-	56 300	55 380
	<b>Total Limpopo Municipalities</b>	<b>6 300</b>	<b>5 380</b>	<b>77 425</b>	<b>118 263</b>	<b>126 807</b>	<b>200</b>	<b>200</b>	<b>50 000</b>	<b>50 000</b>	<b>-</b>	<b>136 825</b>	<b>173 843</b>
B	LM431 Bhebe	-	-	16 359	5 377	14 562	-	-	-	-	-	16 359	5 377
B	LM432 Mankweng	-	-	12 069	10 103	1 632	-	-	-	-	-	12 069	10 103
B	LM433 Mankweng	-	-	49 979	107 558	103 849	200	200	-	-	-	50 179	107 558
B	LM434 Mankweng	-	-	15 832	12 019	55 064	-	-	-	-	-	15 832	12 019
C	DC35 - Capricorn District Municipality	2 787	2 380	2 380	-	-	40 000	40 000	40 000	-	-	2 787	2 380
	<b>Total Limpopo Municipalities</b>	<b>2 787</b>	<b>2 380</b>	<b>94 229</b>	<b>135 057</b>	<b>175 107</b>	<b>200</b>	<b>200</b>	<b>40 000</b>	<b>40 000</b>	<b>-</b>	<b>97 236</b>	<b>137 687</b>
B	LM461 Tlokoeng	-	-	254	2 423	212	-	-	-	-	-	254	2 423
B	LM462 Letaba	-	-	13 251	15 766	9 899	-	-	-	-	-	13 251	15 766
B	LM466 Bole-Bole	-	-	11 703	7 656	237	-	-	-	-	-	11 703	7 656
B	LM467 Magothwane	-	-	12 239	89 865	35 141	-	-	-	-	-	12 239	89 865
B	LM468 Mofokeng	-	-	466	1 955	13 178	-	-	-	-	-	466	1 955
C	DC36 - Waterberg District Municipality	6 323	5 400	5 400	-	-	40 000	40 000	40 000	-	-	6 323	5 400
	<b>Total Limpopo Municipalities</b>	<b>6 323</b>	<b>5 400</b>	<b>37 913</b>	<b>117 665</b>	<b>58 667</b>	<b>40 000</b>	<b>40 000</b>	<b>40 000</b>	<b>-</b>	<b>-</b>	<b>200 636</b>	<b>441 271</b>
B	LM471 Ephraim Mgele	-	-	9 999	10 891	13 494	-	-	-	-	-	9 999	10 891
B	LM472 Elan Moolenod	-	-	2 252	4 277	4 277	-	-	-	-	-	2 252	4 277
B	LM473 Mphahlele	-	-	14 376	14 813	42 337	-	-	-	-	-	14 376	14 813
B	LM476 Ficksburg	-	-	92 093	30 394	16 299	-	-	-	-	-	92 093	30 394
C	DC37 - Sekake District Municipality	4 192	3 580	3 580	-	-	130 000	160 000	160 000	51 652	64 425	4 192	3 580
	<b>Total Limpopo Municipalities</b>	<b>4 192</b>	<b>3 580</b>	<b>142 714</b>	<b>64 778</b>	<b>86 087</b>	<b>130 000</b>	<b>160 000</b>	<b>160 000</b>	<b>51 652</b>	<b>64 425</b>	<b>328 658</b>	<b>292 983</b>
	<b>Total Limpopo Municipalities</b>	<b>23 794</b>	<b>20 220</b>	<b>425 740</b>	<b>502 453</b>	<b>533 660</b>	<b>3 400</b>	<b>3 400</b>	<b>879 832</b>	<b>271 814</b>	<b>411 492</b>	<b>1 532 604</b>	<b>1 777 361</b>
<b>MPUMALANGA</b>													
B	MP101 Chief Albert Luthuli	-	-	11 706	15 773	9 203	-	-	-	-	-	11 706	15 773
B	MP102 Mookgongolo	-	-	8 232	21 607	23 863	-	-	-	-	-	8 232	21 607
B	MP104 Dr P. W. Botha	-	-	4 202	23 155	32 843	-	-	-	-	-	4 202	23 155
B	MP105 Dr P. W. Botha	-	-	2 412	4 627	1 829	-	-	-	-	-	2 412	4 627
B	MP106 Dikgatong	-	-	556	1 021	1 425	-	-	-	-	-	556	1 021
B	MP107 Gert Sibande	-	-	3 642	3 908	10 15	-	-	-	-	-	3 642	3 908
C	DC30 - Gert Sibande District Municipality	4 918	4 200	4 200	-	-	10 000	10 000	10 000	-	-	4 918	4 200
	<b>Total Limpopo Municipalities</b>	<b>4 918</b>	<b>4 200</b>	<b>90 035</b>	<b>101 292</b>	<b>58 540</b>	<b>10 000</b>	<b>10 000</b>	<b>10 000</b>	<b>-</b>	<b>-</b>	<b>324 983</b>	<b>415 492</b>
B	MP111 Venter Khanye	-	-	3 392	17 098	2 302	-	-	-	-	-	3 392	17 098
B	MP112 Enabakh	-	-	2 521	6 171	1 681	-	-	-	-	-	2 521	6 171
B	MP113 Steve Tshwete	-	-	5 907	7 311	7 541	-	-	-	-	-	5 907	7 311
B	MP115 Thabo Mbeki	-	-	72 399	60 226	28 696	-	-	-	-	-	72 399	60 226
B	MP116 Dr J.S. Moroka	-	-	15 461	14 556	57 259	-	-	-	-	-	15 461	14 556
C	DC31 - Ntshong District Municipality	2 810	2 400	2 400	-	-	5 000	31 399	31 399	-	-	2 810	2 400
	<b>Total Limpopo Municipalities</b>	<b>2 810</b>	<b>2 400</b>	<b>101 278</b>	<b>100 452</b>	<b>90 883</b>	<b>10 000</b>	<b>163 221</b>	<b>181 399</b>	<b>50 000</b>	<b>20 000</b>	<b>299 188</b>	<b>286 273</b>
B	MP121 Thaba Cheu	-	-	2 382	4 105	1 015	-	-	-	-	-	2 382	4 105
B	MP124 Nkomzi	-	-	25 021	23 028	46 198	-	-	-	-	-	25 021	23 028
B	MP125 Bushbuckridge	-	-	74 306	20 056	100	-	-	-	-	-	74 306	20 056
B	MP126 City of Mbombela	-	-	61 352	34 471	106 470	-	-	-	-	-	61 352	34 471
C	DC32 - Ehlangeni District Municipality	2 317	3 600	3 600	-	-	2 000	2 000	2 000	-	-	2 317	3 600
	<b>Total Limpopo Municipalities</b>	<b>2 317</b>	<b>3 600</b>	<b>162 961</b>	<b>103 143</b>	<b>173 739</b>	<b>2 000</b>	<b>2 000</b>	<b>2 000</b>	<b>-</b>	<b>-</b>	<b>251 673</b>	<b>128 943</b>
	<b>Total Mpumalanga Municipalities</b>	<b>11 944</b>	<b>10 200</b>	<b>354 374</b>	<b>304 887</b>	<b>322 862</b>	<b>4 800</b>	<b>303 721</b>	<b>411 399</b>	<b>140 000</b>	<b>120 000</b>	<b>875 814</b>	<b>830 888</b>

## ANNEXURE W7

## EQUITABLE SHARE AND TOTAL ALLOCATIONS TO MUNICIPALITIES

Category	Municipality	EQUITABLE SHARE <sup>1</sup>			TOTAL ALLOCATIONS TO MUNICIPALITIES		
		National and Municipal Financial Year			National and Municipal Financial Year		
		2022/23 (R'000)	2023/24 (R'000)	2024/25 (R'000)	2022/23 (R'000)	2023/24 (R'000)	2024/25 (R'000)
<b>LIMPOPO</b>							
B	LIM331 Greater Giyani	352 203	374 568	399 166	466 278	485 417	509 919
B	LIM332 Greater Letaba	341 960	363 981	388 217	443 840	457 325	493 661
B	LIM333 Greater Tzaneen	481 161	515 385	553 067	657 589	666 552	698 963
B	LIM334 Ba-Phalaborwa	189 853	203 780	219 209	254 922	278 168	314 382
B	LIM335 Maruleng	153 904	164 158	175 461	190 394	205 396	214 156
C	DC33 Mopani District Municipality	1 170 419	1 262 191	1 360 105	2 396 250	2 546 883	2 767 890
<b>Total: Mopani Municipalities</b>		<b>2 689 500</b>	<b>2 884 063</b>	<b>3 095 225</b>	<b>4 409 273</b>	<b>4 639 741</b>	<b>4 998 971</b>
B	LIM341 Musina	193 793	213 536	235 863	239 128	274 915	293 799
B	LIM343 Thulamela	547 969	584 829	625 454	741 549	796 820	846 797
B	LIM344 Makhado	445 889	476 726	510 634	586 343	612 825	666 699
B	LIM345 Collins Chabane	454 043	483 226	515 331	578 302	629 504	662 343
C	DC34 Vhembe District Municipality	1 276 805	1 381 588	1 493 927	1 996 509	2 128 584	2 284 790
<b>Total: Vhembe Municipalities</b>		<b>2 918 499</b>	<b>3 139 905</b>	<b>3 381 209</b>	<b>4 141 831</b>	<b>4 442 648</b>	<b>4 754 428</b>
B	LIM351 Blouberg	221 256	232 831	245 509	326 511	316 190	341 399
B	LIM353 Molemole	168 761	177 379	186 814	224 329	241 240	244 427
B	LIM354 Polokwane	1 196 549	1 300 435	1 413 976	2 201 982	2 299 451	2 452 784
B	LIM355 Lepele-Nkumpi	301 329	318 557	337 450	387 169	405 916	471 143
C	DC35 Capricorn District Municipality	730 232	777 919	828 511	1 120 904	1 165 523	1 233 694
<b>Total: Capricorn Municipalities</b>		<b>2 618 127</b>	<b>2 807 121</b>	<b>3 012 260</b>	<b>4 260 895</b>	<b>4 428 320</b>	<b>4 743 447</b>
B	LIM361 Thabazimbi	122 061	133 346	145 780	243 564	306 493	334 636
B	LIM362 Lephalale	202 071	223 270	246 827	369 016	437 021	444 136
B	LIM366 Bela-Bela	117 909	128 236	139 598	224 904	232 628	239 363
B	LIM367 Mogalakwena	535 476	570 087	607 300	825 343	970 478	915 520
B	LIM368 Modimolle-Mookgophong	134 343	143 095	152 490	281 545	314 269	345 470
C	DC36 Waterberg District Municipality	145 500	150 601	156 119	155 104	159 291	164 892
<b>Total: Waterberg Municipalities</b>		<b>1 257 360</b>	<b>1 348 635</b>	<b>1 448 114</b>	<b>2 099 476</b>	<b>2 420 180</b>	<b>2 444 017</b>
B	LIM471 Ephraim Mogale	178 826	190 583	203 533	231 056	249 168	261 193
B	LIM472 Elias Motoaledi	334 260	357 024	382 127	439 834	445 218	479 278
B	LIM473 Makhuduthamaga	324 200	343 247	364 150	424 060	433 952	468 687
B	LIM476 Fetakgomo Tubatse	537 000	580 487	628 645	757 616	725 505	764 728
C	DC47 Sekhukhune District Municipality	989 172	1 070 187	1 157 043	1 792 107	1 931 034	2 051 317
<b>Total: Sekhukhune Municipalities</b>		<b>2 363 458</b>	<b>2 541 528</b>	<b>2 735 498</b>	<b>3 644 673</b>	<b>3 784 877</b>	<b>4 042 203</b>
<b>Total: Limpopo Municipalities</b>		<b>11 846 944</b>	<b>12 721 252</b>	<b>13 672 306</b>	<b>18 556 148</b>	<b>19 715 766</b>	<b>20 983 066</b>
<b>MPUMALANGA</b>							
B	MP301 Chief Albert Luthuli	388 235	415 844	445 905	741 761	769 859	801 404
B	MP302 Msukaligwa	227 520	248 969	272 622	539 631	504 692	521 051
B	MP303 Mkhondo	303 974	329 733	358 075	554 016	567 665	632 185
B	MP304 Dr Pixley ka Isaka Seme	146 850	156 643	167 275	203 308	222 676	248 654
B	MP305 Lekwa	152 423	165 184	179 130	327 178	367 887	408 803
B	MP306 Dipaleseng	91 860	99 221	107 305	192 689	192 687	153 364
B	MP307 Govan Mbeki	380 023	417 947	459 878	515 591	578 622	655 667
C	DC30 Gert Sibande District Municipality	317 655	325 322	333 299	342 194	346 114	354 611
<b>Total: Gert Sibande Municipalities</b>		<b>2 008 540</b>	<b>2 158 863</b>	<b>2 323 489</b>	<b>3 416 368</b>	<b>3 550 202</b>	<b>3 775 739</b>
B	MP311 Victor Khanye	127 094	138 966	152 118	237 596	240 313	241 337
B	MP312 Emalahleni	493 518	547 463	607 598	710 786	763 209	832 090
B	MP313 Steve Tshwete	284 669	319 506	358 779	566 481	521 254	525 383
B	MP314 Emakhazeni	80 242	86 552	93 475	143 994	151 187	162 119
B	MP315 Thembsisile Hani	513 707	553 358	596 570	914 222	943 558	963 553
B	MP316 Dr JS Moroka	461 561	489 995	520 754	640 564	670 761	769 161
C	DC31 Nkangala District Municipality	388 810	398 773	409 204	397 267	404 514	415 031
<b>Total: Nkangala Municipalities</b>		<b>2 349 601</b>	<b>2 534 613</b>	<b>2 738 498</b>	<b>3 610 910</b>	<b>3 694 796</b>	<b>3 908 674</b>
B	MP321 Thaba Chweu	187 934	205 246	224 390	311 155	350 599	389 092
B	MP324 Nkomazi	725 681	782 264	843 958	1 355 828	1 218 198	1 238 687
B	MP325 Bushbuckridge	979 294	1 046 647	1 119 555	1 559 920	1 567 178	1 667 095
B	MP326 City of Mbombela	948 458	1 033 679	1 127 308	1 507 320	1 669 119	1 890 626
C	DC32 Ehlanzeni District Municipality	284 129	294 616	305 881	294 318	301 741	313 098
<b>Total: Ehlanzeni Municipalities</b>		<b>3 125 496</b>	<b>3 362 452</b>	<b>3 621 092</b>	<b>5 028 541</b>	<b>5 106 835</b>	<b>5 498 598</b>
<b>Total: Mpumalanga Municipalities</b>		<b>7 483 637</b>	<b>8 055 928</b>	<b>8 683 079</b>	<b>12 055 819</b>	<b>12 351 833</b>	<b>13 183 011</b>

**APPENDIX WI**  
**APPENDIX TO SCHEDULE 3: EQUITABLE SHARE ALLOCATIONS TO MUNICIPALITIES**  
**(EQUITABLE SHARE FORMULA ALLOCATIONS + RSC LEVIES REPLACEMENT + SPECIAL SUPPORT FOR COUNCILLOR REMUNERATION AND VARD COMMITTEES + BREAKDOWN OF EQUITABLE SHARE ALLOCATIONS PER LOCAL MUNICIPALITY PER SERVICE FOR DISTRICT MUNICIPALITIES AUTHORISED FOR SERVICES)**

Category	Municipality	Equitable Share Formula				RSC Levies Replacement				Special Support for Councillor Remuneration and Vard Committees				BREAKDOWN OF EQUITABLE SHARE FOR DISTRICT MUNICIPALITIES AUTHORISED FOR SERVICES								TOTAL ALLOCATIONS TO MUNICIPALITIES			
		National and Municipal Financial Year		2024/25 (R'000)		National and Municipal Financial Year		2024/25 (R'000)		National and Municipal Financial Year		2024/25 (R'000)		National and Municipal Financial Year		2024/25 (R'000)		National and Municipal Financial Year		2024/25 (R'000)		National and Municipal Financial Year		2024/25 (R'000)	
		2023/24 (R'000)	2024/25 (R'000)	2023/24 (R'000)	2024/25 (R'000)	2023/24 (R'000)	2024/25 (R'000)	2023/24 (R'000)	2024/25 (R'000)	2023/24 (R'000)	2024/25 (R'000)	2023/24 (R'000)	2024/25 (R'000)	2023/24 (R'000)	2024/25 (R'000)	2023/24 (R'000)	2024/25 (R'000)	2023/24 (R'000)	2024/25 (R'000)	2023/24 (R'000)	2024/25 (R'000)	2023/24 (R'000)	2024/25 (R'000)		
<b>LIMPPO</b>																									
B	LM31	330 029	369 029	536 019	-	13 754	14 102	14 927	-	118 609	61 756	-	182 959	66 716	-	10 219	93 219	525 035	574 666	799 166	888 137	1 704 419	1 820 491	1 800 105	2 027 625
B	LM32	328 609	309 627	379 866	-	13 500	13 754	14 271	-	116 275	80 802	-	127 322	88 457	-	138 536	90 988	343 660	353 881	501 666	555 067	1 079 027	1 194 918	1 200 105	1 395 974
B	LM33	481 161	515 385	553 067	-	8 250	8 469	8 831	-	67 899	46 802	-	78 483	50 214	-	32 156	45 017	389 853	405 385	553 067	595 067	1 170 419	1 252 911	1 260 105	1 455 067
B	LM34	181 603	195 281	210 378	-	6 629	6 210	6 652	-	49 850	34 510	-	54 695	36 696	-	59 644	39 215	153 904	164 158	210 378	230 378	481 161	515 385	515 067	581 667
B	LM35	147 875	157 948	169 809	-	-	-	-	-	-	-	-	-	-	-	-	-	135 904	147 875	169 809	181 603	195 281	210 378	230 378	260 667
B	LM36	103 487	109 927	115 887	-	15 887	16 118	16 688	-	103 487	115 887	-	115 887	115 887	-	115 887	115 887	103 487	109 927	115 887	127 827	139 818	151 808	163 799	175 790
<b>Total: Limpopo Municipalities</b>																									
B		1 881 661	2 006 262	2 274 886	-	41 383	42 028	44 201	-	551 038	308 252	-	603 992	401 904	-	667 697	451 296	2 089 590	2 248 863	2 957 223	3 207 223	6 488 210	7 137 556	7 150 105	8 027 223
B	LM41	200 042	210 155	230 155	-	5 332	5 494	5 708	-	83 148	57 313	-	94 189	63 194	-	106 235	69 882	193 795	213 516	235 863	255 863	501 667	556 167	556 167	631 667
B	LM42	227 593	237 338	257 338	-	7 189	7 325	7 611	-	100 725	68 478	-	118 609	78 457	-	138 536	90 988	249 853	269 608	289 363	309 118	601 667	656 167	656 167	731 667
B	LM43	529 843	566 238	606 158	-	18 626	18 571	19 296	-	226 100	142 670	-	225 276	151 143	-	206 203	141 221	487 969	548 829	625 454	684 829	1 360 667	1 486 167	1 491 167	1 666 667
B	LM44	445 889	479 726	510 634	-	15 804	16 282	16 917	-	182 088	125 512	-	199 951	133 548	-	216 693	141 473	445 889	479 726	510 634	545 829	1 070 667	1 165 167	1 170 167	1 281 667
B	LM45	438 239	469 944	498 414	-	10 985	11 446	12 034	-	162 005	111 668	-	176 572	118 466	-	191 653	126 000	438 239	469 944	498 414	529 068	1 048 667	1 133 167	1 138 167	1 249 667
<b>Total: North West Municipalities</b>																									
B		2 738 023	2 992 230	3 224 842	-	39 162	40 347	41 921	-	623 331	436 562	-	638 088	464 530	-	759 888	497 926	2 187 099	2 319 985	2 719 985	2 919 985	5 839 985	6 488 210	6 493 210	7 364 210
B	LM51	211 481	222 759	235 044	-	9 775	10 072	10 465	-	71 233	49 100	-	76 555	51 363	-	81 935	53 871	221 236	232 831	245 509	256 509	502 013	547 513	547 513	612 513
B	LM52	161 652	170 654	179 203	-	3 807	3 921	4 073	-	53 501	36 878	-	57 423	38 827	-	61 378	40 336	168 761	177 379	186 814	194 814	389 667	424 167	424 167	474 667
B	LM53	1 196 549	1 304 335	1 413 976	-	13 530	13 754	14 271	-	94 608	65 268	-	102 614	68 725	-	110 324	72 507	1 096 549	1 204 335	1 312 176	1 420 176	2 839 667	3 184 167	3 189 167	3 534 667
B	LM54	438 624	467 134	497 114	-	291 608	310 785	331 997	-	310 785	214 222	-	326 412	158 614	-	253 607	166 784	438 624	467 134	497 114	526 114	1 043 667	1 138 167	1 143 167	1 254 667
<b>Total: Western Cape Municipalities</b>																									
B		2 196 205	2 465 236	2 648 516	-	30 214	31 131	32 247	-	219 422	151 246	-	236 412	158 614	-	253 607	166 784	2 016 131	2 181 236	2 346 236	2 511 236	5 027 210	5 488 210	5 493 210	6 143 210
B	LM61	118 320	1 237 643	1 333 742	-	16 178	16 689	17 489	-	151 609	60 282	-	168 609	62 876	-	69 626	44 736	118 320	1 237 643	1 333 742	1 433 742	2 867 210	3 112 210	3 117 210	3 462 210
B	LM62	128 051	140 279	150 279	-	5 140	5 295	5 501	-	57 425	37 228	-	63 866	39 290	-	72 786	45 333	128 051	140 279	150 279	160 279	316 667	341 167	341 167	376 667
B	LM63	202 071	223 270	246 827	-	3 807	3 921	4 073	-	108 413	74 825	-	118 865	79 249	-	123 774	81 380	202 071	223 270	246 827	266 827	533 667	578 167	578 167	643 667
B	LM64	1 064 680	1 146 680	1 230 680	-	6 077	6 210	6 464	-	60 730	41 884	-	68 609	46 110	-	72 507	48 667	1 064 680	1 146 680	1 230 680	1 316 680	2 632 667	2 877 167	2 882 167	3 227 667
B	LM65	535 076	570 077	607 300	-	6 077	6 210	6 464	-	60 730	41 884	-	68 609	46 110	-	72 507	48 667	535 076	570 077	607 300	642 300	1 284 667	1 399 167	1 404 167	1 559 667
B	LM66	134 343	143 095	152 809	-	13 774	14 192	14 592	-	105 849	72 961	-	114 609	79 654	-	123 774	81 380	134 343	143 095	152 809	162 809	325 667	350 167	350 167	385 667
B	LM67	45 907	48 223	51 321	-	-	-	-	-	93 812	133 995	-	214 897	144 180	-	27 291	156 017	45 907	48 223	51 321	54 321	110 667	121 167	121 167	132 667
<b>Total: Northern Cape Municipalities</b>																									
B		1 148 320	1 237 643	1 333 742	-	16 178	16 689	17 489	-	151 609	60 282	-	168 609	62 876	-	69 626	44 736	1 148 320	1 237 643	1 333 742	1 433 742	2 867 210	3 112 210	3 117 210	3 462 210
B	LM71	171 917	183 528	195 923	-	7 189	7 325	7 611	-	68 609	46 282	-	76 555	51 363	-	81 935	53 871	171 917	183 528	195 923	205 923	411 667	446 167	446 167	496 667
B	LM72	171 917	183 528	195 923	-	7 189	7 325	7 611	-	68 609	46 282	-	76 555	51 363	-	81 935	53 871	171 917	183 528	195 923	205 923	411 667	446 167	446 167	496 667
B	LM73	320 626	343 031	367 885	-	13 582	13 993	14 539	-	108 413	74 825	-	118 865	79 249	-	123 774	81 380	320 626	343 031	367 885	387 885	775 667	840 167	840 167	925 667
B	LM74	310 626	329 055	349 403	-	13 774	14 192	14 592	-	105 849	72 961	-	114 609	79 654	-	123 774	81 380	310 626	329 055	349 403	369 403	738 667	797 167	797 167	862 667
B	LM75	537 000	580 487	628 645	-	-	-	-	-	93 812	133 995	-	214 897	144 180	-	27 291	156 017	537 000	580 487	628 645	658 645	1 297 667	1 412 167	1 417 167	1 572 667
B	LM76	608 391	641 465	674 539	-	-	-	-	-	93 812	133 995	-	214 897	144 180	-	27 291	156 017	608 391	641 465	674 539	704 539	1 409 667	1 524 167	1 529 167	1 684 667
<b>Total: Eastern Cape Municipalities</b>																									
B		2 108 212	2 277 294	2 561 339	-	28 520	28 997	30 297	-	466 614	231 664	-	512 588	343 739	-	509 446	308 488	2 088 212	2 247 294	2 521 294	2 710 294	5 429 210	5 988 210	5 993 210	6 643 210
B	LM81	109 244	117 244	125 244	-	16 591	17 215	17 840	-	187 645	129 623	-	240 730	171 628	-	231 419	147 134	109 244	117 244	125 244	133 244	266 667	281 167	281 167	306 667
B	LM82	1 238 066	1 346 066	1 454 066	-	10 916	11 246	11 685	-	118 609	80 802	-	127 322	88 457	-	138 536	90 988	1 238 066	1 346 066	1 454 066	1 562 066	3 118 667	3 463 167	3 468 167	3 813 667
B	LM83	493 518	517 463	541 408	-	3 807	3 921	4 073	-	57 425	36 878	-	63 866	39 290	-	72 507	48 667	493 518	517 463	541 408	565 408	1 130 667	1 225 167	1 230 167	1 336 667
B	LM84	284 609	310 506	336 403	-	3 807	3 921	4 073	-	57 425	36 878	-	63 866	39 290	-	72 507	48 667	284 609	310 506	336 403	360 403	720 667	785 167	785 167	850 667
B	LM85	433 707																							



**APPENDIX W3**  
**APPENDIX TO SCHEDULE 5, PART B: MUNICIPAL INFRASTRUCTURE GRANT AND INTEGRATED URBAN DEVELOPMENT GRANT**  
**RING-FENCED FUNDING FOR SPORT INFRASTRUCTURE - BREAKDOWN PER MUNICIPALITY**

Category	Municipality	Grant	Project	Ring-fenced Municipal Infrastructure Grant and Integrated Urban Development Grant allocations for sport infrastructure		
				National and Municipal Financial Year		
				2022/23 (R'000)	2023/24 (R'000)	2024/25 (R'000)
<b>EASTERN CAPE</b>						
B	EC109 Kou-Kamma	MIG	Upgrading of Krakeel Sport Field (Ward 2)	8 000	-	-
<b>Total: Sarah Baartman Municipalities</b>				<b>8 000</b>	-	-
B	EC123 Great Kei	MIG	Construction of a sport field in Komga (Ward 7)	10 000	-	-
B	EC126 Ngqushwa	MIG	Rehabilitation of new creation sport field	10 000	-	-
<b>Total: Amathole Municipalities</b>				<b>20 000</b>	-	-
B	EC136 Emalahleni	MIG	Upgrading of Indwe Sport Field	10 000	-	-
<b>Total: Chris Hani Municipalities</b>				<b>10 000</b>	-	-
<b>Total: Eastern Cape Municipalities</b>				<b>38 000</b>	-	-
<b>FREE STATE</b>						
B	FS181 Masilonyana	MIG	Construction of Netball courts at Winnie Mandela Mesuem	2 000	-	-
B	FS182 Tokologo	MIG	Upgrading of Malebogo Community Stadium	10 000	-	-
<b>Total: Lejweleputswa Municipalities</b>				<b>12 000</b>	-	-
B	FS196 Mantsopa	MIG	Construction of a multi-sport facility in Mahlatswetsa	10 000	-	-
<b>Total: Thabo Mofutsanyana Municipalities</b>				<b>10 000</b>	-	-
<b>Total: Free State Municipalities</b>				<b>22 000</b>	-	-
B	GT484 Merafong City	MIG	Construction of a sport field within Merafong Local Municipality	10 000	-	-
<b>Total: West Rand Municipalities</b>				<b>10 000</b>	-	-
<b>Total: Gauteng Municipalities</b>				<b>10 000</b>	-	-
<b>KWAZULU-NATAL</b>						
B	KZN212 uMdoni	MIG	Upgrading to Umzinto Sport Field (Phase 3)	10 000	-	-
<b>Total: Ugu Municipalities</b>				<b>10 000</b>	-	-
B	KZN266 Ulundi	MIG	Construction of Ezihlabeni Sport Field	10 000	-	-
<b>Total: Zululand Municipalities</b>				<b>10 000</b>	-	-
B	KZN285 Mthonjaneni	MIG	Construction of Kwesezulu Sport Field (Ward 7)	10 000	-	-
<b>Total: King Cetshwayo Municipalities</b>				<b>10 000</b>	-	-
B	KZN292 KwaDukuza	MIG	Construction of Groutville Market Sport Field (Ward 10)	10 000	-	-
<b>Total: iLembe Municipalities</b>				<b>10 000</b>	-	-
<b>Total: KwaZulu-Natal Municipalities</b>				<b>40 000</b>	-	-
<b>LIMPOPO</b>						
B	LIM333 Greater Tzaneen	MIG	Construction of Leretjeng Sport Ground (Ward 11)	11 000	-	-
<b>Total: Mopani Municipalities</b>				<b>11 000</b>	-	-
B	LIM354 Polokwane	IUDG	Construction of a soft-ball stadium in Polokwane	10 000	-	-
<b>Total: Capricorn Municipalities</b>				<b>10 000</b>	-	-
B	LIM362 Lephahale	MIG	Construction of Marapong Sport Centre (Phase 2)	10 000	-	-
<b>Total: Waterberg Municipalities</b>				<b>10 000</b>	-	-
<b>Total: Limpopo Municipalities</b>				<b>31 000</b>	-	-
B	MP316 Dr JS Moroka	MIG	Construction of a sport field within Dr. JS Moroka Local Municipality	10 058	-	-
<b>Total: Nkangala Municipalities</b>				<b>10 058</b>	-	-
<b>Total: Mpumalanga Municipalities</b>				<b>10 058</b>	-	-
<b>NORTHERN CAPE</b>						
B	NC066 Karoo Hoogland	MIG	Upgrading of Willistone Sport Facility	9 000	-	-
<b>Total: Namakwa Municipalities</b>				<b>9 000</b>	-	-
B	NC072 Umsobomvu	MIG	Upgrading of Kuyasa Sport Ground in Colesberg	9 500	-	-
B	NC073 Emthanjeni	MIG	Upgrading of the Nonzwakazi Stadium	9 500	-	-
B	NC074 Kareeberg	MIG	Upgrading of sport facility in Camarvon	11 000	-	-
<b>Total: Pixley Ka Seme Municipalities</b>				<b>30 000</b>	-	-
B	NC093 Magareng	MIG	Upgrading of Ikhtseng Sport Facility (Phase 2)	6 500	-	-
<b>Total: Frances Baard Municipalities</b>				<b>6 500</b>	-	-
<b>Total: Northern Cape Municipalities</b>				<b>45 500</b>	-	-

## APPENDIX W4

APPENDIX TO SCHEDULE 5, PART B: TARGETS FOR EXPANDED PUBLIC WORKS PROGRAMME  
INTEGRATED GRANT FOR MUNICIPALITIES

		Expanded Public Works Programme Integrated Grant for Municipalities			
Category	Municipality	FTE Target for 2022/23	National and Municipal Financial Year		
			2022/23 (R'000)	2023/24 (R'000)	2024/25 (R'000)
<b>LIMPOPO</b>					
B	LIM331 Greater Giyani	252	4 035	-	-
B	LIM332 Greater Letaba	137	2 139	-	-
B	LIM333 Greater Tzaneen	808	8 065	-	-
B	LIM334 Ba-Phalaborwa	71	1 186	-	-
B	LIM335 Maruleng	63	1 246	-	-
C	DC33 Mopani District Municipality	952	10 600	-	-
<b>Total: Mopani Municipalities</b>		<b>2 283</b>	<b>27 271</b>	-	-
B	LIM341 Musina	128	1 390	-	-
B	LIM343 Thulamela	775	4 864	-	-
B	LIM344 Makhado	328	3 259	-	-
B	LIM345 Collins Chabane	175	1 759	-	-
C	DC34 Vhembe District Municipality	938	4 754	-	-
<b>Total: Vhembe Municipalities</b>		<b>2 344</b>	<b>16 026</b>	-	-
B	LIM351 Blouberg	187	1 950	-	-
B	LIM353 Molemole	92	1 407	-	-
B	LIM354 Polokwane	1 450	11 570	-	-
B	LIM355 Lepele-Nkumpi	162	1 380	-	-
C	DC35 Capricorn District Municipality	873	3 747	-	-
<b>Total: Capricorn Municipalities</b>		<b>2 764</b>	<b>20 054</b>	-	-
B	LIM361 Thabazimbi	95	1 256	-	-
B	LIM362 Lephalale	154	1 292	-	-
B	LIM366 Bela-Bela	75	1 502	-	-
B	LIM367 Mogalakwena	388	1 161	-	-
B	LIM368 Modimolle-Mookgophong	140	2 041	-	-
C	DC36 Waterberg District Municipality	-	-	-	-
<b>Total: Waterberg Municipalities</b>		<b>852</b>	<b>7 252</b>	-	-
B	LIM471 Ephraim Mogale	91	1 310	-	-
B	LIM472 Elias Motosoaledi	199	1 796	-	-
B	LIM473 Makhuduthamaga	131	1 925	-	-
B	LIM476 Fetakgomo Tubatse	211	1 285	-	-
C	DC47 Sekhukhune District Municipality	933	13 010	-	-
<b>Total: Sekhukhune Municipalities</b>		<b>1 565</b>	<b>19 326</b>	-	-
<b>Total: Limpopo Municipalities</b>		<b>9 808</b>	<b>89 929</b>	-	-
<b>MPUMALANGA</b>					
B	MP301 Chief Albert Luthuli	232	2 227	-	-
B	MP302 Msukaligwa	200	1 766	-	-
B	MP303 Mkhondo	238	2 855	-	-
B	MP304 Dr Pixley ka Isaka Seme	135	1 874	-	-
B	MP305 Lekwa	67	1 855	-	-
B	MP306 Dipaleseng	75	1 444	-	-
B	MP307 Govan Mbeki	245	2 629	-	-
C	DC30 Gert Sibande District Municipality	431	2 595	-	-
<b>Total: Gert Sibande Municipalities</b>		<b>1 623</b>	<b>17 245</b>	-	-
B	MP311 Victor Khanye	213	2 284	-	-
B	MP312 Emalahleni	381	6 151	-	-
B	MP313 Steve Tshwete	465	4 780	-	-
B	MP314 Emakhazeni	90	1 473	-	-
B	MP315 Thembisile Hani	374	3 735	-	-
B	MP316 Dr JS Moroka	376	2 432	-	-
C	DC31 Nkangala District Municipality	159	2 315	-	-
<b>Total: Nkangala Municipalities</b>		<b>2 058</b>	<b>23 170</b>	-	-
B	MP321 Thaba Chweu	162	1 932	-	-
B	MP324 Nkomazi	791	4 621	-	-
B	MP325 Bushbuckridge	973	5 219	-	-
B	MP326 City of Mbombela	1 166	8 555	-	-
C	DC32 Ehlanzeni District Municipality	188	2 457	-	-
<b>Total: Ehlanzeni Municipalities</b>		<b>3 280</b>	<b>22 784</b>	-	-
<b>Total: Mpumalanga Municipalities</b>		<b>6 961</b>	<b>63 199</b>	-	-

APPENDIX W5  
 APPENDIX TO SCHEDULE 5, PART B AND SCHEDULE 6, PART B: REGIONAL BULK INFRASTRUCTURE GRANT  
 BREAKDOWN OF REGIONAL BULK INFRASTRUCTURE GRANT ALLOCATIONS PER LOCAL MUNICIPALITY PER PROJECT

Project Code	Project Name	Category	Water Services Authority	Benefiting Municipality	Schedule 5, Part B			Schedule 6, Part B		
					National and Municipal Financial Year			National and Municipal Financial Year		
					2022/23 (R'000)	2023/24 (R'000)	2024/25 (R'000)	2022/23 (R'000)	2023/24 (R'000)	2024/25 (R'000)
<b>KWAZULU-NATAL</b>										
RBIG 5b	Mandlaza Bulk Water Supply	C	DC26 Zululand District Municipality	uPhongolo and Nongoma Local Municipalities	15 247	30 000	50 000	-	-	-
	<b>Total: Zululand Municipalities</b>				15 247	30 000	50 000	-	-	-
RBIG 5b	Greater Mthonjaneni Bulk Water Supply	C	DC28 King Ceshwayo District Municipality	Mthonjaneni Nkandla Local Municipalities	173 563	290 312	253 065	-	-	-
RBIG 5b	Middledrift (Nkandla) Regional Bulk Water Supply	C	DC28 King Ceshwayo District Municipality	Nkandla Local Municipality	40 000	50 000	60 000	-	-	-
	<b>Total: King Ceshwayo Municipalities</b>				213 563	340 312	313 065	-	-	-
RBIG 5b	Greater Bahwer-Domylbrook Water Scheme	C	DC43 Harry Gwala District Municipality	Dr Nkomozi Dlamini Zuma and uBuhlebezwe Local Municipalities	-	25 000	50 000	-	-	-
	<b>Total: Sisonke Municipalities</b>				-	25 000	50 000	-	-	-
	<b>Total: KwaZulu-Natal Municipalities</b>				228 810	395 312	413 065	-	-	-
<b>LIMPOPO</b>										
RL26	Giyani Bulk Water Supply Drought Relief	C	DC33 Mopani District Municipality	Greater Giyani Local Municipality	-	-	-	65 000	180 000	200 000
RM08	Giyani Water Services	C	DC33 Mopani District Municipality	Greater Giyani Local Municipality	-	-	-	313 960	150 000	100 000
RL29	Mameja Sekororo Bulk Water Supply	C	DC33 Mopani District Municipality	Maruleng Local Municipality	-	-	-	38 896	71 595	69 383
RS135	Bumbanana Pipeline	C	DC33 Mopani District Municipality	Maruleng Local Municipality	-	-	-	170 000	180 000	300 000
	<b>Total: Mopani Municipalities</b>				-	-	-	587 856	581 595	669 383
RL13	Sinthumule Kutama Bulk Water Supply	C	DC34 Vhembe District Municipality	Makhado Local Municipality	-	-	-	50 000	50 000	50 000
	<b>Total: Vhembe Municipalities</b>				-	-	-	50 000	50 000	50 000
RBIG 5b	Pokwane Waste Water Treatment Works	B	LIM354 Pokwane Local Municipality	Pokwane Local Municipality	100 000	70 000	26 013	-	-	-
RBIG 5b	Pokwane Bulk Water Supply	B	LIM354 Pokwane Local Municipality	Pokwane Local Municipality	54 584	50 597	100 000	-	-	-
	<b>Total: Capricorn Municipalities</b>				154 584	120 597	126 013	-	-	-
RM04	Mogalakwena Bulk Water Supply	B	LIM367 Mogalakwena Local Municipality	Mogalakwena Local Municipality	-	-	-	40 000	50 000	-
	<b>Total: Waterberg Municipalities</b>				-	-	-	40 000	50 000	-
RL14	Moutse Bulk Water Supply	C	DC47 Sekhukhune District Municipality	Ephraim Mngale Elias Moswedi local municipalities	-	-	-	30 000	50 000	-
RM12	Nets Bulk Water Supply	C	DC47 Sekhukhune District Municipality	Tubatse Local Municipality / Makhudumahlaga LM	-	-	-	40 000	50 000	90 000
RM07	Moolbeek/Tubatse Bulk Water Supply	C	DC47 Sekhukhune District Municipality	Tubatse Local Municipality	-	-	-	60 000	60 000	70 000
	<b>Total: Sekhukhune Municipalities</b>				-	-	-	130 000	160 000	160 000
	<b>Total: Limpopo Municipalities</b>				154 584	120 597	126 013	807 856	841 595	879 383

APPENDIX W5  
 APPENDIX TO SCHEDULE 5, PART B AND SCHEDULE 6, PART B: REGIONAL BULK INFRASTRUCTURE GRANT  
 BREAKDOWN OF REGIONAL BULK INFRASTRUCTURE GRANT ALLOCATIONS PER LOCAL MUNICIPALITY PER PROJECT

Project Code	Project Name	Category	Water Services Authority	Benefiting Municipality	Schedule 5, Part B			Schedule 6, Part B		
					2022/23 (R'000)	2023/24 (R'000)	2024/25 (R'000)	2022/23 (R'000)	2023/24 (R'000)	2024/25 (R'000)
<b>NORTH WEST</b>										
RL15	Moretele South Bulk Water Supply (Klipdrift)	B	NW371 Moretele Local Municipality	Moretele Local Municipality	-	-	-	30 000	30 338	23 737
RL09	Madibeng Bulk Water Supply (Brits)	B	NW372 Madibeng Local Municipality	Madibeng Local Municipality	-	-	-	105 608	134 887	145 000
RS57	Koster Waste Water Treatment Works upgrade	B	NW374 Kgetlengrivier Local Municipality	Kgetlengrivier Local Municipality	-	-	-	-	-	-
			<b>Total: Bojanala Platinum Municipalities</b>		-	-	-	<b>135 608</b>	<b>165 225</b>	<b>168 737</b>
RS32	Ratlou Bulk Water Supply	C	DC38 Ngaka Modiri Molema Local Municipality	Ratlou Local Municipality	-	-	-	34 328	30 000	30 000
RL33	Mafikeng South Bulk Water Supply	C	DC38 Ngaka Modiri Molema Local Municipality	Mafikeng Local Municipality	-	-	-	30 000	30 000	30 000
			<b>Total: Ngaka Modiri Molema Municipalities</b>		-	-	-	<b>64 328</b>	<b>60 000</b>	<b>60 000</b>
RBIG 5b	Tsung/ Naledi Bulk Water Supply (phase 1 to 3)	C	DC39 Dr Ruth Segomotsi Mompati District Municipality	Greater Tsung/ Naledi Local Municipalities	148 891	162 684	28 911	-	-	-
RBIG 5b	Greater Mamasu Bulk Water Supply (phase 1 to 4)	C	DC39 Dr Ruth Segomotsi Mompati District Municipality	Greater Mamasu Local Municipality	106 190	179 012	280 000	-	-	-
RBIG 5b	Kagisano Molapo Bulk Water Supply	C	DC40 Dr Ruth Segomotsi Mompati District Municipality	Kagisano-Molapo Local Municipality	145 000	145 342	200 000	-	-	-
			<b>Total: Dr Ruth Segomotsi Mompati Municipalities</b>		<b>399 581</b>	<b>487 038</b>	<b>508 911</b>	-	-	-
RS55	Poche/Stream Waste Water Treatment Works upgrade (Tloko) Phase 1 to 2	B	NW405 JJB Marks Local Municipality	JJB Marks Local Municipality	-	-	-	40 000	31 964	40 000
			<b>Total: Dr Kenneth Kaunda Municipalities</b>		-	-	-	<b>40 000</b>	<b>31 964</b>	<b>40 000</b>
			<b>Total: North West Municipalities</b>		<b>399 581</b>	<b>487 038</b>	<b>508 911</b>	<b>239 936</b>	<b>257 189</b>	<b>268 737</b>
<b>WESTERN CAPE</b>										
RS132	Klawer Bulk Water	B	WC011 Matielikama Local Municipality	Matielikama Local Municipality	10 000	-	-	-	-	-
RS134	Clanwilliam / Lambertshuis Regional Water Supply and Desalination	B	WC014 Cederberg Local Municipality	Cederberg Local Municipality	-	-	-	15 197	15 153	15 867
			<b>Total: West Coast Municipalities</b>		<b>10 000</b>	-	-	<b>15 197</b>	<b>15 153</b>	<b>15 867</b>
RBIG 5b	Tulbagh Bulk Water Supply	B	WC022 Witzenberg Local Municipality	Witzenberg Local Municipality	19 239	-	-	-	-	-
			<b>Total: Cape Winelands Municipalities</b>		<b>19 239</b>	-	-	-	-	-
BFI	Portable Water Security and Remedial Works	B	WC044 George Local Municipality	George Local Municipality	240 648	510 838	274 636	-	-	-
			<b>Total: Overberg Municipalities</b>		<b>240 648</b>	<b>510 838</b>	<b>274 636</b>	-	-	-
			<b>Total: Western Cape Municipalities</b>		<b>240 648</b>	<b>510 838</b>	<b>274 636</b>	<b>15 197</b>	<b>15 153</b>	<b>15 867</b>
<b>National Total</b>					<b>2 521 420</b>	<b>2 892 132</b>	<b>2 762 863</b>	<b>3 455 050</b>	<b>3 607 327</b>	<b>3 769 330</b>

# **ANNEXURE F**

**ANNEXURE F: MUNICIPAL MANAGER QUALITY CERTIFICATE**

**Municipal Manager Quality Certificate**



**Office of the Municipal Manager**

I, M. R. SELEPE....., Municipal Manager of Polokwane Municipality, hereby certify that the 2022/23 Draft Multi-Year Budget (2022/23-2024/25) 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

Name M. R. SELEPE.....

Acting Municipal Manager of Polokwane Municipality: LIM354

Signature M. Selepe.....

Date 11.103/2022.....

# **ANNEXURE G**

**ANNEXURE G: DRAFT BUDGET RELATED POLICIES**

## RESOLUTIONS OF COUNCIL MEETING HELD ON 24 MARCH 2022

### **SECTION A ['A' ITEMS]**

[RECOMMENDATIONS OF THE MAYORAL COMMITTEE TO COUNCIL]

<b>CR/135/03/22</b>	<b>A</b>	<i>PORTFOLIO: JOINT FINANCE AND ADMIN DATE: 16/03/2022 ITEM:2 PAGE:3 (Vol 2) REF:</i>	<i>MAYORAL COMMITTEE DATE:18/03/22 ITEM: 1 PAGE: 1-2</i>	<i>COUNCIL DATE :24/03/22 ITEM :1 PAGE :1</i>
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### **2022/23 DRAFT INTEGRATED DEVELOPMENT PLAN**

#### **RESOLVED**

1. That Council approve the 2022/23 Draft Integrated Development Plan in accordance with the Municipal Finance Management Act 56 of 2003, section 16(2) and in line with the 2022/23 Draft Budget;
2. That the approved Draft IDP 2022/23 document be submitted to National and Provincial Treasury and the Provincial Department of Cooperative Governance, Human Settlement and Traditional Affairs (COGHSTA);
3. That the Public Participation Process for inputs and comments on the 2022/23 Draft IDP/Budget be conducted

**Action: Director Strategic Planning, Monitoring and Evaluation**

<b>CR/136/03/22</b>	<b>A</b>	<i>PORTFOLIO: JOINT FINANCE AND ADMIN DATE: 16/03/2022 ITEM:6 PAGE:29(Vol 3) REF:</i>	<i>MAYORAL COMMITTEE DATE:18/03/22 ITEM: 2 PAGE: 1-31</i>	<i>COUNCIL DATE :24/03/22 ITEM :2 PAGE :4</i>
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### **DRAFT MULTI – YEAR BUDGET 2022/23 – 2024/2025**

#### **RESOLVED**

1. That the Draft Annual Budget of the Municipality and Municipal Entity (Polokwane Housing Association) for the Financial Year 2022/23 and the Multi-Year and single year Capital appropriations as set out in the following tables be approved and adopted for public participation;



- 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. That the Financial position , Cash flow budget , Cash backed reserve/accumulated surplus, Asset Management and Basic Service Delivery Targets be 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. That Council of Polokwane Municipality, acting in terms of section 75A of the Municipal Systems Act (Act 32 of 2000) approve and adopt the following proposed draft tariffs as outlined in the draft budget for public participation;
  - 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 Draft Budget related Policies be tabled and reviewed as part of 2022/23 Financial Year for public participation;
  - 4.1. Cash Management and Investment Policy
  - 4.2. Leave Policy
  - 4.3. Integrated Customer Care Policy
  - 4.4. Asset Management Policy
  - 4.5. Claims Committee and Loss Policy

- 4.6. Budget and Virement Policy
- 4.7. Performance Management System Policy (Organisational and Employees Management Policy)
- 4.8. Funding and Reserves Policy
- 4.9. Borrowing Policy
- 4.10. Indigent and Social Assistance Policy
- 4.11. Supply chain management Policy
- 4.12. Credit control and debt collection Policy
- 4.13. Tariff Policy
- 4.14. Property Rates Policy
- 4.15. Subsistence and Traveling Policy.
- 4.16. Unauthorized, Irregular, Fruitless and Wasteful Expenditure Policy
- 4.17. Inventory Policy
- 4.18. Cost Containment Policy

**Action: Chief Financial Officer**