



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		
Revenue By Source			
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		
Expenditure By Type			
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.

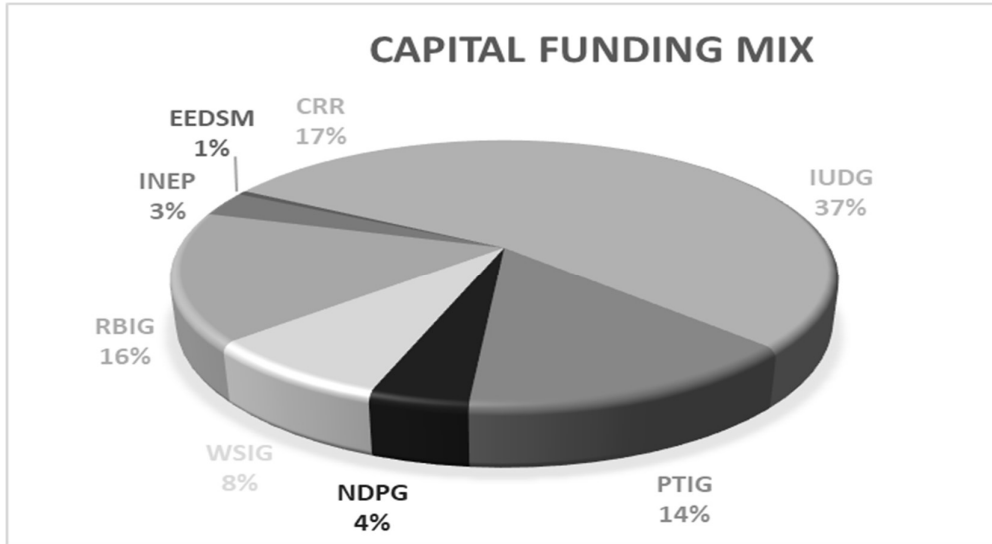
In view of the aforementioned, the following tables are a consolidated overview of the draft 2022/2023 Medium-term Revenue and Expenditure Framework

Operating revenue and expenditure summary:

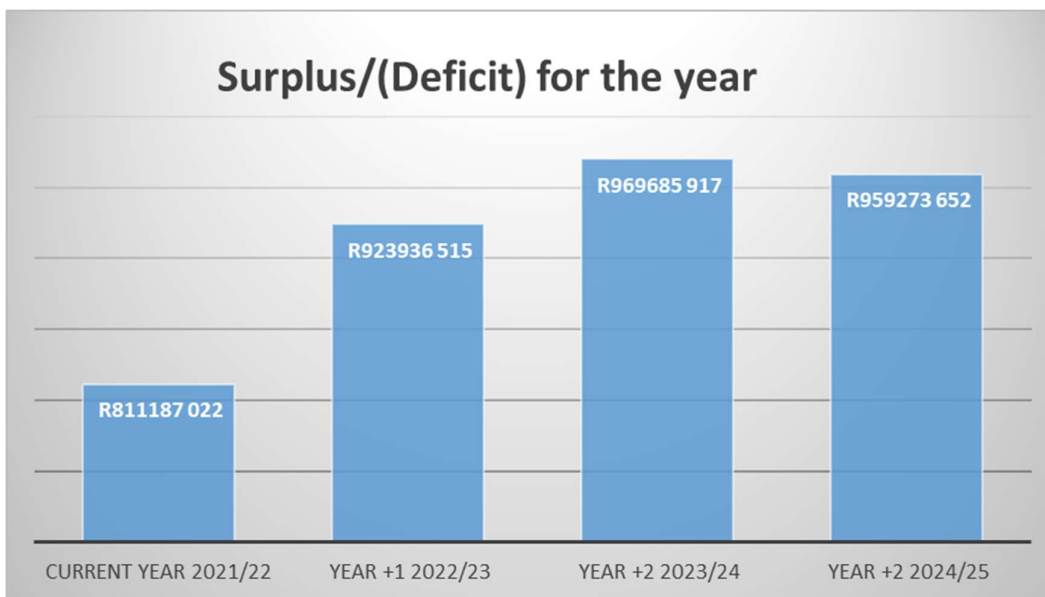
Description R thousand	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Total Operational Revenue	4 028 833	4 035 188	4 328 242	4 689 931	4 920 174
Capital transfers recognised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

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
Revenue By Source						
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	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	4 028 833	4 035 188	4 035 188	4 328 242	4 689 931	4 920 174

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	%
Revenue By Source								
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%
Total Revenue (excluding capital transfers and contributions)	4 035 188	100.0%	4 328 242	100.00%	4 689 931	100.0%	4 920 174	100.0%
Revenue from Services Charges	1 953 754	48.4%	2 128 532	49.18%	2 325 983	49.6%	2 374 651	48.3%

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 R2.128 billion, R2.325 billion and R2.374 billion 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
OPERATIONAL GRANTS			
Equitable Share	1 196 549 000	1 300 435 000	1 413 976 000
OPERATIONAL GRANTS			
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
TOTAL OPERATIONAL GRANTS	1 348 078 383	1 469 819 774	1 601 902 409

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
R thousand						
Expenditure By Type						
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	-	-	-	-	-	-
Total Expenditure	3 789 546	4 041 131	4 041 131	4 208 030	4 442 119	4 707 733

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	%
Expenditure By Type								
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%
Total Expenditure	4 041 131	100.0%	4 208 030	100.00%	4 442 119	100.0%	4 707 733	100.0%

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.

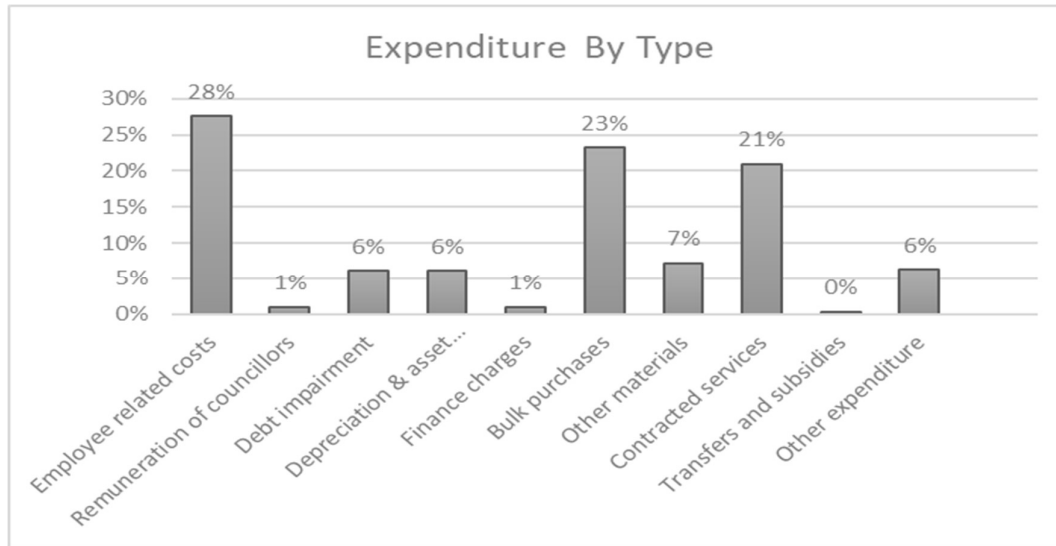
Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R260 million for the 2022/23 financial and equates to 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
OPERATIONAL GRANTS			
Equitable Share	1 196 549 000	1 300 435 000	1 413 976 000
OPERATIONAL GRANTS			
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
TOTAL OPERATIONAL GRANTS	1 348 078 383	1 469 819 774	1 601 902 409
INFRASTRUCTURE GRANTS			
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
TOTAL INFRASTRUCTURE GRANTS	803 724 617	721 873 226	746 832 591
TOTAL DoRB ALLOCATIONS TO THE MUNICIPALITY	2 151 803 000	2 191 693 000	2 348 735 000

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	%
Single-year expenditure to be appropriated								
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%
Total Capital Expenditure - Vote	1 024 469	100.0%	967 665	100.0%	859 379	100.0%	866 486	100.0%

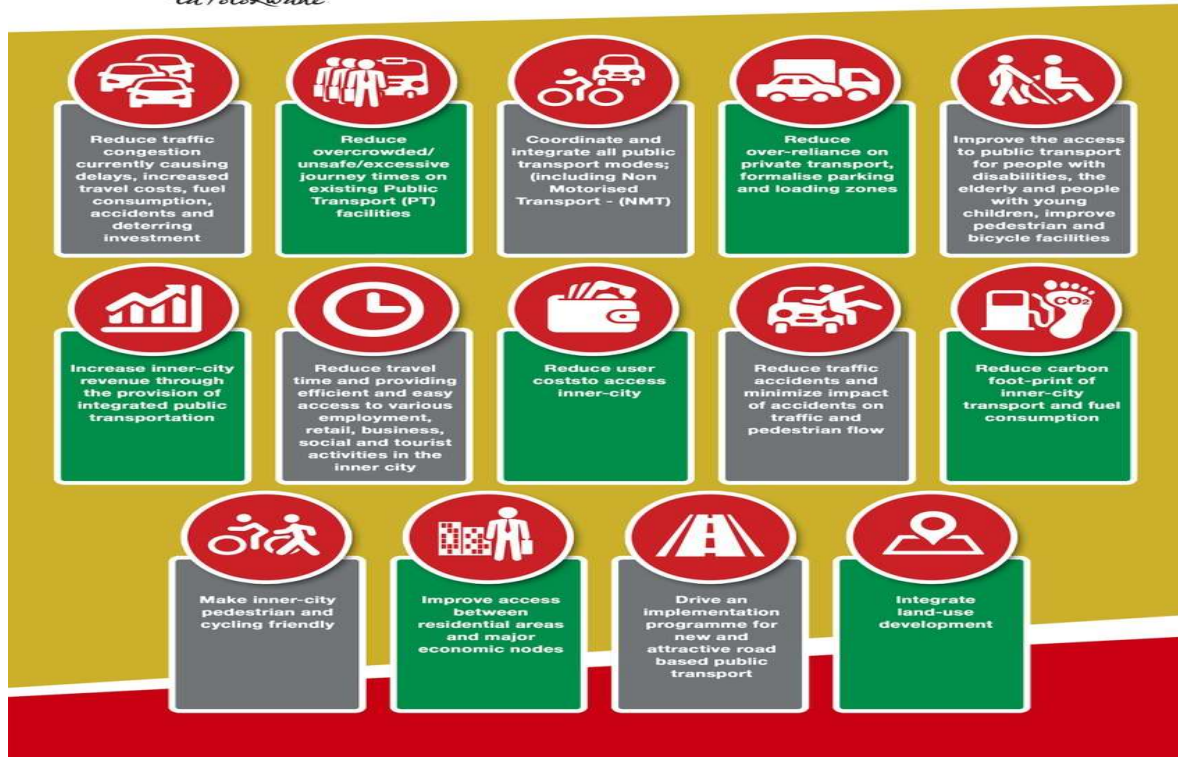
Transport Services has the highest allocation of 40.6% for completion of infrastructure project, Refurbishment on Roads, Roads Concession, IT System” for Leeto la Polokwane.





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
Total DoRA Allocations		803 724 617	721 873 226	746 832 591
Capital Replacement Reserve	CRR	163 940 709	137 879 971	119 990 102
TOTAL FUNDING		967 665 326	859 753 198	866 822 693

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
Total expenditure		163 940 709	137 879 971	119 990 102

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.

- **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 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

mSCOA Version 6.6

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national treasury

Department
National Treasury
REPUBLIC OF SOUTH AFRICA

Contact details:

Kgomotso Baloyi
National Treasury
Tel: (012) 315-5866
Electronic submissions:
LG Upload Portal

Preparation Instructions

Municipality Name: LIM354 Polokwane ▼

CFO Name: Naazim Essa

Tel: 0152902049 Fax:

E-Mail: naazime@polokwane.gov.za

Budget for MTREF starting: 2022 ▼

Budget Year: 2022/23

Does this municipality have Entities? Yes ▼

If YES: Identify type of report: Parent Municipality ▼

LGDB Export

Name Votes & Sub-Votes

Printing Instructions

Showing / Hiding Columns

Hide Pre-audit columns on all

Hide Reference columns on all

Showing / Clearing Highlights

Clear Highlights on all sheets

Important documents which provide essential assistance

[MFMA Budget Circulars](#) [Click to view](#)

[MBRR Budget Formats Guide](#) [Click to view](#)

[Dummy Budget Guide](#) [Click to view](#)

[Funding Compliance Guide](#) [Click to view](#)

[MFMA Return Forms](#) [Click to view](#)

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

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

LIM354 Polokwane - Contact Information
A. GENERAL INFORMATION

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

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

B. CONTACT INFORMATION

Postal address:	
P.O. Box	111
City / Town	Polokwane
Postal Code	0700
Street address	
Building	Civic Centre
Street No. & Name	Cnr Landros Mare & Bodenstein
City / Town	Polokwane
Postal Code	0700
General Contacts	
Telephone number	015 290 2195
Fax number	

C. POLITICAL LEADERSHIP

Speaker:		Secretary/PA to the Speaker:	
ID Number	700907 0620 087	ID Number	891214 1319 085
Title	Mrs	Title	Miss
Name	Kobela Welhemina Modiba	Name	Mosima Jerita Ramaahlama
Telephone number	015 290 2054	Telephone number	015 290 2339
Cell number	072 367 5316	Cell number	081 810 3509
Fax number		Fax number	
E-mail address	WilheminaP@polokwane.gov.za	E-mail address	Mosimara@polokwane.gov.za

Mayor/Executive Mayor:		Secretary/PA to the Mayor/Executive Mayor:	
ID Number	7003176104088	ID Number	730406 1308 085
Title		Title	Mrs
Name	Mosema John Mpe	Name	Leiselle Pragji
Telephone number	152902103	Telephone number	015 290 2103
Cell number	824417453	Cell number	071 896 4344
Fax number	152902218	Fax number	015 290 2106
E-mail address	johnmp@polokwane.gov.za	E-mail address	leisellep@polokwane.gov.za

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

D. MANAGEMENT LEADERSHIP

Municipal Manager:		Secretary/PA to the Municipal Manager:	
ID Number	7101315323088	ID Number	740322 0473 085
Title	Acting Municipal Manager	Title	Ms
Name	N R Selepe	Name	Suzan Phogole
Telephone number	015 023 5101	Telephone number	015 290 2102
Cell number	0817857289	Cell number	076 955 6903
Fax number	015 290 2106	Fax number	015 290 2106
E-mail address	ramakuntwanes@polokwane.gov.za	E-mail address	suzanp@polokwane.gov.za

Chief Financial Officer	Secretary/PA to the Chief Financial Officer
--------------------------------	--

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
E-mail address	naazime@polokwane.gov.za	E-mail address	helenn@polokwane.gov.za
Official responsible for submitting financial information		Official responsible for submitting financial information	
ID Number	820809 0399 081	ID Number	820512 0626 087
Title	Mrs	Title	Mrs
Name	Zinzi A Mphahlele	Name	Moleboheng Mathebula
Telephone number	015 290 2195	Telephone number	015 290 2195
Cell number	081 578 7894	Cell number	081 346 4495
Fax number	n/a	Fax number	n/a
E-mail address	zinzim2@polokwane.gov.za	E-mail address	molebohengm@polokwane.gov.za
Official responsible for submitting financial information		Official responsible for submitting financial information	
ID Number	800909 6230 084	ID Number	8601240245081
Title	Mr	Title	Ms
Name	Victor Nengovhela (IDP Manager)	Name	Naazneen Hurzuk
Telephone number	015 290 2523	Telephone number	0152902195
Cell number	076 279 3075	Cell number	0827862885
Fax number	n/a	Fax number	N/A
E-mail address	VictorN1@polokwane.gov.za	E-mail address	naazneenh@polokwane.gov.za
Official responsible for submitting financial information		Official responsible for submitting financial information	
ID Number		ID Number	
Title		Title	
Name		Name	
Telephone number		Telephone number	
Cell number		Cell number	
Fax number		Fax number	
E-mail address		E-mail address	
Official responsible for submitting financial information		Official responsible for submitting financial information	
ID Number		ID Number	
Title		Title	
Name		Name	
Telephone number		Telephone number	
Cell number		Cell number	
Fax number		Fax number	
E-mail address		E-mail address	
Official responsible for submitting financial information		Official responsible for submitting financial information	
ID Number		ID Number	
Title		Title	
Name		Name	
Telephone number		Telephone number	
Cell number		Cell number	
Fax number		Fax number	
E-mail address		E-mail address	
Official responsible for submitting financial information		Official responsible for submitting financial information	
ID Number		ID Number	
Title		Title	
Name		Name	
Telephone number		Telephone number	
Cell number		Cell number	
Fax number		Fax number	
E-mail address		E-mail address	

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

LIM354 Polokwane - Table A1 Budget Summary

Description	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousands										
Financial Performance										
Property rates	418 005	471 727	483 863	547 228	547 228	547 228	346 836	576 231	604 466	637 712
Service charges	1 321 150	1 500 206	1 568 297	1 953 754	1 953 754	1 953 754	1 182 598	2 128 532	2 325 983	2 374 651
Investment revenue	13 124	18 823	12 333	15 683	15 683	15 683	5 524	16 515	17 324	18 190
Transfers recognised - operational	1 090 169	1 292 050	1 386 582	1 211 033	1 217 388	1 217 388	1 129 176	1 353 078	1 475 820	1 608 902
Other own revenue	200 328	571 241	192 895	301 136	301 136	301 136	202 252	253 886	266 338	280 719
Total Revenue (excluding capital transfers and contributions)	3 042 776	3 854 047	3 643 969	4 028 834	4 035 189	4 035 189	2 866 387	4 328 242	4 689 931	4 920 174
Employee costs	854 608	922 982	964 704	1 009 601	1 043 372	1 043 372	665 266	1 162 356	1 220 180	1 286 621
Remuneration of councillors	37 955	38 522	38 692	43 421	39 921	39 921	25 430	41 917	44 180	46 610
Depreciation & asset impairment	680 387	711 798	946 607	250 000	250 000	250 000	-	260 000	271 440	283 655
Finance charges	72 229	69 673	61 910	50 000	47 200	47 200	24 739	42 336	39 836	37 146
Inventory consumed and bulk purchases	756 433	772 667	834 767	1 176 739	1 178 939	1 178 939	656 582	1 279 321	1 370 768	1 479 914
Transfers and grants	24 664	179 851	66 558	40 000	50 000	50 000	41 652	14 500	15 138	15 819
Other expenditure	1 225 365	1 514 063	1 191 893	1 219 786	1 431 700	1 431 700	792 701	1 407 600	1 480 577	1 557 968
Total Expenditure	3 651 642	4 209 557	4 105 132	3 789 546	4 041 131	4 041 131	2 206 371	4 208 030	4 442 118	4 707 733
Surplus/(Deficit)	(608 866)	(355 509)	(461 163)	239 288	(5 942)	(5 942)	660 016	120 212	247 813	212 441
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	950 606	1 026 876	764 993	795 321	817 129	817 129	442 390	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)	29 848	1 076	676	-	-	-	254	-	-	-
Surplus/(Deficit) after capital transfers & contributions	371 588	672 443		1 034 609	811 187	811 187	1 102 660	923 937	969 686	959 274
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	371 588	672 443	-	1 034 609	811 187	811 187	1 102 660	923 937	969 686	959 274
Capital expenditure & funds sources										
Capital expenditure	4 178 133	5 158 879	993 969	1 128 560	1 024 469	1 024 469	482 626	841 448	747 611	753 759
Transfers recognised - capital	92 631	970 432	826 708	795 321	817 129	817 129	417 319	698 891	627 716	649 420
Borrowing	35 024	95 173	22 918	-	-	-	-	-	-	-
Internally generated funds	4 105 318	4 147 779	139 700	333 239	207 340	207 340	65 307	142 557	119 896	104 339
Total sources of capital funds	4 232 973	5 213 383	989 326	1 128 560	1 024 469	1 024 469	482 626	841 448	747 611	753 759
Financial position										
Total current assets	856 513	1 170 748	1 212 071	1 047 366	1 027 002	1 027 002	1 582 668	1 468 706	1 684 872	1 928 062
Total non current assets	13 898 083	17 045 955	16 945 861	18 015 002	17 910 912	40 216 892	17 406 613	17 731 392	17 626 117	17 620 052
Total current liabilities	1 205 790	1 487 155	1 314 533	721 227	706 839	(539 283)	884 084	720 600	713 550	723 924
Total non current liabilities	846 399	814 959	832 157	790 689	790 689	(790 689)	810 283	790 689	790 689	790 689
Community wealth/Equity	12 658 086	15 601 336	17 010 195	17 550 452	17 440 385	2 437 037	17 041 886	17 688 809	17 806 751	18 033 502
Cash flows										
Net cash from (used) operating	(2 193 154)	1 532 293	3 974 139	1 141 176	920 770	920 770	1 467 137	873 050	923 656	938 166
Net cash from (used) investing	11	18	(733 869)	(1 072 132)	(973 246)	(973 246)	(615 285)	(799 376)	(710 231)	(716 071)
Net cash from (used) financing	-	-	(29 216)	(19 125)	(19 125)	(19 125)	(25 475)	(22 588)	(25 088)	(27 778)
Cash/cash equivalents at the year end	(2 193 144)	1 532 311	3 641 056	249 919	229 554	229 554	1 127 532	227 873	416 210	610 527
Cash backing/surplus reconciliation										
Cash and investments available	185 875	420 294	301 155	249 919	229 554	229 554	190 495	227 873	413 132	607 773
Application of cash and investments	893 758	417 523	142 344	88 550	72 018	(1 133 432)	(387 928)	(656 198)	(719 537)	(758 734)
Balance - surplus (shortfall)	(707 883)	2 771	158 810	161 369	157 537	1 362 986	578 423	884 070	1 132 669	1 366 507
Asset management										
Asset register summary (WDV)	11 830 432	15 542 355	15 677 502	15 808 682	14 800 313	14 800 313	14 800 313	14 768 382	14 767 732	14 749 806
Depreciation	676 847	711 102	946 607	250 000	250 000	250 000	250 000	260 000	271 440	283 655
Renewal and Upgrading of Existing Assets	4 038 437	4 339 288	270 883	428 425	360 510	360 510	360 510	203 701	204 087	189 634
Repairs and Maintenance	469 233	456 298	627 577	591 336	716 177	716 177	716 177	723 373	756 577	793 335
Free services										
Cost of Free Basic Services provided	421 319	429 745	466 494	(49 583)	(49 583)	(49 583)	(54 059)	(54 059)	(59 152)	(60 232)
Revenue cost of free services provided	-	-	-	(79 350)	(79 350)	(79 350)	(85 404)	(85 404)	(92 033)	(94 756)
Households below minimum service level										
Water:	11	13	13	13	13	13	28	28	114	117
Sanitation/sewerage:	82	5	5	5	5	5	5	5	5	5
Energy:	41	41	42	44	44	44	6	6	6	6
Refuse:	112	112	115	119	119	119	241	241	248	255

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

Functional Classification Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & 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
Revenue - Functional										
Governance and administration		2 552 020	2 902 961	2 712 662	2 715 660	2 743 824	2 743 824	2 881 090	2 957 470	3 156 745
Executive and council		-	(23)	-	1 564	1 564	1 564	2	2	2
Finance and administration		2 552 020	2 902 984	2 712 662	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
Community and public safety		(691)	7 838	12 190	13 225	13 225	13 225	6 145	6 449	6 834
Community and social services		(9 778)	2 894	7 216	4 370	4 370	4 370	2 172	2 279	2 415
Sport and recreation		8 091	3 019	2 729	7 957	7 957	7 957	3 470	3 641	3 860
Public safety		533	854	1 124	354	354	354	248	260	275
Housing		463	1 071	1 122	541	541	541	254	267	283
Health		-	0	-	3	3	3	2	2	2
Economic and environmental services		92 792	470 158	108 184	141 340	135 340	135 340	109 703	115 088	121 588
Planning and development		17 463	413 647	49 311	52 423	52 423	52 423	27 786	29 161	30 911
Road transport		75 330	56 510	58 872	86 849	80 849	80 849	80 273	84 201	88 848
Environmental protection		0	-	0	2 069	2 069	2 069	1 644	1 726	1 829
Trading services		1 379 108	1 501 042	1 576 602	1 953 929	1 959 929	1 959 929	2 135 028	2 332 797	2 381 840
Energy sources		874 335	1 015 741	1 078 387	1 419 786	1 425 786	1 425 786	1 562 403	1 718 321	1 734 247
Water management		290 292	252 391	245 377	275 255	275 255	275 255	300 019	328 513	361 357
Waste water management		107 299	118 431	125 444	131 986	131 986	131 986	138 981	145 791	145 930
Waste management		107 183	114 480	127 392	126 902	126 902	126 902	133 625	140 173	140 306
Other	4	0	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	4 023 230	4 881 999	4 409 638	4 824 155	4 852 319	4 852 319	5 131 966	5 411 804	5 667 007
Expenditure - Functional										
Governance and administration		1 385 632	1 096 793	1 133 669	1 229 860	1 315 061	1 315 061	1 326 100	1 381 033	1 441 944
Executive and council		358 295	265 940	295 514	406 067	414 193	414 193	402 824	421 494	441 449
Finance and administration		1 019 726	819 907	827 755	809 228	887 708	887 708	909 135	944 681	984 868
Internal audit		7 611	10 946	10 399	14 565	13 160	13 160	14 141	14 858	15 626
Community and public safety		281 942	350 040	438 721	288 135	311 854	311 854	327 714	342 723	360 493
Community and social services		80 048	72 658	67 074	79 708	74 851	74 851	83 956	87 575	92 208
Sport and recreation		137 840	192 869	247 043	138 347	145 524	145 524	152 212	159 731	167 785
Public safety		57 172	64 601	73 469	50 903	70 877	70 877	67 268	70 783	74 552
Housing		589	13 145	43 150	12 023	13 864	13 864	16 925	17 820	18 772
Health		6 293	6 766	7 985	7 155	6 739	6 739	7 352	6 813	7 176
Economic and environmental services		856 147	1 204 422	837 095	522 955	615 945	615 945	585 024	604 565	634 128
Planning and development		97 864	500 961	128 152	115 295	114 913	114 913	106 058	110 122	115 914
Road transport		757 913	690 436	684 507	384 321	472 952	472 952	449 366	466 090	488 411
Environmental protection		371	13 025	24 436	23 339	28 080	28 080	29 600	28 353	29 803
Trading services		1 311 925	1 753 611	1 886 736	1 748 595	1 798 271	1 798 271	1 969 192	2 113 797	2 271 168
Energy sources		749 770	916 060	985 845	1 068 056	1 093 680	1 093 680	1 179 151	1 285 160	1 395 784
Water management		299 380	585 793	666 232	493 915	527 448	527 448	548 202	572 625	599 966
Waste water management		89 597	115 687	78 704	58 736	31 186	31 186	81 031	90 202	101 560
Waste management		173 178	136 072	155 956	127 888	145 957	145 957	160 809	165 810	173 859
Other	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	3 835 646	4 404 867	4 296 221	3 789 546	4 041 131	4 041 131	4 208 030	4 442 118	4 707 733
Surplus/(Deficit) for the year		187 584	477 132	113 417	1 034 609	811 187	811 187	923 937	969 686	959 274

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

Functional Classification Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & 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
Revenue - Functional	1									
Municipal governance and administration		2 552 020	2 902 961	2 712 662	2 715 660	2 743 824	2 743 824	2 881 090	2 957 470	3 156 745
Executive and council		-	(23)	-	1 564	1 564	1 564	2	2	2
Mayor and Council		-	(23)	-	1 563	1 563	1 563	2	2	2
Municipal Manager, Town Secretary and Chief Executive		-	-	-	1	1	1	1	1	1
Finance and administration		2 552 020	2 902 984	2 712 662	2 714 095	2 742 258	2 742 258	2 881 088	2 957 468	3 156 742
Administrative and Corporate Support		13	0	0	7	7	7	3	3	3
Asset Management		882	268	-	1	1	1	1	1	1
Finance		2 294 233	2 654 816	2 467 706	2 320 961	2 349 124	2 349 124	2 472 739	2 529 118	2 704 832
Fleet Management		45 279	-	-	2	2	2	1	1	1
Human Resources		833	0	-	4 272	4 272	4 272	3 193	3 340	3 506
Information Technology		7	5	0	14	14	14	7	7	7
Legal Services		-	-	-	1	1	1	1	1	1
Marketing, Customer Relations, Publicity and Media Co-ordination		-	-	-	1	1	1	1	1	1
Property Services		(19 522)	3 353	627	2	2	2	1	1	1
Risk Management		-	-	-	1	1	1	1	1	1
Security Services		146	389	133	365	365	365	375	393	415
Supply Chain Management		25 360	30	1	7 356	7 356	7 356	3 458	3 629	3 846
Valuation Service		204 789	244 123	244 195	381 111	381 111	381 111	401 310	420 974	444 127
Internal audit		-	-	-	1	1	1	1	1	1
Governance Function		-	-	-	1	1	1	1	1	1
Community and public safety		(691)	7 838	12 190	13 225	13 225	13 225	6 145	6 449	6 834
Community and social services		(9 778)	2 894	7 216	4 370	4 370	4 370	2 172	2 279	2 415
Aged Care		-	-	-	-	-	-	-	-	-
Agricultural		-	-	-	-	-	-	-	-	-
Animal Care and Diseases		-	-	-	-	-	-	-	-	-
Cemeteries, Funeral Parlours and Crematoriums		1 049	1 134	1 653	3 741	3 741	3 741	1 758	1 845	1 956
Child Care Facilities		-	-	-	-	-	-	-	-	-
Community Halls and Facilities		(11 622)	427	169	1	1	1	1	1	1
Consumer Protection		-	-	-	-	-	-	-	-	-
Cultural Matters		-	1 043	5 385	2	2	2	1	1	1
Disaster Management		-	-	-	1	1	1	1	1	1
Education		-	-	-	-	-	-	-	-	-
Indigenous and Customary Law		-	-	-	-	-	-	-	-	-
Industrial Promotion		-	-	-	-	-	-	-	-	-
Language Policy		-	-	-	-	-	-	-	-	-
Libraries and Archives		146	178	(2)	394	394	394	303	318	336
Literacy Programmes		-	-	-	-	-	-	-	-	-
Media Services		-	-	-	-	-	-	-	-	-
Museums and Art Galleries		88	113	10	230	230	230	108	114	120
Population Development		-	-	-	-	-	-	-	-	-
Provincial Cultural Matters		561	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Zoo's		-	-	-	-	-	-	-	-	-
Sport and recreation		8 091	3 019	2 729	7 957	7 957	7 957	3 470	3 641	3 860
Beaches and Jetties		-	-	-	-	-	-	-	-	-
Casinos, Racing, Gambling, Wagering		-	-	-	-	-	-	-	-	-
Community Parks (including Nurseries)		6 308	1 375	(283)	698	698	698	394	413	438
Recreational Facilities		1 462	1 407	2 650	6 562	6 562	6 562	2 749	2 885	3 058
Sports Grounds and Stadiums		322	237	362	696	696	696	327	343	364
Public safety		533	854	1 124	354	354	354	248	260	275
Civil Defence		1	-	-	-	-	-	-	-	-
Cleansing		-	-	-	-	-	-	-	-	-
Control of Public Nuisances		-	-	-	-	-	-	-	-	-
Fencing and Fences		-	-	-	-	-	-	-	-	-
Fire Fighting and Protection		532	854	1 124	354	354	354	248	260	275
Licensing and Control of Animals		-	-	-	-	-	-	-	-	-
Police Forces, Traffic and Street Parking Control		-	-	-	-	-	-	-	-	-
Pounds		-	-	-	-	-	-	-	-	-
Housing		463	1 071	1 122	541	541	541	254	267	283
Housing		463	1 071	1 122	541	541	541	254	267	283
Informal Settlements		-	-	-	-	-	-	-	-	-
Health		-	0	-	3	3	3	2	2	2
Ambulance		-	-	-	-	-	-	-	-	-
Health Services		-	0	-	3	3	3	2	2	2
Laboratory Services		-	-	-	-	-	-	-	-	-
Food Control		-	-	-	-	-	-	-	-	-
Health Surveillance and Prevention of Communicable Diseases		-	-	-	-	-	-	-	-	-
Vector Control		-	-	-	-	-	-	-	-	-
Chemical Safety		-	-	-	-	-	-	-	-	-
Economic and environmental services		92 792	470 158	108 184	141 340	135 340	135 340	109 703	115 088	121 588
Planning and development		17 463	413 647	49 311	52 423	52 423	52 423	27 786	29 161	30 911
Billboards		-	-	-	-	-	-	-	-	-
Corporate Wide Strategic Planning (IDPs, LEDs)		-	-	-	2	2	2	1	1	1
Central City Improvement District		-	-	-	-	-	-	-	-	-
Development Facilitation		-	-	-	-	-	-	-	-	-
Economic Development/Planning		194	1 025	111	4 242	4 242	4 242	1 994	2 092	2 218
Regional Planning and Development		9 401	1 817	2 328	-	-	-	-	-	-
Town Planning, Building Regulations and Enforcement, and City		7 868	410 806	46 872	48 177	48 177	48 177	25 791	27 067	28 691
Project Management Unit		-	-	-	1	1	1	1	1	1
Provincial Planning		-	-	-	-	-	-	-	-	-
Support to Local Municipalities		-	-	-	-	-	-	-	-	-
Road transport		75 330	56 510	58 872	86 849	80 849	80 849	80 273	84 201	88 848
Public Transport		-	0	-	3 124	3 124	3 124	1 468	1 541	1 634
Road and Traffic Regulation		39 110	35 168	37 401	54 518	48 518	48 518	48 222	50 579	53 368
Roads		36 219	21 342	21 471	29 207	29 207	29 207	30 582	32 081	33 846
Taxi Ranks		-	-	-	-	-	-	-	-	-
Environmental protection		0	-	0	2 069	2 069	2 069	1 644	1 726	1 829
Biodiversity and Landscape		-	-	0	2 069	2 069	2 069	1 644	1 726	1 829
Coastal Protection		-	-	-	-	-	-	-	-	-
Indigenous Forests		-	-	-	-	-	-	-	-	-
Nature Conservation		0	-	-	-	-	-	-	-	-
Pollution Control		-	-	-	-	-	-	-	-	-

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

Functional Classification Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & 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
R thousand	1									
<i>Soil Conservation</i>		-	-	-	-	-	-	-	-	-
Trading services		1 379 108	1 501 042	1 576 602	1 953 929	1 959 929	1 959 929	2 135 028	2 332 797	2 381 840
<i>Energy sources</i>		874 335	1 015 741	1 078 387	1 419 786	1 425 786	1 425 786	1 562 403	1 718 321	1 734 247
<i>Electricity</i>		874 335	1 015 741	1 078 387	1 419 786	1 425 786	1 425 786	1 562 403	1 718 321	1 734 247
<i>Street Lighting and Signal Systems</i>		-	-	-	-	-	-	-	-	-
<i>Nonelectric Energy</i>		-	-	-	-	-	-	-	-	-
<i>Water management</i>		290 292	252 391	245 377	275 255	275 255	275 255	300 019	328 513	361 357
<i>Water Treatment</i>		-	-	-	1	1	1	1	1	1
<i>Water Distribution</i>		290 292	252 391	245 377	275 254	275 254	275 254	300 018	328 513	361 357
<i>Water Storage</i>		-	-	-	-	-	-	-	-	-
<i>Waste water management</i>		107 299	118 431	125 444	131 986	131 986	131 986	138 981	145 791	145 930
<i>Public Toilets</i>		-	-	-	-	-	-	-	-	-
<i>Sewerage</i>		107 299	118 431	125 444	131 986	131 986	131 986	138 981	145 791	145 930
<i>Storm Water Management</i>		-	-	-	-	-	-	-	-	-
<i>Waste Water Treatment</i>		-	-	-	-	-	-	-	-	-
<i>Waste management</i>		107 183	114 480	127 392	126 902	126 902	126 902	133 625	140 173	140 306
<i>Recycling</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Disposal (Landfill Sites)</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Removal</i>		107 183	114 480	127 392	126 902	126 902	126 902	133 625	140 173	140 306
<i>Street Cleaning</i>		-	-	-	-	-	-	-	-	-
Other		0	-	-	-	-	-	-	-	-
<i>Abattoirs</i>		-	-	-	-	-	-	-	-	-
<i>Air Transport</i>		-	-	-	-	-	-	-	-	-
<i>Forestry</i>		-	-	-	-	-	-	-	-	-
<i>Licensing and Regulation</i>		0	-	-	-	-	-	-	-	-
<i>Markets</i>		-	-	-	-	-	-	-	-	-
<i>Tourism</i>		-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	4 023 230	4 881 999	4 409 638	4 824 155	4 852 319	4 852 319	5 131 966	5 411 804	5 667 007
Expenditure - Functional										
Municipal governance and administration		1 385 632	1 096 793	1 133 669	1 229 860	1 315 061	1 315 061	1 326 100	1 381 033	1 441 944
<i>Executive and council</i>		358 295	265 940	295 514	406 067	414 193	414 193	402 824	421 494	441 449
<i>Mayor and Council</i>		350 441	266 681	278 136	394 827	396 241	396 241	384 603	402 328	421 278
<i>Municipal Manager, Town Secretary and Chief Executive</i>		7 855	9 359	17 378	11 240	17 952	17 952	18 221	19 166	20 171
<i>Finance and administration</i>		1 019 726	819 907	827 755	809 228	887 708	887 708	909 135	944 681	984 868
<i>Administrative and Corporate Support</i>		69 879	32 379	7 750	19 610	19 605	19 605	17 496	18 389	19 321
<i>Asset Management</i>		36 013	37 948	55 398	59 858	68 470	68 470	70 137	73 318	76 718
<i>Finance</i>		399 139	330 435	295 435	280 695	292 124	292 124	284 206	292 241	300 869
<i>Fleet Management</i>		214 149	85 210	101 576	86 118	109 412	109 412	107 934	112 768	117 932
<i>Human Resources</i>		63 008	49 177	48 995	57 014	60 896	60 896	59 611	62 362	65 311
<i>Information Technology</i>		33 922	52 537	57 473	56 356	59 319	59 319	62 785	65 820	69 068
<i>Legal Services</i>		20 553	28 364	30 697	30 878	35 639	35 639	32 057	33 535	35 116
<i>Marketing, Customer Relations, Publicity and Media Co-ordination</i>		19 185	10 468	10 634	12 200	12 689	12 689	13 155	13 832	14 558
<i>Property Services</i>		62 135	77 700	81 022	68 854	67 179	67 179	77 718	81 419	85 380
<i>Risk Management</i>		1 891	6 099	7 619	5 135	5 157	5 157	6 413	6 728	7 066
<i>Security Services</i>		84 079	92 156	108 988	109 080	132 526	132 526	151 960	157 238	165 030
<i>Supply Chain Management</i>		15 772	17 433	22 168	23 430	24 692	24 692	25 665	27 032	28 499
<i>Valuation Service</i>		-	-	-	-	-	-	-	-	-
<i>Internal audit</i>		7 611	10 946	10 399	14 565	13 160	13 160	14 141	14 858	15 626
<i>Governance Function</i>		7 611	10 946	10 399	14 565	13 160	13 160	14 141	14 858	15 626
Community and public safety		281 942	350 040	438 721	288 135	311 854	311 854	327 714	342 723	360 493
<i>Community and social services</i>		80 048	72 658	67 074	79 708	74 851	74 851	83 956	87 575	92 208
<i>Aged Care</i>		-	-	-	-	-	-	-	-	-
<i>Agricultural</i>		-	-	-	-	-	-	-	-	-
<i>Animal Care and Diseases</i>		-	-	-	-	-	-	-	-	-
<i>Cemeteries, Funeral Parlours and Crematoriums</i>		27 647	14 808	10 570	11 110	10 755	10 755	12 464	13 069	13 718
<i>Child Care Facilities</i>		-	-	-	-	-	-	-	-	-
<i>Community Halls and Facilities</i>		23 856	13 078	12 551	13 210	13 300	13 300	14 282	15 046	15 866
<i>Consumer Protection</i>		-	-	-	-	-	-	-	-	-
<i>Cultural Matters</i>		3 556	4 635	3 434	4 940	4 568	4 568	5 149	5 417	5 703
<i>Disaster Management</i>		137	5 076	9 768	15 501	13 078	13 078	14 628	15 367	16 159
<i>Education</i>		-	-	-	-	-	-	-	-	-
<i>Indigenous and Customary Law</i>		-	-	-	-	-	-	-	-	-
<i>Industrial Promotion</i>		-	-	-	-	-	-	-	-	-
<i>Language Policy</i>		-	-	-	-	-	-	-	-	-
<i>Libraries and Archives</i>		16 912	19 990	21 637	24 374	22 557	22 557	26 197	27 583	29 070
<i>Literacy Programmes</i>		-	-	-	-	-	-	-	-	-
<i>Media Services</i>		-	-	-	-	-	-	-	-	-
<i>Museums and Art Galleries</i>		7 941	15 071	9 113	10 573	10 593	10 593	11 237	11 093	11 691
<i>Population Development</i>		-	-	-	-	-	-	-	-	-
<i>Provincial Cultural Matters</i>		-	-	-	-	-	-	-	-	-
<i>Theatres</i>		-	-	-	-	-	-	-	-	-
<i>Zoo's</i>		-	-	-	-	-	-	-	-	-
<i>Sport and recreation</i>		137 840	192 869	247 043	138 347	145 524	145 524	152 212	159 731	167 785
<i>Beaches and Jetties</i>		-	-	-	-	-	-	-	-	-
<i>Casinos, Racing, Gambling, Wagering</i>		-	-	-	-	-	-	-	-	-
<i>Community Parks (including Nurseries)</i>		41 051	41 295	45 932	41 213	40 070	40 070	43 330	45 605	48 045
<i>Recreational Facilities</i>		95 690	151 574	201 111	97 134	105 454	105 454	108 883	114 126	119 739
<i>Sports Grounds and Stadiums</i>		1 098	-	-	-	-	-	-	-	-
<i>Public safety</i>		57 172	64 601	73 469	50 903	70 877	70 877	67 268	70 783	74 552
<i>Civil Defence</i>		6 638	-	-	-	-	-	-	-	-
<i>Cleansing</i>		4 021	-	-	-	-	-	-	-	-
<i>Control of Public Nuisances</i>		-	-	-	-	-	-	-	-	-
<i>Fencing and Fences</i>		-	-	-	-	-	-	-	-	-
<i>Fire Fighting and Protection</i>		18 949	64 601	73 469	50 903	70 877	70 877	67 268	70 783	74 552
<i>Licensing and Control of Animals</i>		-	-	-	-	-	-	-	-	-
<i>Police Forces, Traffic and Street Parking Control</i>		27 563	-	-	-	-	-	-	-	-
<i>Pounds</i>		-	-	-	-	-	-	-	-	-
Housing		589	13 145	43 150	12 023	13 864	13 864	16 925	17 820	18 772
<i>Housing</i>		589	13 145	43 150	12 023	13 864	13 864	16 925	17 820	18 772
<i>Informal Settlements</i>		-	-	-	-	-	-	-	-	-
Health		6 293	6 766	7 985	7 155	6 739	6 739	7 352	6 813	7 176
<i>Ambulance</i>		-	-	-	-	-	-	-	-	-

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

Functional Classification Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & 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
<i>Health Services</i>	1	6 293	6 766	7 985	7 155	6 739	6 739	7 352	6 813	7 176
<i>Laboratory Services</i>		-	-	-	-	-	-	-	-	-
<i>Food Control</i>		-	-	-	-	-	-	-	-	-
<i>Health Surveillance and Prevention of Communicable Diseases</i>		-	-	-	-	-	-	-	-	-
<i>Vector Control</i>		-	-	-	-	-	-	-	-	-
<i>Chemical Safety</i>		-	-	-	-	-	-	-	-	-
Economic and environmental services		856 147	1 204 422	837 095	522 955	615 945	615 945	585 024	604 565	634 128
<i>Planning and development</i>		97 864	500 961	128 152	115 295	114 913	114 913	106 058	110 122	115 914
<i>Billboards</i>		-	-	-	-	-	-	-	-	-
<i>Corporate Wide Strategic Planning (IDPs, LEDs)</i>		13 922	21 842	27 604	14 763	15 795	15 795	16 127	16 910	17 749
<i>Central City Improvement District</i>	-	-	-	-	-	-	-	-	-	
<i>Development Facilitation</i>	-	-	-	-	-	-	-	-	-	
<i>Economic Development/Planning</i>	19 870	21 192	20 513	22 471	23 156	23 156	22 164	22 704	23 913	
<i>Regional Planning and Development</i>	4 520	-	-	-	-	-	-	-	-	
<i>Town Planning, Building Regulations and Enforcement, and City</i>	31 445	413 062	45 284	44 487	38 606	38 606	45 484	47 888	50 467	
<i>Project Management Unit</i>	28 107	44 865	34 752	33 575	37 356	37 356	22 284	22 621	23 786	
<i>Provincial Planning</i>	-	-	-	-	-	-	-	-	-	
<i>Support to Local Municipalities</i>	-	-	-	-	-	-	-	-	-	
<i>Road transport</i>	757 913	690 436	684 507	384 321	472 952	472 952	449 366	466 090	488 411	
<i>Public Transport</i>	60 288	222 516	99 174	86 171	134 859	134 859	105 256	109 954	114 615	
<i>Road and Traffic Regulation</i>	95 360	112 496	116 843	103 620	118 010	118 010	130 108	135 298	142 576	
<i>Roads</i>	602 265	355 425	468 490	194 530	220 083	220 083	214 002	220 837	231 220	
<i>Taxi Ranks</i>	-	-	-	-	-	-	-	-	-	
<i>Environmental protection</i>	371	13 025	24 436	23 339	28 080	28 080	29 600	28 353	29 803	
<i>Biodiversity and Landscape</i>	371	13 025	24 436	23 339	28 080	28 080	29 600	28 353	29 803	
<i>Coastal Protection</i>	-	-	-	-	-	-	-	-	-	
<i>Indigenous Forests</i>	-	-	-	-	-	-	-	-	-	
<i>Nature Conservation</i>	-	-	-	-	-	-	-	-	-	
<i>Pollution Control</i>	-	-	-	-	-	-	-	-	-	
<i>Soil Conservation</i>	-	-	-	-	-	-	-	-	-	
Trading services	1 311 925	1 753 611	1 886 736	1 748 595	1 798 271	1 798 271	1 969 192	2 113 797	2 271 168	
<i>Energy sources</i>	749 770	916 060	985 845	1 068 056	1 093 680	1 093 680	1 179 151	1 285 160	1 395 784	
<i>Electricity</i>	748 922	916 060	985 845	1 068 056	1 093 680	1 093 680	1 179 151	1 285 160	1 395 784	
<i>Street Lighting and Signal Systems</i>	847	-	-	-	-	-	-	-	-	
<i>Nonelectric Energy</i>	-	-	-	-	-	-	-	-	-	
<i>Water management</i>	299 380	585 793	666 232	493 915	527 448	527 448	548 202	572 625	599 966	
<i>Water Treatment</i>	35 146	29 850	30 384	15 104	16 396	16 396	20 549	21 650	22 831	
<i>Water Distribution</i>	222 364	555 943	635 848	478 812	511 052	511 052	527 653	550 975	577 135	
<i>Water Storage</i>	41 871	-	-	-	-	-	-	-	-	
<i>Waste water management</i>	89 597	115 687	78 704	58 736	31 186	31 186	81 031	90 202	101 560	
<i>Public Toilets</i>	-	-	-	-	-	-	-	-	-	
<i>Sewerage</i>	89 597	115 687	78 704	58 736	31 186	31 186	81 031	90 202	101 560	
<i>Storm Water Management</i>	-	-	-	-	-	-	-	-	-	
<i>Waste Water Treatment</i>	-	-	-	-	-	-	-	-	-	
<i>Waste management</i>	173 178	136 072	155 956	127 888	145 957	145 957	160 809	165 810	173 859	
<i>Recycling</i>	-	-	-	-	-	-	-	-	-	
<i>Solid Waste Disposal (Landfill Sites)</i>	-	-	-	-	-	-	-	-	-	
<i>Solid Waste Removal</i>	158 030	136 072	155 956	127 888	145 957	145 957	160 809	165 810	173 859	
<i>Street Cleaning</i>	15 148	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	
<i>Abattoirs</i>	-	-	-	-	-	-	-	-	-	
<i>Air Transport</i>	-	-	-	-	-	-	-	-	-	
<i>Forestry</i>	-	-	-	-	-	-	-	-	-	
<i>Licensing and Regulation</i>	-	-	-	-	-	-	-	-	-	
<i>Markets</i>	-	-	-	-	-	-	-	-	-	
<i>Tourism</i>	-	-	-	-	-	-	-	-	-	
Total Expenditure - Functional	3	3 835 646	4 404 867	4 296 221	3 789 546	4 041 131	4 041 131	4 208 030	4 442 118	4 707 733
Surplus/(Deficit) for the year		187 584	477 132	113 417	1 034 609	811 187	811 187	923 937	969 686	959 274

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

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & 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
Revenue by Vote	1									
Vote 1 - Chief operations office		699 012	-	-	9	9	9	4	4	5
Vote 2 - Municipal managers office		-	(23)	-	1 564	1 564	1 564	2	2	2
Vote 3 - Water and sanitation		397 591	370 822	370 822	407 241	407 241	407 241	438 999	474 304	507 287
Vote 4 - Energy services		873 469	1 015 741	1 078 387	1 419 786	1 425 786	1 425 786	1 562 403	1 718 321	1 734 247
Vote 5 - Community Services		117 175	120 393	137 337	141 284	141 284	141 284	140 905	147 813	148 404
Vote 6 - Public safety		39 788	36 411	38 657	55 254	49 254	49 254	48 853	51 240	54 067
Vote 7 - Corporate and Shared Services		4 993	3 359	627	4 294	4 294	4 294	3 204	3 350	3 518
Vote 8 - Planning and Economic Development		17 463	413 647	49 311	52 420	52 420	52 420	27 785	29 160	30 910
Vote 9 - Budget and Treasury office		1 837 057	2 899 236	2 711 903	2 709 429	2 737 593	2 737 593	2 877 506	2 953 721	3 152 806
Vote 10 - Transport Operations		36 219	21 342	21 471	32 332	32 332	32 332	32 051	33 622	35 480
Vote 11 - Human Settlement		463	1 071	1 122	541	541	541	254	267	283
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	4 023 230	4 881 999	4 409 638	4 824 155	4 852 319	4 852 319	5 131 966	5 411 804	5 667 007
Expenditure by Vote to be appropriated	1									
Vote 1 - Chief operations office		555 077	153 598	128 129	146 410	150 239	150 239	143 015	149 420	157 079
Vote 2 - Municipal managers office		367 641	253 321	280 474	377 615	389 698	389 698	369 693	386 651	404 769
Vote 3 - Water and sanitation		316 730	701 480	744 936	552 651	558 634	558 634	629 233	662 827	701 525
Vote 4 - Energy services		739 820	916 060	985 845	1 068 056	1 093 680	1 093 680	1 179 151	1 285 160	1 395 784
Vote 5 - Community Services		325 127	389 430	464 204	339 540	363 028	363 028	390 823	406 634	427 007
Vote 6 - Public safety		196 634	290 131	327 209	297 499	356 459	356 459	388 225	400 487	421 207
Vote 7 - Corporate and Shared Services		327 945	268 970	291 642	273 131	301 620	301 620	311 838	326 358	341 886
Vote 8 - Planning and Economic Development		57 096	454 975	89 968	77 936	73 680	73 680	79 862	83 379	87 780
Vote 9 - Budget and Treasury office		329 369	385 817	373 001	363 984	385 286	385 286	380 007	392 591	406 086
Vote 10 - Transport Operations		619 617	577 941	567 664	280 701	354 942	354 942	319 258	330 792	345 836
Vote 11 - Human Settlement		590	13 145	43 150	12 023	13 864	13 864	16 925	17 820	18 772
Vote 12 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	3 835 646	4 404 867	4 296 221	3 789 546	4 041 131	4 041 131	4 208 030	4 442 118	4 707 733
Surplus/(Deficit) for the year	2	187 584	477 132	113 417	1 034 609	811 187	811 187	923 937	969 686	959 274

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

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & 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
Revenue by Vote	1									
Vote 1 - Chief operations office		699 012	-	-	9	9	9	4	4	5
1.1 - Chief operations office (administration)		699 012	-	-	1	1	1	1	1	1
1.2 - Legaslative support		-	-	-	1	1	1	1	1	1
1.3 - Legal services		-	-	-	1	1	1	1	1	1
1.4 - Integrated development plan		-	-	-	-	-	-	-	-	-
1.5 - Communications and marketing		-	-	-	1	1	1	1	1	1
1.6 - Project management unit		-	-	-	1	1	1	1	1	1
1.7 - Performance management unit		-	-	-	1	1	1	1	1	1
1.8 - Cluster office		-	-	-	1	1	1	1	1	1
1.9 - Executive support		-	-	-	1	1	1	1	1	1
1.10 -		-	-	-	-	-	-	-	-	-
Vote 2 - Municipal managers office		-	(23)	-	1 564	1 564	1 564	2	2	2
2.1 - Council		-	-	-	1 561	1 561	1 561	1	1	1
2.2 - Municipal manager		-	(23)	-	1	1	1	1	1	1
2.3 - Risk management		-	-	-	1	1	1	1	1	1
2.4 - Internal audit		-	-	-	1	1	1	1	1	1
2.5 -		-	-	-	-	-	-	-	-	-
2.6 -		-	-	-	-	-	-	-	-	-
2.7 -		-	-	-	-	-	-	-	-	-
2.8 -		-	-	-	-	-	-	-	-	-
2.9 -		-	-	-	-	-	-	-	-	-
2.10 -		-	-	-	-	-	-	-	-	-
Vote 3 - Water and sanitation		397 591	370 822	370 822	407 241	407 241	407 241	438 999	474 304	507 287
3.1 - Water and sanitation admin		107 299	108 250	118 821	168 479	168 479	168 479	177 408	186 101	186 278
3.2 - Reticulation, distribution and maintenance		290 292	252 392	245 377	275 252	275 252	275 252	300 017	328 512	361 355
3.3 - Operations and waste water		-	10 179	6 623	(36 492)	(36 492)	(36 492)	(38 427)	(40 310)	(40 348)
3.4 - Quality monitoring services		-	-	-	1	1	1	1	1	1
3.5 - Reticulations, distribution and maintenance, water dem		-	-	-	-	-	-	-	-	-
3.6 - Reticulations, distribution and maintenance, water dem		-	-	-	-	-	-	-	-	-
3.7 - Infrastructure development		-	-	-	1	1	1	1	1	1
3.8 -		-	-	-	-	-	-	-	-	-
3.9 -		-	-	-	-	-	-	-	-	-
3.10 -		-	-	-	-	-	-	-	-	-
Vote 4 - Energy services		873 469	1 015 741	1 078 387	1 419 786	1 425 786	1 425 786	1 562 403	1 718 321	1 734 247
4.1 - Energy services admin		873 469	1 015 739	1 078 387	1 467 969	1 473 969	1 473 969	1 615 212	1 776 410	1 792 864
4.2 - Energy operation and maintenance administration		-	2	-	(48 186)	(48 186)	(48 186)	(52 812)	(58 094)	(58 622)
4.3 - Energy services: 66KV		-	-	-	1	1	1	1	1	1
4.4 - Energy services 11KV		-	-	-	1	1	1	1	1	1
4.5 - Energy services: Planning and development		-	-	-	1	1	1	1	1	1
4.6 -		-	-	-	-	-	-	-	-	-
4.7 -		-	-	-	-	-	-	-	-	-
4.8 -		-	-	-	-	-	-	-	-	-
4.9 -		-	-	-	-	-	-	-	-	-
4.10 -		-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		117 175	120 393	137 337	141 284	141 284	141 284	140 905	147 813	148 404
5.1 - Directorate coummunity services		-	-	-	-	-	-	-	-	-
5.2 - Sport and recreation		8 091	3 019	2 729	7 953	7 953	7 953	3 468	3 640	3 858
5.3 - Sport and facilities maintenance		-	-	-	2	2	2	1	1	1
5.4 - Recreation services (swimming pools)		-	-	-	1	1	1	1	1	1
5.5 - Sports facilities maintenance (horticultural services)		-	-	-	-	-	-	-	-	-
5.6 - Cultural services (administration)		-	1 043	5 385	1	1	1	1	1	1
5.7 - Culture services (art gallery)		88	113	10	229	229	229	108	113	120
5.8 - Cultural services (libraries)		146	178	(2)	394	394	394	303	318	336
5.9 - Cultural service (museums)		-	-	-	1	1	1	1	1	1
5.10 - Other Community Services		108 860	116 040	129 214	132 701	132 701	132 701	137 023	143 739	144 087
Vote 6 - Public safety		39 788	36 411	38 657	55 254	49 254	49 254	48 853	51 240	54 067
6.1 - Public safety administration		-	-	-	1	1	1	1	1	1
6.2 - Traffic and licencing administration		-	-	-	1	1	1	1	1	1
6.3 - Traffic and licences (licencing)		-	-	-	20	20	20	11	11	12
6.4 - Traffic and licencing (vehicle testing and drivers licence		0	0	-	31	31	31	32	33	34
6.5 - Traffic and licencing (traffic services)		39 110	35 168	37 401	54 466	48 466	48 466	48 180	50 534	53 322
6.6 - Disaster management administration		-	-	-	126	126	126	132	138	146
6.7 - Disaster management (fire fighting)		532	854	1 124	229	229	229	117	122	130
6.8 - By law enforcement and security (administration)		-	-	-	1	1	1	1	1	1
6.9 - Security services		146	32	68	350	350	350	368	386	407
6.10 - Other Community Development		-	357	65	30	30	30	14	15	15
Vote 7 - Corporate and Shared Services		4 993	3 359	627	4 294	4 294	4 294	3 204	3 350	3 518
7.1 - Community and shared services		13	0	0	3	3	3	2	2	2
7.2 - Corporte service- Information Communication Technolog		7	5	0	14	14	14	7	7	7

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

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & 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
7.3 - Human Resources Development (administration)		-	-	-	1	1	1	1	1	1
7.4 - Human Resources Development (Organisational develop		-	-	-	1	1	1	1	1	1
7.5 - Human Resources Development (Learning and develop		-	-	-	1	1	1	1	1	1
7.6 - Human Resources Development (EAP)		-	-	-	1	1	1	1	1	1
7.7 - Human Resources (Administration)		-	-	-	1	1	1	1	1	1
7.8 - Human Resources (Personnel administration)		-	-	-	1	1	1	1	1	1
7.9 - Human Resources Management (Labour relations)		-	-	-	1	1	1	1	1	1
7.10 - Other corporate and shared services		4 973	3 353	627	4 269	4 269	4 269	3 192	3 338	3 504
Vote 8 - Planning and Economic Development		17 463	413 647	49 311	52 420	52 420	52 420	27 785	29 160	30 910
8.1 - Directorate planning and development		-	-	-	1	1	1	1	1	1
8.2 - Property management		-	-	-	1	1	1	1	1	1
8.3 - City and regional planning		9 401	1 817	12 661	36 298	36 298	36 298	20 207	21 207	22 480
8.4 - Corporate Gio information		-	-	-	1	1	1	1	1	1
8.5 - Building inspections (administration)		-	-	-	1	1	1	1	1	1
8.6 - Economic development and tourism		194	1 025	111	4 236	4 236	4 236	1 991	2 090	2 215
8.7 - Local Economic Development		-	-	-	2	2	2	1	1	1
8.8 - Investment Promotion		-	-	-	1	1	1	1	1	1
8.9 - LED (Economic Planning)		-	-	-	2	2	2	1	1	1
8.10 - Other Planning and Economic Development		7 868	410 806	36 539	11 876	11 876	11 876	5 582	5 858	6 210
Vote 9 - Budget and Treasury office		1 837 057	2 899 236	2 711 903	2 709 429	2 737 593	2 737 593	2 877 506	2 953 721	3 152 806
9.1 - Budget and treasury office		1 470 630	259 434	232 559	90 363	90 363	90 363	93 834	97 186	103 312
9.2 - Expenditure		-	-	-	1	1	1	1	1	1
9.3 - Revenue management and customer care		202 481	2 638 243	2 477 027	2 607 740	2 635 903	2 635 903	2 777 849	2 850 423	3 043 021
9.4 - Supply Chain Management		25 360	30	1	7 356	7 356	7 356	3 458	3 629	3 846
9.5 - Asset management		882	268	-	1	1	1	1	1	1
9.6 - Budget and financial reporting		137 704	1 262	2 316	3 967	3 967	3 967	2 365	2 481	2 625
9.7 - Business and financial planning		-	-	-	1	1	1	1	1	1
9.8 -		-	-	-	-	-	-	-	-	-
9.9 -		-	-	-	-	-	-	-	-	-
9.10 -		-	-	-	-	-	-	-	-	-
Vote 10 - Transport Operations		36 219	21 342	21 471	32 332	32 332	32 332	32 051	33 622	35 480
10.1 - Transport services		7	79	582	147	147	147	69	73	77
10.2 - Transport services (Planning and operations)		-	0	-	3 121	3 121	3 121	1 467	1 540	1 632
10.3 - Transport services (Intelligent transport and system mc		-	-	-	1	1	1	1	1	1
10.4 - Transport services (Public transport regulation and mo		-	-	-	1	1	1	1	1	1
10.5 - Roads and stormwater (Admin)		36 212	21 214	20 889	28 912	28 912	28 912	30 443	31 935	33 691
10.6 - Storm water management and traffic engineering		-	-	-	1	1	1	1	1	1
10.7 - Roads and stormwater (Roads and streets)		-	-	-	147	147	147	69	73	77
10.8 - Roads and stormwater (Stormwater)		1	48	0	1	1	1	1	1	1
10.9 -		-	-	-	-	-	-	-	-	-
10.10 -		-	-	-	-	-	-	-	-	-
Vote 11 - Human Settlement		463	1 071	1 122	541	541	541	254	267	283
11.1 - Human Settlement		-	-	-	1	1	1	1	1	1
11.2 - Human Settlement Housing admin		463	1 071	1 122	1	1	1	1	1	1
11.3 - Human Settlement Rental housing and programme imp		-	-	-	539	539	539	253	266	282
11.4 -		-	-	-	-	-	-	-	-	-
11.5 -		-	-	-	-	-	-	-	-	-
11.6 -		-	-	-	-	-	-	-	-	-
11.7 -		-	-	-	-	-	-	-	-	-
11.8 -		-	-	-	-	-	-	-	-	-
11.9 -		-	-	-	-	-	-	-	-	-
11.10 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
12.1 -		-	-	-	-	-	-	-	-	-
12.2 -		-	-	-	-	-	-	-	-	-
12.3 -		-	-	-	-	-	-	-	-	-
12.4 -		-	-	-	-	-	-	-	-	-
12.5 -		-	-	-	-	-	-	-	-	-
12.6 -		-	-	-	-	-	-	-	-	-
12.7 -		-	-	-	-	-	-	-	-	-
12.8 -		-	-	-	-	-	-	-	-	-
12.9 -		-	-	-	-	-	-	-	-	-
12.10 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
13.1 -		-	-	-	-	-	-	-	-	-
13.2 -		-	-	-	-	-	-	-	-	-
13.3 -		-	-	-	-	-	-	-	-	-
13.4 -		-	-	-	-	-	-	-	-	-
13.5 -		-	-	-	-	-	-	-	-	-
13.6 -		-	-	-	-	-	-	-	-	-

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

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & 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
R thousand										
13.7 -		-	-	-	-	-	-	-	-	-
13.8 -		-	-	-	-	-	-	-	-	-
13.9 -		-	-	-	-	-	-	-	-	-
13.10 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
14.1 -		-	-	-	-	-	-	-	-	-
14.2 -		-	-	-	-	-	-	-	-	-
14.3 -		-	-	-	-	-	-	-	-	-
14.4 -		-	-	-	-	-	-	-	-	-
14.5 -		-	-	-	-	-	-	-	-	-
14.6 -		-	-	-	-	-	-	-	-	-
14.7 -		-	-	-	-	-	-	-	-	-
14.8 -		-	-	-	-	-	-	-	-	-
14.9 -		-	-	-	-	-	-	-	-	-
14.10 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
15.1 -		-	-	-	-	-	-	-	-	-
15.2 -		-	-	-	-	-	-	-	-	-
15.3 -		-	-	-	-	-	-	-	-	-
15.4 -		-	-	-	-	-	-	-	-	-
15.5 -		-	-	-	-	-	-	-	-	-
15.6 -		-	-	-	-	-	-	-	-	-
15.7 -		-	-	-	-	-	-	-	-	-
15.8 -		-	-	-	-	-	-	-	-	-
15.9 -		-	-	-	-	-	-	-	-	-
15.10 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	4 023 230	4 881 999	4 409 638	4 824 155	4 852 319	4 852 319	5 131 966	5 411 804	5 667 007
Expenditure by Vote	1									
Vote 1 - Chief operations office		555 077	153 598	128 129	146 410	150 239	150 239	143 015	149 420	157 079
1.1 - Chief operations office (administration)		494 838	26 056	3 016	4 610	4 565	4 565	3 641	3 834	4 033
1.2 - Legaslative support		-	10 009	18 668	27 234	20 985	20 985	31 084	32 725	34 485
1.3 - Legal services		20 553	28 364	30 697	30 878	35 639	35 639	32 057	33 535	35 116
1.4 - Integrated development plan		-	-	-	-	-	-	-	-	-
1.5 - Communications and marketing		11 502	10 468	10 634	12 200	12 689	12 689	13 155	13 832	14 558
1.6 - Project management unit		28 103	44 865	34 752	33 575	37 356	37 356	22 284	22 621	23 786
1.7 - Performance management unit		81	1 121	3 432	3 785	3 877	3 877	3 912	4 122	4 348
1.8 - Cluster office		-	13 060	12 551	13 210	13 300	13 300	14 282	15 046	15 866
1.9 - Executive support		-	19 655	14 379	20 918	21 827	21 827	22 600	23 705	24 887
1.10 -		-	-	-	-	-	-	-	-	-
Vote 2 - Municipal managers office		367 641	253 321	280 474	377 615	389 698	389 698	369 693	386 651	404 769
2.1 - Council		-	235 032	196 577	346 675	353 429	353 429	330 919	345 898	361 906
2.2 - Municipal manager		358 139	1 244	65 878	11 240	17 952	17 952	18 221	19 166	20 171
2.3 - Risk management		1 891	6 099	7 619	5 135	5 157	5 157	6 413	6 728	7 066
2.4 - Internal audit		7 611	10 946	10 399	14 565	13 160	13 160	14 141	14 858	15 626
2.5 -		-	-	-	-	-	-	-	-	-
2.6 -		-	-	-	-	-	-	-	-	-
2.7 -		-	-	-	-	-	-	-	-	-
2.8 -		-	-	-	-	-	-	-	-	-
2.9 -		-	-	-	-	-	-	-	-	-
2.10 -		-	-	-	-	-	-	-	-	-
Vote 3 - Water and sanitation		316 730	701 480	744 936	552 651	558 634	558 634	629 233	662 827	701 525
3.1 - Water and sanitation admin		94 384	69 282	142 631	144 491	166 229	166 229	173 839	182 698	192 186
3.2 - Reticulation, distrubution and maintenance		222 346	457 181	485 271	325 364	337 495	337 495	344 944	358 930	375 088
3.3 - Operations and waste water		-	115 472	78 704	58 736	31 186	31 186	81 031	90 202	101 560
3.4 - Quality monitoring services		-	29 727	30 384	15 104	16 261	16 261	20 549	21 650	22 831
3.5 - Reticulations, distrubution and maintenance, water dema		-	-	-	-	-	-	-	-	-
3.6 - Reticulations, distrubution and maintenance, water dema		-	-	-	-	-	-	-	-	-
3.7 - Infrastructure development		-	29 817	7 947	8 957	7 463	7 463	8 870	9 347	9 860
3.8 -		-	-	-	-	-	-	-	-	-
3.9 -		-	-	-	-	-	-	-	-	-
3.10 -		-	-	-	-	-	-	-	-	-
Vote 4 - Energy services		739 820	916 060	985 845	1 068 056	1 093 680	1 093 680	1 179 151	1 285 160	1 395 784
4.1 - Energy services admin		739 820	31 709	2 885	4 496	4 496	4 496	4 048	4 262	4 484
4.2 - Energy operation and maintenance administration		-	44 413	64 446	32 222	33 284	33 284	36 013	37 761	39 633
4.3 - Energy services: 66KV		-	12 534	31 782	32 416	40 552	40 552	44 085	46 181	48 423
4.4 - Energy services 11KV		-	791 521	884 950	997 745	1 014 271	1 014 271	1 093 782	1 195 680	1 301 910
4.5 - Energy services: Planning and development		-	35 883	1 781	1 178	1 078	1 078	1 222	1 276	1 333
4.6 -		-	-	-	-	-	-	-	-	-
4.7 -		-	-	-	-	-	-	-	-	-
4.8 -		-	-	-	-	-	-	-	-	-

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

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & 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
4.9 -		–	–	–	–	–	–	–	–	–
4.10 -		–	–	–	–	–	–	–	–	–
Vote 5 - Community Services		325 127	389 430	464 204	339 540	363 028	363 028	390 823	406 634	427 007
5.1 - Directorate community services		–	–	–	–	–	–	–	–	–
5.2 - Sport and recreation		122 544	51 975	66 559	56 642	57 503	57 503	61 086	64 205	67 550
5.3 - Sport and facilities maintenance		–	128 594	174 324	73 931	79 903	79 903	82 669	86 626	90 860
5.4 - Recreation services (swimming pools)		–	12 301	6 160	7 774	8 118	8 118	8 457	8 900	9 375
5.5 - Sports facilities maintenance (horticultural services)		–	–	–	–	–	–	–	–	–
5.6 - Cultural services (administration)		2 231	3 475	1 891	2 139	2 267	2 267	2 241	2 361	2 489
5.7 - Culture services (art gallery)		1 503	7 931	1 450	1 219	1 282	1 282	1 339	1 408	1 483
5.8 - Cultural services (libraries)		1 658	19 990	21 637	24 374	22 557	22 557	26 197	27 583	29 070
5.9 - Cultural service (museums)		–	7 140	7 663	9 354	9 311	9 311	9 898	9 685	10 208
5.10 - Other Community Services		197 191	158 025	184 520	164 108	182 088	182 088	198 936	205 866	215 973
Vote 6 - Public safety		196 634	290 131	327 209	297 499	356 459	356 459	388 225	400 487	421 207
6.1 - Public safety administration		–	502	489	4 554	4 554	4 554	5 302	5 560	5 835
6.2 - Traffic and licencing administration		–	348	1 953	2 099	2 130	2 130	2 227	1 720	1 812
6.3 - Traffic and licences (licencing)		–	10 495	16 909	15 354	14 463	14 463	16 918	17 822	18 793
6.4 - Traffic and licencing (vehicle testing and drivers licence)		–	93 886	12 145	13 239	12 872	12 872	15 068	15 875	16 740
6.5 - Traffic and licencing (traffic services)		93 766	7 766	85 835	72 928	88 545	88 545	95 895	99 881	105 231
6.6 - Disaster management administration		–	69 677	83 238	66 403	83 955	83 955	81 896	86 149	90 711
6.7 - Disaster management (fire fighting)		17 239	(0)	–	–	–	–	–	–	–
6.8 - By law enforcement and security (administration)		–	16 669	4 718	1 891	2 116	2 116	2 106	2 217	2 337
6.9 - Security services		83 799	74 022	89 032	88 071	110 290	110 290	126 768	130 727	137 104
6.10 - Other Community Development		1 829	16 766	32 890	32 960	37 535	37 535	42 045	40 535	42 643
Vote 7 - Corporate and Shared Services		327 945	268 970	291 642	273 131	301 620	301 620	311 838	326 358	341 886
7.1 - Community and shared services		8 822	4 345	2 575	4 790	4 815	4 815	3 790	3 990	4 195
7.2 - Corporate service- Information Communication Technology		33 881	52 537	57 473	56 356	59 319	59 319	62 785	65 820	69 068
7.3 - Human Resources Development (administration)		–	27	–	59	59	59	62	64	67
7.4 - Human Resources Development (Organisational development)		–	1 888	3 779	4 043	4 147	4 147	4 152	4 375	4 615
7.5 - Human Resources Development (Learning and development)		–	30 092	18 211	20 652	24 812	24 812	21 082	21 824	22 618
7.6 - Human Resources Development (EAP)		–	994	2 318	4 003	3 133	3 133	4 086	4 299	4 528
7.7 - Human Resources (Administration)		4 871	84	2 040	1 877	2 773	2 773	2 093	2 205	2 326
7.8 - Human Resources (Personnel administration)		–	3 843	7 433	7 882	8 000	8 000	8 531	8 984	9 470
7.9 - Human Resources Management (Labour relations)		–	3 680	4 651	5 827	5 966	5 966	5 992	6 284	6 596
7.10 - Other corporate and shared services		280 371	171 479	193 162	167 643	188 596	188 596	199 264	208 512	218 402
Vote 8 - Planning and Economic Development		57 096	454 975	89 968	77 936	73 680	73 680	79 862	83 379	87 780
8.1 - Directorate planning and development		–	11 410	2 481	4 429	4 436	4 436	3 601	3 794	3 992
8.2 - Property management		–	1 731	5 610	5 925	6 309	6 309	5 881	6 197	6 537
8.3 - City and regional planning		4 130	13 132	27 941	22 526	18 721	18 721	21 163	22 260	23 436
8.4 - Corporate Gio information		–	1 512	3 846	5 158	4 436	4 436	5 317	5 602	5 908
8.5 - Building inspections (administration)		–	18 356	7 887	10 879	9 141	9 141	13 122	13 828	14 586
8.6 - Economic development and tourism		15 990	749	1 945	1 935	2 069	2 069	2 016	1 496	1 577
8.7 - Local Economic Development		–	4 659	6 725	4 937	5 104	5 104	5 134	5 400	5 686
8.8 - Investment Promotion		–	3 329	4 406	5 597	5 889	5 889	5 649	5 944	6 261
8.9 - LED (Economic Planning)		9 876	21 766	29 127	16 551	17 577	17 577	17 977	18 856	19 798
8.10 - Other Planning and Economic Development		27 100	378 331	–	–	–	–	–	–	–
Vote 9 - Budget and Treasury office		329 369	385 817	373 001	363 984	385 286	385 286	380 007	392 591	406 086
9.1 - Budget and treasury office		277 584	25 477	9 591	10 195	10 488	10 488	10 854	10 750	10 605
9.2 - Expenditure		–	136 985	122 126	103 992	102 715	102 715	96 005	95 917	95 888
9.3 - Revenue management and customer care		–	104 519	102 854	106 556	117 060	117 060	118 627	124 290	130 350
9.4 - Supply Chain Management		15 772	17 433	22 168	23 430	24 692	24 692	25 665	27 032	28 499
9.5 - Asset management		36 013	37 948	55 398	59 858	68 470	68 470	70 137	73 318	76 718
9.6 - Budget and financial reporting		–	63 454	59 634	58 025	59 909	59 909	56 630	59 083	61 705
9.7 - Business and financial planning		–	–	1 230	1 927	1 952	1 952	2 089	2 201	2 321
9.8 -		–	–	–	–	–	–	–	–	–
9.9 -		–	–	–	–	–	–	–	–	–
9.10 -		–	–	–	–	–	–	–	–	–
Vote 10 - Transport Operations		619 617	577 941	567 664	280 701	354 942	354 942	319 258	330 792	345 836
10.1 - Transport services		96 638	219 823	77 268	64 222	121 078	121 078	93 071	97 129	101 108
10.2 - Transport services (Planning and operations)		–	1 451	2 387	3 145	2 362	2 362	3 297	3 471	3 657
10.3 - Transport services (Intelligent transport and system management)		–	–	–	3 245	645	645	3 425	3 609	3 806
10.4 - Transport services (Public transport regulation and monitoring)		–	1 241	19 519	15 559	10 774	10 774	5 464	5 746	6 044
10.5 - Roads and stormwater (Admin)		–	16 042	1 654	1 831	1 861	1 861	1 862	1 037	1 093
10.6 - Storm water management and traffic engineering		469	–	–	59	59	59	62	64	67
10.7 - Roads and stormwater (Roads and streets)		–	42 672	46 128	59 475	83 398	83 398	71 666	72 793	76 134
10.8 - Roads and stormwater (Stormwater)		522 510	296 711	420 708	133 165	134 765	134 765	140 412	146 942	153 926
10.9 -		–	–	–	–	–	–	–	–	–
10.10 -		–	–	–	–	–	–	–	–	–
Vote 11 - Human Settlement		590	13 145	43 150	12 023	13 864	13 864	16 925	17 820	18 772
11.1 - Human Settlement		–	50	14	94	94	94	675	717	754

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

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & 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
11.2 - Human Settlement Housing admin		590	4 772	4 173	2 171	2 171	2 171	4 325	4 535	4 760
11.3 - Human Settlement Rental housing and programme imp		-	8 323	38 963	9 759	11 600	11 600	11 925	12 568	13 258
11.4 -		-	-	-	-	-	-	-	-	-
11.5 -		-	-	-	-	-	-	-	-	-
11.6 -		-	-	-	-	-	-	-	-	-
11.7 -		-	-	-	-	-	-	-	-	-
11.8 -		-	-	-	-	-	-	-	-	-
11.9 -		-	-	-	-	-	-	-	-	-
11.10 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
12.1 -		-	-	-	-	-	-	-	-	-
12.2 -		-	-	-	-	-	-	-	-	-
12.3 -		-	-	-	-	-	-	-	-	-
12.4 -		-	-	-	-	-	-	-	-	-
12.5 -		-	-	-	-	-	-	-	-	-
12.6 -		-	-	-	-	-	-	-	-	-
12.7 -		-	-	-	-	-	-	-	-	-
12.8 -		-	-	-	-	-	-	-	-	-
12.9 -		-	-	-	-	-	-	-	-	-
12.10 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
13.1 -		-	-	-	-	-	-	-	-	-
13.2 -		-	-	-	-	-	-	-	-	-
13.3 -		-	-	-	-	-	-	-	-	-
13.4 -		-	-	-	-	-	-	-	-	-
13.5 -		-	-	-	-	-	-	-	-	-
13.6 -		-	-	-	-	-	-	-	-	-
13.7 -		-	-	-	-	-	-	-	-	-
13.8 -		-	-	-	-	-	-	-	-	-
13.9 -		-	-	-	-	-	-	-	-	-
13.10 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
14.1 -		-	-	-	-	-	-	-	-	-
14.2 -		-	-	-	-	-	-	-	-	-
14.3 -		-	-	-	-	-	-	-	-	-
14.4 -		-	-	-	-	-	-	-	-	-
14.5 -		-	-	-	-	-	-	-	-	-
14.6 -		-	-	-	-	-	-	-	-	-
14.7 -		-	-	-	-	-	-	-	-	-
14.8 -		-	-	-	-	-	-	-	-	-
14.9 -		-	-	-	-	-	-	-	-	-
14.10 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
15.1 -		-	-	-	-	-	-	-	-	-
15.2 -		-	-	-	-	-	-	-	-	-
15.3 -		-	-	-	-	-	-	-	-	-
15.4 -		-	-	-	-	-	-	-	-	-
15.5 -		-	-	-	-	-	-	-	-	-
15.6 -		-	-	-	-	-	-	-	-	-
15.7 -		-	-	-	-	-	-	-	-	-
15.8 -		-	-	-	-	-	-	-	-	-
15.9 -		-	-	-	-	-	-	-	-	-
15.10 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	3 835 646	4 404 867	4 296 221	3 789 546	4 041 131	4 041 131	4 208 030	4 442 118	4 707 733
Surplus/(Deficit) for the year	2	187 584	477 132	113 417	1 034 609	811 187	811 187	923 937	969 686	959 274

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

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1										
Revenue By Source											
Property rates	2	418 005	471 727	483 863	547 228	547 228	547 228	346 836	576 231	604 466	637 712
Service charges - electricity revenue	2	865 004	1 014 136	1 070 089	1 419 771	1 419 771	1 419 771	838 545	1 556 069	1 711 676	1 727 236
Service charges - water revenue	2	241 665	253 116	245 370	275 101	275 101	275 101	161 200	299 860	328 347	361 181
Service charges - sanitation revenue	2	107 299	118 451	125 445	131 985	131 985	131 985	93 690	138 980	145 790	145 929
Service charges - refuse revenue	2	107 183	114 503	127 393	126 897	126 897	126 897	89 163	133 623	140 171	140 304
Rental of facilities and equipment		14 880	9 046	14 887	14 938	14 938	14 938	4 680	11 950	12 542	13 294
Interest earned - external investments		13 124	18 823	12 333	15 683	15 683	15 683	5 524	16 515	17 324	18 190
Interest earned - outstanding debtors		64 962	88 096	66 276	101 241	101 241	101 241	52 693	106 607	111 831	117 422
Dividends received		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		31 298	31 584	38 737	38 140	38 140	38 140	25 291	40 162	42 130	44 447
Licences and permits		7 634	5 468	6 199	13 283	13 283	13 283	15 360	13 886	14 559	15 356
Agency services		23 975	21 214	20 889	28 910	28 910	28 910	86 524	30 443	31 934	33 691
Transfers and subsidies		1 090 169	1 292 050	1 386 582	1 211 033	1 217 388	1 217 388	1 129 176	1 353 078	1 475 820	1 608 902
Other revenue	2	21 076	14 908	18 151	104 623	104 623	104 623	17 703	50 838	53 343	56 509
Gains		36 503	400 924	27 756	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		3 042 776	3 854 047	3 643 969	4 028 834	4 035 189	4 035 189	2 866 387	4 328 242	4 689 931	4 920 174
Expenditure By Type											
Employee related costs	2	854 608	922 982	964 704	1 009 601	1 043 372	1 043 372	665 266	1 162 356	1 220 180	1 286 621
Remuneration of councillors		37 955	38 522	38 692	43 421	39 921	39 921	25 430	41 917	44 180	46 610
Debt impairment	3	216 988	159 919	156 670	250 000	250 000	250 000	37 665	260 000	271 440	283 655
Depreciation & asset impairment	2	680 387	711 798	946 607	250 000	250 000	250 000	-	260 000	271 440	283 655
Finance charges		72 229	69 673	61 910	50 000	47 200	47 200	24 739	42 336	39 836	37 146
Bulk purchases - electricity	2	626 738	725 603	765 101	887 800	887 800	887 800	600 693	976 580	1 054 706	1 149 630
Inventory consumed	8	129 696	47 064	69 666	288 939	291 139	291 139	55 889	302 741	316 062	330 285
Contracted services		728 961	760 605	808 992	739 404	921 485	921 485	594 907	883 339	933 624	986 788
Transfers and subsidies		24 664	179 851	66 558	40 000	50 000	50 000	41 652	14 500	15 138	15 819
Other expenditure	4, 5	249 618	209 904	226 086	230 382	260 215	260 215	160 129	264 261	275 512	287 525
Losses		29 798	383 635	146	-	-	-	-	-	-	-
Total Expenditure		3 651 642	4 209 557	4 105 132	3 789 546	4 041 131	4 041 131	2 206 371	4 208 030	4 442 118	4 707 733
Surplus/(Deficit)		(608 866)	(355 509)	(461 163)	239 288	(5 942)	(5 942)	660 016	120 212	247 813	212 441
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		950 606	1 026 876	764 993	795 321	817 129	817 129	442 390	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)	6	6	1 076	676	-	-	-	254	-	-	-
Transfers and subsidies - capital (in-kind - all)		29 842	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		371 588	672 443	304 505	1 034 609	811 187	811 187	1 102 660	923 937	969 686	959 274
Taxation		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after taxation		371 588	672 443	304 505	1 034 609	811 187	811 187	1 102 660	923 937	969 686	959 274
Attributable to minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		371 588	672 443	304 505	1 034 609	811 187	811 187	1 102 660	923 937	969 686	959 274
Share of surplus/ (deficit) of associate	7	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year		371 588	672 443	304 505	1 034 609	811 187	811 187	1 102 660	923 937	969 686	959 274

References

1. Classifications are revenue sources and expenditure type
2. Detail to be provided in Table SA1
3. Previously described as 'bad or doubtful debts' - amounts shown should reflect the change in the provision for debt impairment
4. Expenditure type components previously shown under repairs and maintenance should be allocated back to the originating expenditure group/item; e.g. employee costs
5. Repairs & maintenance detailed in Table A9 and Table SA34c
6. Contributions are funds provided by external organisations to assist with infrastructure development; e.g. developer contributions (detail to be provided in Table SA1)
7. Equity method (Includes Joint Ventures)

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

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1										
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Chief operations office		-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal managers office		-	-	-	-	-	-	-	-	-	-
Vote 3 - Water and sanitation		-	-	-	-	-	-	-	-	-	-
Vote 4 - Energy services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 6 - Public safety		-	-	-	-	-	-	-	-	-	-
Vote 7 - Corporate and Shared Services		-	-	-	-	-	-	-	-	-	-
Vote 8 - Planning and Economic Development		-	-	-	-	-	-	-	-	-	-
Vote 9 - Budget and Treasury office		-	-	-	-	-	-	-	-	-	-
Vote 10 - Transport Operations		-	-	-	-	-	-	-	-	-	-
Vote 11 - Human Settlement		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated	2										
Vote 1 - Chief operations office		29 997	75 965	3 178	6 715	6 126	6 126	1 800	1 030	1 778	2 877
Vote 2 - Municipal managers office		-	-	-	2 000	2 000	2 000	-	-	-	-
Vote 3 - Water and sanitation		-	707 793	393 657	336 336	366 054	366 054	181 143	276 857	255 215	241 651
Vote 4 - Energy services		4 038 423	4 067 712	48 803	112 250	84 270	84 270	20 698	109 913	89 183	91 064
Vote 5 - Community Services		6 304	(38 328)	61 067	95 528	76 354	76 354	35 526	53 862	27 307	20 468
Vote 6 - Public safety		7 174	38 028	417	18 115	6 488	6 488	4 059	1 922	4 150	5 569
Vote 7 - Corporate and Shared Services		60 356	75 816	36 821	26 014	26 213	26 213	7 059	35 236	4 343	4 306
Vote 8 - Planning and Economic Development		(8 677)	(8 294)	419	19 339	5 974	5 974	1 037	16 823	11 919	15 858
Vote 9 - Budget and Treasury office		8 506	(10 246)	41 434	-	2 000	2 000	-	-	-	-
Vote 10 - Transport Operations		36 049	250 433	408 173	512 263	448 991	448 991	231 303	345 805	353 716	371 966
Vote 11 - Human Settlement		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		4 178 133	5 158 879	993 969	1 128 560	1 024 469	1 024 469	482 626	841 448	747 611	753 759
Total Capital Expenditure - Vote		4 178 133	5 158 879	993 969	1 128 560	1 024 469	1 024 469	482 626	841 448	747 611	753 759
Capital Expenditure - Functional											
Governance and administration		69 036	65 957	78 639	29 876	32 075	32 075	8 471	35 707	4 900	5 025
Executive and council		-	-	-	2 000	2 000	2 000	-	-	-	-
Finance and administration		69 036	65 957	78 639	27 876	30 075	30 075	8 471	35 707	4 900	5 025
Internal audit		-	-	-	-	-	-	-	-	-	-
Community and public safety		37 099	32 146	60 953	71 747	57 904	57 904	20 456	48 676	18 857	18 293
Community and social services		-	2 168	2 233	7 450	5 758	5 758	3 166	2 137	2 416	4 099
Sport and recreation		6 304	29 180	58 720	54 997	52 146	52 146	17 290	46 539	16 441	14 194
Public safety		30 795	798	-	9 300	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
Economic and environmental services		33 575	278 502	408 624	537 130	458 166	458 166	233 850	363 323	368 710	391 736
Planning and development		(8 677)	(8 294)	419	19 339	5 974	5 974	1 037	16 823	11 919	15 858
Road transport		42 252	286 796	408 205	517 790	452 192	452 192	232 812	346 500	356 791	375 877
Environmental protection		-	-	-	-	-	-	-	-	-	-
Trading services		4 038 423	4 782 274	445 753	489 806	476 324	476 324	219 849	393 742	355 144	338 705
Energy sources		4 038 423	4 067 712	50 016	115 250	87 270	87 270	20 698	109 913	89 565	91 402
Water management		-	372 709	198 950	220 312	208 691	208 691	105 726	158 075	150 336	132 062
Waste water management		-	335 084	194 708	116 024	157 363	157 363	75 417	118 782	104 880	109 590
Waste management		-	6 768	2 079	38 220	23 000	23 000	18 007	6 972	10 363	5 652
Other		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	3	4 178 133	5 158 879	993 969	1 128 560	1 024 469	1 024 469	482 626	841 448	747 611	753 759
Funded by:											
National Government		92 631	969 698	826 708	795 321	817 129	817 129	417 319	698 891	627 716	649 420
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	733	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	92 631	970 432	826 708	795 321	817 129	817 129	417 319	698 891	627 716	649 420
Borrowing	6	35 024	95 173	22 918	-	-	-	-	-	-	-
Internally generated funds	6	4 105 318	4 147 779	139 700	333 239	207 340	207 340	65 307	142 557	119 896	104 339
Total Capital Funding	7	4 232 973	5 213 383	989 326	1 128 560	1 024 469	1 024 469	482 626	841 448	747 611	753 759

References

- Municipalities may choose to appropriate for capital expenditure for three years or for one year (if one year appropriation projected expenditure required for yr2 and yr3).
- Include capital component of PPP unitary payment. Note that capital transfers are only appropriated to municipalities for the budget year
- Capital expenditure by functional classification must reconcile to the appropriations by vote
- Must reconcile to supporting table SA20 and to Budgeted Financial Performance (revenue and expenditure)
- Include finance leases and PPP capital funding component of unitary payment - total borrowing/repayments to reconcile to changes in Table SA17
- Total Capital Funding must balance with Total Capital Expenditure
- Include any capitalised interest (MFMA section 46) as part of relevant capital budget

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

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework			Multi-year appropriation for Budget Year 2022/23 in the 2021/22 Annual Budget				Multi-year appropriation for 2023/24 in the 2021/22 Annual Budget				New multi-year appropriations (funds for new and existing projects)			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	Appropriation for 2022/23	Adjustments in 2021/22	Downward adjustments for 2022/23	Appropriation carried forward	Appropriation for 2022/23	Adjustments in 2021/22	Downward adjustments for 2022/23	Appropriation carried forward	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	
R thousand	1																						
Capital expenditure - Municipal Vote	2																						
Multi-year expenditure appropriation																							
Vote 1 - Chief operations office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.1 - Chief operations office (administration)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.2 - Legaslatve support		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.3 - Legal services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.4 - Integrated development plan		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.5 - Communications and marketing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.6 - Project management unit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.7 - Performance management unit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.8 - Cluster office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.9 - Executive support		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
1.10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal managers office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.1 - Council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.2 - Municipal manager		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.3 - Risk management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.4 - Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.5 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.6 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.7 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.8 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.9 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2.10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Water and sanitation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.1 - Water and sanitation admin		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.2 - Reticulation, distribution and maintenance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.3 - Operations and waste water		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.4 - Quality monitoring services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.5 - Reticulations, distribution and maintenance, water dem		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.6 - Reticulations, distribution and maintenance, water dem		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.7 - Infrastructure development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.8 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.9 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3.10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Energy services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.1 - Energy services admin		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.2 - Energy operation and maintenance administration		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.3 - Energy services: 66KV		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.4 - Energy services: 11KV		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.5 - Energy services: Planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.6 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.7 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.8 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.9 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4.10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5.1 - Directorate community services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5.2 - Sport and recreation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5.3 - Sport and facilities maintenance		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5.4 - Recreation services (swimming pools)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5.5 - Sports facilities maintenance (horticultural services)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5.6 - Cultural services (administration)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5.7 - Culture services (art gallery)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5.8 - Cultural services (libraries)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5.9 - Cultural service (museums)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5.10 - Other Community Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.1 - Public safety administration		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.2 - Traffic and licencing administration		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.3 - Traffic and licences (licencing)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.4 - Traffic and licencing (vehicle testing and drivers licence		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.5 - Traffic and licencing (traffic services)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.6 - Disaster management administration		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.7 - Disaster management (fire fighting)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework			Multi-year appropriation for Budget Year 2022/23 in the 2021/22 Annual Budget				Multi-year appropriation for 2023/24 in the 2021/22 Annual Budget				New multi-year appropriations (funds for new and existing projects)			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	Appropriation for 2022/23	Adjustments in 2021/22	Downward adjustments for 2022/23	Appropriation carried forward	Appropriation for 2022/23	Adjustments in 2021/22	Downward adjustments for 2022/23	Appropriation carried forward	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	
R thousand	1																						
6.8 - By law enforcement and security (administration)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.9 - Security services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6.10 - Other Community Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Corporate and Shared Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7.1 - Community and shared services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7.2 - Corporate service- Information Communication Technology		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7.3 - Human Resources Development (administration)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7.4 - Human Resources Development (Organisational developo		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7.5 - Human Resources Development (Learning and develop		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7.6 - Human Resources Development (EAP)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7.7 - Human Resources (Administration)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7.8 - Human Resources (Personnel administration)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7.9 - Human Resources Management (Labour relations)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7.10 - Other corporate and shared services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Planning and Economic Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.1 - Directorate planning and development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.2 - Property management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.3 - City and regional planning		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.4 - Corporate Gio information		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.5 - Building inspections (administration)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.6 - Economic development and tourism		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.7 - Local Economic Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.8 - Investment Promotion		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.9 - LED (Economic Planning)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8.10 - Other Planning and Economic Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Budget and Treasury office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9.1 - Budget and treasury office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9.2 - Expenditure		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9.3 - Revenue management and customer care		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9.4 - Supply Chain Management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9.5 - Asset management		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9.6 - Budget and financial reporting		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9.7 - Business and financial planning		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9.8 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9.9 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9.10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Transport Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10.1 - Transport services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10.2 - Transport services (Planning and operations)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10.3 - Transport services (Intelligent transport and system mc		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10.4 - Transport services (Public transport regulation and mo		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10.5 - Roads and stormwater (Admin)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10.6 - Storm water management and traffic engineering		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10.7 - Roads and stormwater (Roads and streets)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10.8 - Roads and stormwater (Stormwater)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10.9 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10.10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Human Settlement		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.1 - Human Settlement		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.2 - Human Settlement Housing admin		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.3 - Human Settlement Rental housing and programme imp		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.4 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.5 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.6 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.7 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.8 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.9 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11.10 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.1 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.2 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.3 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.4 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12.5 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1										
3.1 - Water and sanitation admin		-	-	-	-	-	-	-	-	-	-
3.2 - Reticulation, distribution and maintenance		-	-	-	-	-	-	-	-	-	-
3.3 - Operations and waste water		-	335 084	194 708	116 024	157 363	157 363	75 417	118 782	104 880	109 590
3.4 - Quality monitoring services		-	86 139	-	42 354	49 180	49 180	38 478	-	-	-
3.5 - Reticulations, distribution and maintenance, water		-	-	-	-	-	-	-	-	-	-
3.6 - Reticulations, distribution and maintenance, water		-	-	-	-	-	-	-	-	-	-
3.7 - Infrastructure development		-	286 570	198 950	177 959	159 511	159 511	67 249	158 075	150 336	132 062
3.8 -		-	-	-	-	-	-	-	-	-	-
3.9 -		-	-	-	-	-	-	-	-	-	-
3.10 -		-	-	-	-	-	-	-	-	-	-
Vote 4 - Energy services		4 038 423	4 067 712	48 803	112 250	84 270	84 270	20 698	109 913	89 183	91 064
4.1 - Energy services admin		4 038 423	4 038 458	914	6 000	6 000	6 000	76	4 348	3 478	4 348
4.2 - Energy operation and maintenance administration		-	-	-	-	-	-	-	-	-	-
4.3 - Energy services: 66KV		-	-	-	-	-	-	-	-	-	-
4.4 - Energy services 11KV		-	-	-	-	-	-	-	51 652	52 905	48 191
4.5 - Energy services: Planning and development		-	29 254	47 889	106 250	78 270	78 270	20 622	53 913	32 800	38 525
4.6 -		-	-	-	-	-	-	-	-	-	-
4.7 -		-	-	-	-	-	-	-	-	-	-
4.8 -		-	-	-	-	-	-	-	-	-	-
4.9 -		-	-	-	-	-	-	-	-	-	-
4.10 -		-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		6 304	(38 328)	61 067	95 528	76 354	76 354	35 526	53 862	27 307	20 468
5.1 - Directorate community services		-	-	-	-	-	-	-	-	-	-
5.2 - Sport and recreation		6 304	29 180	58 720	54 997	52 146	52 146	17 290	46 539	16 441	14 194
5.3 - Sport and facilities maintenance		-	-	-	-	-	-	-	-	-	-
5.4 - Recreation services (swimming pools)		-	-	-	-	-	-	-	-	-	-
5.5 - Sports facilities maintenance (horticultural services)		-	-	-	-	-	-	-	-	-	-
5.6 - Cultural services (administration)		-	-	-	-	-	-	-	-	-	-
5.7 - Culture services (art gallery)		-	-	-	-	-	-	-	-	-	-
5.8 - Cultural services (libraries)		-	-	-	-	-	-	-	-	-	-
5.9 - Cultural service (museums)		-	607	268	2 311	1 208	1 208	229	352	502	621
5.10 - Other Community Services		-	(68 115)	2 079	38 220	23 000	23 000	18 007	6 972	10 363	5 652
Vote 6 - Public safety		7 174	38 028	417	18 115	6 488	6 488	4 059	1 922	4 150	5 569
6.1 - Public safety administration		-	-	-	-	-	-	-	-	-	-
6.2 - Traffic and licencing administration		-	-	-	-	-	-	-	-	1 176	1 531
6.3 - Traffic and licences (licencing)		-	-	-	-	-	-	-	-	-	-
6.4 - Traffic and licencing (vehicle testing and drivers lic)		-	-	-	-	-	-	-	-	-	-
6.5 - Traffic and licencing (traffic services)		6 203	36 363	31	5 527	3 201	3 201	1 510	696	1 899	2 380
6.6 - Disaster management administration		-	480	-	10 725	1 425	1 425	1 137	756	518	939
6.7 - Disaster management (fire fighting)		798	798	-	-	-	-	-	-	-	-
6.8 - By law enforcement and security (administration)		-	-	-	-	-	-	-	-	-	-
6.9 - Security services		174	174	-	-	-	-	-	-	-	-
6.10 - Other Community Development		-	213	385	1 862	1 862	1 862	1 412	471	557	718
Vote 7 - Corporate and Shared Services		60 356	75 816	36 821	26 014	26 213	26 213	7 059	35 236	4 343	4 306
7.1 - Community and shared services		946	946	-	-	-	-	-	-	-	-
7.2 - Corporate service- Information Communication Tech		32 860	43 323	7 273	7 705	6 705	6 705	2 042	4 946	778	736
7.3 - Human Resources Development (administration)		-	-	-	-	-	-	-	-	-	-
7.4 - Human Resources Development (Organisational de		-	-	-	-	-	-	-	-	-	-
7.5 - Human Resources Development (Learning and deve		-	-	-	-	-	-	-	-	-	-
7.6 - Human Resources Development (EAP)		-	-	-	-	-	-	-	-	-	-
7.7 - Human Resources (Administration)		-	-	-	-	-	-	-	-	-	-
7.8 - Human Resources (Personnel administration)		-	-	-	-	-	-	-	-	-	-
7.9 - Human Resources Management (Labour relations)		-	-	-	-	-	-	-	-	-	-
7.10 - Other corporate and shared services		26 549	31 546	29 548	18 308	19 508	19 508	5 018	30 289	3 565	3 570
Vote 8 - Planning and Economic Development		(8 677)	(8 294)	419	19 339	5 974	5 974	1 037	16 823	11 919	15 858
8.1 - Directorate planning and development		-	-	-	-	-	-	-	-	-	-
8.2 - Property management		-	-	-	-	-	-	-	-	-	-
8.3 - City and regional planning		-	0	419	16 074	4 709	4 709	1 037	15 494	10 308	14 262
8.4 - Corporate Gio information		-	-	-	3 265	1 265	1 265	-	1 329	1 611	1 596
8.5 - Building inspections (administration)		-	-	-	-	-	-	-	-	-	-
8.6 - Economic development and tourism		-	-	-	-	-	-	-	-	-	-
8.7 - Local Economic Development		-	-	-	-	-	-	-	-	-	-
8.8 - Investment Promotion		-	-	-	-	-	-	-	-	-	-
8.9 - LED (Economic Planning)		-	-	-	-	-	-	-	-	-	-
8.10 - Other Planning and Economic Development		(8 677)	(8 294)	-	-	-	-	-	-	-	-

Multi-year appropriation for Budget Year 2022/23 in the 2021/22 Annual Budget				Multi-year appropriation for 2023/24 in the 2021/22 Annual Budget				New multi-year appropriations (funds for new and existing projects)		
Appropriation for 2022/23	Adjustments in 2021/22	Downward adjustments for 2022/23	Appropriation carried forward	Appropriation for 2022/23	Adjustments in 2021/22	Downward adjustments for 2022/23	Appropriation carried forward	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25

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

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1										
Vote 9 - Budget and Treasury office		8 506	(10 246)	41 434	-	2 000	2 000	-	-	-	-
9.1 - Budget and treasury office		-	-	29 351	-	-	-	-	-	-	-
9.2 - Expenditure		-	-	-	-	-	-	-	-	-	-
9.3 - Revenue management and customer care		-	-	-	-	-	-	-	-	-	-
9.4 - Supply Chain Management		-	2 416	1 780	-	2 000	2 000	-	-	-	-
9.5 - Asset management		8 506	(12 662)	10 302	-	-	-	-	-	-	-
9.6 - Budget and financial reporting		-	-	-	-	-	-	-	-	-	-
9.7 - Business and financial planning		-	-	-	-	-	-	-	-	-	-
9.8 -		-	-	-	-	-	-	-	-	-	-
9.9 -		-	-	-	-	-	-	-	-	-	-
9.10 -		-	-	-	-	-	-	-	-	-	-
Vote 10 - Transport Operations		36 049	250 433	408 173	512 263	448 991	448 991	231 303	345 805	353 716	371 966
10.1 - Transport services		36 049	(158 428)	234 810	116 320	90 134	90 134	19 134	120 000	125 118	129 897
10.2 - Transport services (Planning and operations)		-	-	-	-	-	-	-	-	-	-
10.3 - Transport services (Intelligent transport and systems)		-	-	-	-	-	-	-	-	-	-
10.4 - Transport services (Public transport regulation and administration)		-	198 646	0	-	-	-	-	-	-	-
10.5 - Roads and stormwater (Admin)		-	-	-	-	-	-	-	-	-	-
10.6 - Storm water management and traffic engineering		-	-	-	-	-	-	-	-	-	-
10.7 - Roads and stormwater (Roads and streets)		-	210 215	173 364	395 943	358 856	358 856	212 169	225 805	228 597	242 069
10.8 - Roads and stormwater (Stormwater)		-	-	-	-	-	-	-	-	-	-
10.9 -		-	-	-	-	-	-	-	-	-	-
10.10 -		-	-	-	-	-	-	-	-	-	-
Vote 11 - Human Settlement		-	-	-	-	-	-	-	-	-	-
11.1 - Human Settlement		-	-	-	-	-	-	-	-	-	-
11.2 - Human Settlement Housing admin		-	-	-	-	-	-	-	-	-	-
11.3 - Human Settlement Rental housing and programmes		-	-	-	-	-	-	-	-	-	-
11.4 -		-	-	-	-	-	-	-	-	-	-
11.5 -		-	-	-	-	-	-	-	-	-	-
11.6 -		-	-	-	-	-	-	-	-	-	-
11.7 -		-	-	-	-	-	-	-	-	-	-
11.8 -		-	-	-	-	-	-	-	-	-	-
11.9 -		-	-	-	-	-	-	-	-	-	-
11.10 -		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
12.1 -		-	-	-	-	-	-	-	-	-	-
12.2 -		-	-	-	-	-	-	-	-	-	-
12.3 -		-	-	-	-	-	-	-	-	-	-
12.4 -		-	-	-	-	-	-	-	-	-	-
12.5 -		-	-	-	-	-	-	-	-	-	-
12.6 -		-	-	-	-	-	-	-	-	-	-
12.7 -		-	-	-	-	-	-	-	-	-	-
12.8 -		-	-	-	-	-	-	-	-	-	-
12.9 -		-	-	-	-	-	-	-	-	-	-
12.10 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
13.1 -		-	-	-	-	-	-	-	-	-	-
13.2 -		-	-	-	-	-	-	-	-	-	-
13.3 -		-	-	-	-	-	-	-	-	-	-
13.4 -		-	-	-	-	-	-	-	-	-	-
13.5 -		-	-	-	-	-	-	-	-	-	-
13.6 -		-	-	-	-	-	-	-	-	-	-
13.7 -		-	-	-	-	-	-	-	-	-	-
13.8 -		-	-	-	-	-	-	-	-	-	-
13.9 -		-	-	-	-	-	-	-	-	-	-
13.10 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
14.1 -		-	-	-	-	-	-	-	-	-	-
14.2 -		-	-	-	-	-	-	-	-	-	-
14.3 -		-	-	-	-	-	-	-	-	-	-
14.4 -		-	-	-	-	-	-	-	-	-	-
14.5 -		-	-	-	-	-	-	-	-	-	-
14.6 -		-	-	-	-	-	-	-	-	-	-
14.7 -		-	-	-	-	-	-	-	-	-	-
14.8 -		-	-	-	-	-	-	-	-	-	-
14.9 -		-	-	-	-	-	-	-	-	-	-
14.10 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
15.1 -		-	-	-	-	-	-	-	-	-	-
15.2 -		-	-	-	-	-	-	-	-	-	-
15.3 -		-	-	-	-	-	-	-	-	-	-

Multi-year appropriation for Budget Year 2022/23 in the 2021/22 Annual Budget				Multi-year appropriation for 2023/24 in the 2021/22 Annual Budget				New multi-year appropriations (funds for new and existing projects)		
Appropriation for 2022/23	Adjustments in 2021/22	Downward adjustments for 2022/23	Appropriation carried forward	Appropriation for 2022/23	Adjustments in 2021/22	Downward adjustments for 2022/23	Appropriation carried forward	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25

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

Vote Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand	1										
15.4 -		-	-	-	-	-	-	-	-	-	-
15.5 -		-	-	-	-	-	-	-	-	-	-
15.6 -		-	-	-	-	-	-	-	-	-	-
15.7 -		-	-	-	-	-	-	-	-	-	-
15.8 -		-	-	-	-	-	-	-	-	-	-
15.9 -		-	-	-	-	-	-	-	-	-	-
15.10 -		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		4 178 133	5 158 879	993 969	1 128 560	1 024 469	1 024 469	482 626	841 448	747 611	753 759
Total Capital Expenditure		4 178 133	5 158 879	993 969	1 128 560	1 024 469	1 024 469	482 626	841 448	747 611	753 759

Multi-year appropriation for Budget Year 2022/23 in the 2021/22 Annual Budget				Multi-year appropriation for 2023/24 in the 2021/22 Annual Budget				New multi-year appropriations (funds for new and existing projects)			
Appropriation for 2022/23	Adjustments in 2021/22	Downward adjustments for 2022/23	Appropriation carried forward	Appropriation for 2022/23	Adjustments in 2021/22	Downward adjustments for 2022/23	Appropriation carried forward	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	

LIM354 Polokwane - Table A6 Budgeted Financial Position

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
ASSETS											
Current assets											
Cash		61 635	420 773	301 634	249 919	229 554	229 554	33 900	227 873	413 132	607 773
Call investment deposits	1	124 240	(479)	(479)	-	-	-	156 595	-	-	-
Consumer debtors	1	503 463	533 772	601 971	552 940	552 940	552 940	761 850	521 628	542 493	564 193
Other debtors		166 411	215 918	308 182	47 700	47 700	47 700	302 153	520 937	530 979	557 828
Current portion of long-term receivables		763	763	763	530	530	530	763	530	530	530
Inventory	2	-	-	-	196 277	196 277	196 277	327 408	197 738	197 738	197 738
Total current assets		856 513	1 170 748	1 212 071	1 047 366	1 027 002	1 027 002	1 582 668	1 468 706	1 684 872	1 928 062
Non current assets											
Long-term receivables		144	144	144	-	-	-	144	-	-	-
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		737 261	687 824	715 153	732 808	717 999	717 999	693 279	718 172	718 361	718 407
Investment in Associate		1	1	1	1	1	1	1	1	1	1
Property, plant and equipment	3	13 098 643	16 310 528	16 187 328	17 258 976	17 156 195	39 462 175	16 669 954	16 976 503	16 871 039	16 864 928
Biological		4 732	4 450	4 402	11 833	11 833	11 833	4 402	11 833	11 833	11 833
Intangible		35 401	21 107	16 934	11 383	24 883	24 883	16 934	24 883	24 883	24 883
Other non-current assets		21 900	21 900	21 900	-	-	-	21 900	-	-	-
Total non current assets		13 898 083	17 045 955	16 945 861	18 015 002	17 910 912	40 216 892	17 406 613	17 731 392	17 626 117	17 620 052
TOTAL ASSETS		14 754 596	18 216 703	18 157 932	19 062 368	18 937 913	41 243 893	18 989 281	19 200 098	19 310 989	19 548 114
LIABILITIES											
Current liabilities											
Bank overdraft	1	-	-	-	-	-	-	-	-	-	-
Borrowing	4	65 787	55 713	29 740	20 336	20 336	(20 336)	4 812	16 873	14 373	11 683
Consumer deposits		73 102	71 199	67 956	73 500	73 500	73 500	67 409	73 500	73 500	73 500
Trade and other payables	4	1 058 725	1 192 088	1 201 813	617 113	602 725	(602 725)	796 839	611 813	606 826	619 420
Provisions		8 177	168 154	15 024	10 278	10 278	10 278	15 024	18 413	18 851	19 321
Total current liabilities		1 205 790	1 487 155	1 314 533	721 227	706 839	(539 283)	884 084	720 600	713 550	723 924
Non current liabilities											
Borrowing		478 209	435 778	417 239	376 990	376 990	(376 990)	395 365	376 990	376 990	376 990
Provisions		368 190	379 181	414 918	413 699	413 699	(413 699)	414 918	413 699	413 699	413 699
Total non current liabilities		846 399	814 959	832 157	790 689	790 689	(790 689)	810 283	790 689	790 689	790 689
TOTAL LIABILITIES		2 052 189	2 302 113	2 146 690	1 511 916	1 497 528	(1 329 972)	1 694 367	1 511 289	1 504 239	1 514 613
NET ASSETS	5	12 702 407	15 914 590	16 011 242	17 550 452	17 440 385	42 573 865	17 294 914	17 688 809	17 806 751	18 033 502
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)	4	5 233 549	5 317 531	6 730 196	10 048 778	9 938 711	9 938 711	6 761 887	10 187 135	10 305 077	10 531 828
Reserves		7 424 537	10 283 806	10 279 999	7 501 674	7 501 674	(7 501 674)	10 279 999	7 501 674	7 501 674	7 501 674
TOTAL COMMUNITY WEALTH/EQUITY	5	12 658 086	15 601 336	17 010 195	17 550 452	17 440 385	2 437 037	17 041 886	17 688 809	17 806 751	18 033 502

LIM354 Polokwane - Table A7 Budgeted Cash Flows

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		38 006	368 630	428 138	499 379	499 379	499 379	290 301	525 846	551 613	581 853
Service charges		253 726	1 540 750	1 602 160	1 790 577	1 800 577	1 800 577	1 231 791	1 948 159	2 125 594	2 172 358
Other revenue		39 782	146 214	148 050	175 907	175 907	175 907	161 078	129 606	135 967	143 701
Transfers and Subsidies - Operational	1	203	871 603	1 203 831	1 211 033	1 212 034	1 212 034	1 271 705	1 353 078	1 475 820	1 608 902
Transfers and Subsidies - Capital	1	2	1 481 184	883 555	795 321	802 921	802 921	417 332	803 725	721 873	746 833
Interest		-	7 404	7 474	13 801	13 801	13 801	6 141	16 515	17 324	18 190
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(2 427 980)	(2 633 968)	(299 070)	(3 259 343)	(3 491 509)	(3 491 509)	(1 911 210)	(3 849 884)	(4 052 308)	(4 283 354)
Finance charges		(72 229)	(69 673)	-	(47 500)	(44 840)	(44 840)	-	(40 219)	(37 844)	(35 288)
Transfers and Grants	1	(24 664)	(179 851)	-	(38 000)	(47 500)	(47 500)	-	(13 775)	(14 381)	(15 028)
NET CASH FROM/(USED) OPERATING ACTIVITIES		(2 193 154)	1 532 293	3 974 139	1 141 176	920 770	920 770	1 467 137	873 050	923 656	938 166
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		11	18	540	-	-	-	591	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		-	-	(734 409)	(1 072 132)	(973 246)	(973 246)	(615 876)	(799 376)	(710 231)	(716 071)
NET CASH FROM/(USED) INVESTING ACTIVITIES		11	18	(733 869)	(1 072 132)	(973 246)	(973 246)	(615 285)	(799 376)	(710 231)	(716 071)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	(3 244)	-	-	-	(547)	-	-	-
Payments											
Repayment of borrowing		-	-	(25 973)	(19 125)	(19 125)	(19 125)	(24 928)	(22 588)	(25 088)	(27 778)
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	(29 216)	(19 125)	(19 125)	(19 125)	(25 475)	(22 588)	(25 088)	(27 778)
NET INCREASE/ (DECREASE) IN CASH HELD											
Cash/cash equivalents at the year begin:	2	-	-	430 004	200 000	301 155	301 155	301 155	176 786	227 873	416 210
Cash/cash equivalents at the year end:	2	(2 193 144)	1 532 311	3 211 053	249 919	229 554	229 554	1 127 532	227 873	416 210	610 527

LIM354 Polokwane - Table A8 Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Cash and investments available											
Cash/cash equivalents at the year end	1	(2 193 144)	1 532 311	3 641 056	249 919	229 554	229 554	1 127 532	227 873	416 210	610 527
Other current investments > 90 days		2 379 019	(1 112 017)	(3 339 901)	0	0	0	(937 037)	(0)	(3 078)	(2 754)
Non current assets - Investments	1	-	-	-	-	-	-	-	-	-	-
Cash and investments available:		185 875	420 294	301 155	249 919	229 554	229 554	190 495	227 873	413 132	607 773
Application of cash and investments											
Unspent conditional transfers		114 291	147 917	80 079	110 921	91 358	(91 358)	191 203	108 521	108 521	108 521
Unspent borrowing		-	-	-	-	-	-	-	-	-	-
Statutory requirements	2	-	-	-	-	-	-	-	-	-	-
Other working capital requirements	3	779 466	269 606	62 265	(22 371)	(19 340)	(1 042 074)	(579 130)	(764 719)	(828 058)	(867 255)
Other provisions		-	-	-	-	-	-	-	-	-	-
Long term investments committed	4	-	-	-	-	-	-	-	-	-	-
Reserves to be backed by cash/investments	5	-	-	-	-	-	-	-	-	-	-
Total Application of cash and investments:		893 758	417 523	142 344	88 550	72 018	(1 133 432)	(387 928)	(656 198)	(719 537)	(758 734)
Surplus(shortfall)		(707 883)	2 771	158 810	161 369	157 537	1 362 986	578 423	884 070	1 132 669	1 366 507

References

1. Must reconcile with Budgeted Cash Flows
2. For example: VAT, taxation
3. Council approval for policy required - include sufficient working capital (e.g. allowing for a % of current debtors > 90 days as uncollectable)
4. For example: sinking fund requirements for borrowing
5. Council approval required for each reserve created and basis of cash backing of reserves

Other working capital requirements

Debtors	116 722	719 504	894 307	528 563	530 707	530 707	1 034 333	917 457	944 656	987 378
Creditors due	896 188	989 110	956 572	506 192	511 367	(511 367)	455 203	152 738	116 598	120 123
Total	(779 466)	(269 606)	(62 265)	22 371	19 340	1 042 074	579 130	764 719	828 058	867 255

Debtors collection assumptions

Balance outstanding - debtors	670 019	749 835	910 297	600 640	600 640	600 640	1 064 147	1 042 565	1 073 472	1 122 021
Estimate of debtors collection rate	17.4%	96.0%	98.2%	88.0%	88.4%	88.4%	97.2%	88.0%	88.0%	88.0%

Long term investments committed

Balance (Insert description; eg sinking fund)

Reserves to be backed by cash/investments

Housing Development Fund	-	-	-	-	-	-	-	-	-	-
Capital replacement	-	-	-	-	-	-	-	-	-	-
Self-insurance	-	-	-	-	-	-	-	-	-	-
Other (list)	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-

LIM354 Polokwane - Table A9 Asset Management

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & 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
R thousand										
CAPITAL EXPENDITURE										
Total New Assets	1	139 696	819 591	723 086	700 135	663 959	663 959	637 747	543 524	564 124
<i>Roads Infrastructure</i>		21 650	72 117	74 501	160 222	189 173	189 173	82 867	74 348	101 316
<i>Storm water Infrastructure</i>		-	3 641	-	2 500	2 500	2 500	6 522	17 822	19 826
<i>Electrical Infrastructure</i>		-	29 254	45 519	93 250	72 150	72 150	106 000	80 390	84 812
<i>Water Supply Infrastructure</i>		-	274 057	194 289	165 224	154 773	154 773	149 379	141 640	125 105
<i>Sanitation Infrastructure</i>		-	287 189	85 037	50 098	78 437	78 437	127 478	113 575	116 546
<i>Solid Waste Infrastructure</i>		-	2 573	830	17 870	3 000	3 000	6 503	9 744	5 270
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	91	136	136	136	164	163	150
Infrastructure		21 650	668 831	400 268	489 300	500 169	500 169	478 912	437 684	453 025
Community Facilities		13 879	17 417	214 774	93 852	52 944	52 944	73 068	75 497	77 360
Sport and Recreation Facilities		-	20 068	34 307	41 546	42 674	42 674	43 947	12 219	11 162
Community Assets		13 879	37 485	249 081	135 398	95 619	95 619	117 016	87 716	88 521
Heritage Assets		6 304	6 210	-	-	-	-	-	57	98
Revenue Generating		-	0	279	14 488	4 388	4 388	14 606	10 167	12 715
Non-revenue Generating		-	-	-	-	-	-	1 022	1 013	977
Investment properties		-	0	279	14 488	4 388	4 388	15 628	11 180	13 692
Operational Buildings		-	2 745	1 369	5 265	2 000	2 000	2 439	1 914	4 073
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	2 745	1 369	5 265	2 000	2 000	2 439	1 914	4 073
Biological or Cultivated Assets		(7 101)	(7 383)	(48)	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		25 734	25 895	141	-	13 500	13 500	613	-	-
Intangible Assets		25 734	25 895	141	-	13 500	13 500	613	-	-
Computer Equipment		7 127	9 610	12 841	2 569	2 569	2 569	2 174	633	586
Furniture and Office Equipment		860	1 457	262	725	227	227	261	125	122
Machinery and Equipment		37 155	39 739	7 411	9 590	8 083	8 083	3 314	1 619	2 138
Transport Assets		42 765	43 295	51 483	42 800	37 404	37 404	17 391	2 595	1 869
Land		(8 677)	(8 294)	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	-	50 925	18 087	175 521	108 789	108 789	24 546	31 281	5 498
<i>Roads Infrastructure</i>		-	2 424	2 094	121 314	45 172	45 172	16 218	25 649	228
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	1 500	1 500	1 500	2 174	1 453	1 183
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	46 725	-	45 000	50 000	50 000	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		-	49 149	2 094	167 814	96 672	96 672	18 392	27 102	1 411
Community Facilities		-	1 407	12 413	6 343	10 996	10 996	4 850	3 589	3 825
Sport and Recreation Facilities		-	-	-	-	-	-	348	90	83
Community Assets		-	1 407	12 413	6 343	10 996	10 996	5 198	3 679	3 908
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	369	3 579	1 364	1 120	1 120	957	500	179
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	369	3 579	1 364	1 120	1 120	957	500	179
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	6	4 038 437	4 288 364	252 796	252 904	251 721	251 721	179 155	172 806	184 136
<i>Roads Infrastructure</i>		-	132 526	108 249	143 829	151 382	151 382	167 922	153 627	163 409
<i>Storm water Infrastructure</i>		-	-	-	3 450	-	-	102	3 695	7 934
<i>Electrical Infrastructure</i>		4 038 526	4 038 526	-	7 000	2 000	2 000	870	5 964	4 224
<i>Water Supply Infrastructure</i>		-	12 513	4 660	15 000	6 003	6 003	4 348	6 087	4 348
<i>Sanitation Infrastructure</i>		-	87 309	109 671	63 280	78 106	78 106	-	-	-
<i>Solid Waste Infrastructure</i>		-	4 195	1 249	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	8 437	-	5 000	4 000	4 000	2 609	308	293
Infrastructure		4 038 526	4 283 505	223 829	237 559	241 491	241 491	175 850	169 681	180 208
Community Facilities		-	-	1 213	3 087	2 942	2 942	696	648	1 357
Sport and Recreation Facilities		-	953	21 929	5 544	3 000	3 000	-	-	-
Community Assets		-	953	23 142	8 631	5 942	5 942	696	648	1 357
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	321	321	321	-	127	244
Non-revenue Generating		-	-	-	-	-	-	-	-	-

LIM354 Polokwane - Table A9 Asset Management

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & 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
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		36 623	324 487	492 284	445 816	552 853	552 853	551 604	576 650	604 679
Community Facilities		21	6 645	9 058	8 892	12 836	12 836	11 269	11 765	12 294
Sport and Recreation Facilities		2 577	31 596	30 869	31 893	35 628	35 628	36 604	38 534	40 604
Community Assets		2 598	38 241	39 928	40 785	48 464	48 464	47 873	50 299	52 898
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		389 456	28 454	37 701	43 660	40 624	40 624	49 358	51 811	54 439
Housing		-	-	-	-	-	-	-	-	-
Other Assets		389 456	28 454	37 701	43 660	40 624	40 624	49 358	51 811	54 439
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	14 303	10 105	11 192	10 592	10 592	11 016	11 501	12 018
Intangible Assets		-	14 303	10 105	11 192	10 592	10 592	11 016	11 501	12 018
Computer Equipment		-	4 930	4 045	4 320	7 120	7 120	7 405	7 731	8 078
Furniture and Office Equipment		-	12 318	8 827	9 621	9 381	9 381	9 756	10 186	10 644
Machinery and Equipment		29 174	500	-	3	3	3	3	3	4
Transport Assets		11 381	33 064	34 687	35 940	47 140	47 140	46 357	48 397	50 575
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		1 146 080	1 167 400	1 574 184	841 336	966 177	966 177	983 373	1 028 017	1 076 990
<i>Renewal and upgrading of Existing Assets as % of total capex</i>		96.7%	84.1%	27.3%	38.0%	35.2%	35.2%	24.2%	27.3%	25.2%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>		596.7%	610.2%	28.6%	171.4%	144.2%	144.2%	78.3%	75.2%	66.9%
<i>R&M as a % of PPE</i>		3.6%	2.8%	3.9%	3.4%	4.2%	1.8%	4.3%	4.5%	4.7%
<i>Renewal and upgrading and R&M as a % of PPE</i>		38.0%	31.0%	6.0%	6.0%	7.0%	7.0%	6.0%	7.0%	7.0%

LIM354 Polokwane - Table A10 Basic service delivery measurement

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Household service targets	1									
Water:										
Piped water inside dwelling		59 998	62 851	62 851	62 851	62 851	62 851	67 119	69 066	71 096
Piped water inside yard (but not in dwelling)		66 868	118 780	118 780	118 780	118 780	118 780	126 846	130 526	134 362
Using public tap (at least min.service level)	2	30 904	16 567	16 567	16 567	16 567	16 567	17 313	11 347	11 681
Other water supply (at least min.service level)	4	9 065	9 671	9 671	9 671	9 671	9 671	14 313	51 823	53 346
<i>Minimum Service Level and Above sub-total</i>		166 835	207 869	207 869	207 869	207 869	207 869	225 591	262 762	270 485
Using public tap (< min.service level)	3	2 864	10 040	10 040	10 040	10 040	10 040	11 027	106 174	109 294
Other water supply (< min.service level)	4	1 355	2 597	2 597	2 597	2 597	2 597	16 747	6 220	6 403
No water supply		6 947	141	141	141	141	141	366	1 735	1 786
<i>Below Minimum Service Level sub-total</i>		11 166	12 778	12 778	12 778	12 778	12 778	28 140	114 128	117 483
Total number of households	5	178 001	220 647	220 647	220 647	220 647	220 647	253 731	376 890	387 968
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		73 092	96 619	96 619	96 619	96 619	96 619	103 180	103 386	105 454
Flush toilet (with septic tank)		4 777	5 660	5 660	5 660	5 660	5 660	6 044	6 056	6 177
Chemical toilet		640	1 579	1 579	1 579	1 579	1 579	1 686	1 689	1 723
Pit toilet (ventilated)		18 585	38 840	38 840	38 840	38 840	38 840	40 575	40 656	41 469
Other toilet provisions (> min.service level)		1 652	5 756	5 756	5 756	5 756	5 756	25 756	25 808	26 324
<i>Minimum Service Level and Above sub-total</i>		98 746	148 454	148 454	148 454	148 454	148 454	177 241	177 595	181 147
Bucket toilet		-	-	-	-	-	-	-	-	-
Other toilet provisions (< min.service level)		77 115	282	282	282	282	282	282	283	288
No toilet provisions		5 070	4 248	4 248	4 248	4 248	4 248	4 248	4 257	4 342
<i>Below Minimum Service Level sub-total</i>		82 185	4 530	4 530	4 530	4 530	4 530	4 530	4 539	4 630
Total number of households	5	180 931	152 984	152 984	152 984	152 984	152 984	181 771	182 135	185 777
Energy:										
Electricity (at least min.service level)		112 379	112 379	114 626	119 121	119 121	119 121	240 949	247 940	255 228
Electricity - prepaid (min.service level)		97 167	97 167	99 111	102 997	102 997	102 997	8 571	8 820	9 079
<i>Minimum Service Level and Above sub-total</i>		209 546	209 546	213 737	222 119	222 119	222 119	249 520	256 760	264 306
Electricity (< min.service level)		18 611	18 611	18 983	19 728	19 728	19 728	-	-	-
Electricity - prepaid (< min. service level)		20 439	20 439	20 848	21 665	21 665	21 665	-	-	-
Other energy sources		2 069	2 069	2 110	2 193	2 193	2 193	5 833	6 002	6 179
<i>Below Minimum Service Level sub-total</i>		41 119	41 119	41 941	43 586	43 586	43 586	5 833	6 002	6 179
Total number of households	5	250 665	250 665	255 678	265 704	265 704	265 704	255 353	262 762	270 485
Refuse:										
Removed at least once a week		112 379	112 379	114 626	119 121	119 121	119 121	240 949	247 940	255 228
<i>Minimum Service Level and Above sub-total</i>		112 379	112 379	114 626	119 121	119 121	119 121	240 949	247 940	255 228
Removed less frequently than once a week		112 379	112 379	114 626	119 121	119 121	119 121	240 949	247 940	255 228
Using communal refuse dump		-	-	-	-	-	-	-	-	-
Using own refuse dump		-	-	-	-	-	-	-	-	-
Other rubbish disposal		-	-	-	-	-	-	-	-	-
No rubbish disposal		-	-	-	-	-	-	-	-	-
<i>Below Minimum Service Level sub-total</i>		112 379	112 379	114 626	119 121	119 121	119 121	240 949	247 940	255 228
Total number of households	5	224 758	224 758	229 253	238 243	238 243	238 243	481 898	495 880	510 455
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		15 075	15 377	16 959	14 175	14 175	14 175	15 451	16 918	18 610
Sanitation (free minimum level service)		14 539	14 830	15 775	16 879	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)		14 539	14 830	15 775	16 879	16 879	16 879	17 774	18 644	19 577
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		-	-	-	(20 168)	(20 168)	(20 168)	(21 983)	(24 072)	(26 479)
Sanitation (free sanitation service to indigent households)		-	-	-	(18 246)	(18 246)	(18 246)	(19 214)	(20 155)	(20 174)
Electricity/other energy (50kwh per indigent household per month)		-	-	-	(25 638)	(25 638)	(25 638)	(28 099)	(30 909)	(31 190)
Refuse (removed once a week for indigent households)		-	-	-	(15 297)	(15 297)	(15 297)	(16 108)	(16 897)	(16 913)
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		421 319	429 745	466 494	29 767	29 767	29 767	31 344	32 880	34 524
Total cost of FBS provided		421 319	429 745	466 494	(49 583)	(49 583)	(49 583)	(54 059)	(59 152)	(60 232)
Highest level of free service provided per household										
Property rates (R value threshold)		58	58	58	58	58	58	58	58	58
Water (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (kilolitres per household per month)		6	6	6	6	6	6	6	6	6
Sanitation (Rand per household per month)		95	95	95	95	95	95	95	95	95
Electricity (kwh per household per month)		100	100	100	100	100	100	100	100	100
Refuse (average litres per week)		240	240	240	240	240	240	240	240	240
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)		-	-	-	-	-	-	-	-	-
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA		-	-	-	-	-	-	-	-	-
Water (in excess of 6 kilolitres per indigent household per month)		-	-	-	(20 168)	(20 168)	(20 168)	(21 983)	(24 072)	(26 479)
Sanitation (in excess of free sanitation service to indigent households)		-	-	-	(18 246)	(18 246)	(18 246)	(19 214)	(20 155)	(20 174)
Electricity/other energy (in excess of 50 kwh per indigent household per month)		-	-	-	(25 638)	(25 638)	(25 638)	(28 099)	(30 909)	(31 190)
Refuse (in excess of one removal a week for indigent households)		-	-	-	(15 297)	(15 297)	(15 297)	(16 108)	(16 897)	(16 913)
Municipal Housing - rental rebates		-	-	-	-	-	-	-	-	-
Housing - top structure subsidies		-	-	-	-	-	-	-	-	-
Other		-	-	-	-	-	-	-	-	-
Total revenue cost of subsidised services provided	6	-	-	-	(79 350)	(79 350)	(79 350)	(85 404)	(92 033)	(94 756)

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

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
REVENUE ITEMS:											
Property rates											
Total Property Rates	6	418 005	471 727	483 863	547 228	547 228	547 228	346 836	576 231	604 466	637 712
<i>Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)</i>		-	-	-	-	-	-	-	-	-	-
Net Property Rates		418 005	471 727	483 863	547 228	547 228	547 228	346 836	576 231	604 466	637 712
Service charges - electricity revenue											
Total Service charges - electricity revenue	6	865 004	1 014 136	1 070 089	1 368 495	1 368 495	1 368 495	838 545	1 499 870	1 649 857	1 664 856
<i>Less Revenue Foregone (in excess of 50 kwh per indigent household per month)</i>		-	-	-	(25 638)	(25 638)	(25 638)	-	(28 099)	(30 909)	(31 190)
<i>Less Cost of Free Basis Services (50 kwh per indigent household per month)</i>		-	-	-	(25 638)	(25 638)	(25 638)	-	(28 099)	(30 909)	(31 190)
Net Service charges - electricity revenue		865 004	1 014 136	1 070 089	1 419 771	1 419 771	1 419 771	838 545	1 556 069	1 711 676	1 727 236
Service charges - water revenue											
Total Service charges - water revenue	6	241 665	253 116	245 370	234 765	234 765	234 765	161 200	255 894	280 204	308 224
<i>Less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)</i>		-	-	-	(20 168)	(20 168)	(20 168)	-	(21 983)	(24 072)	(26 479)
<i>Less Cost of Free Basis Services (6 kilolitres per indigent household per month)</i>		-	-	-	(20 168)	(20 168)	(20 168)	-	(21 983)	(24 072)	(26 479)
Net Service charges - water revenue		241 665	253 116	245 370	275 101	275 101	275 101	161 200	299 860	328 347	361 181
Service charges - sanitation revenue											
Total Service charges - sanitation revenue		107 299	118 451	125 445	95 492	95 492	95 492	93 690	100 553	105 480	105 581
<i>Less Revenue Foregone (in excess of free sanitation service to indigent households)</i>		-	-	-	(18 246)	(18 246)	(18 246)	-	(19 214)	(20 155)	(20 174)
<i>Less Cost of Free Basis Services (free sanitation service to indigent households)</i>		-	-	-	(18 246)	(18 246)	(18 246)	-	(19 214)	(20 155)	(20 174)
Net Service charges - sanitation revenue		107 299	118 451	125 445	131 985	131 985	131 985	93 690	138 980	145 790	145 929
Service charges - refuse revenue											
Total refuse removal revenue	6	107 183	114 503	127 393	96 303	96 303	96 303	89 163	101 407	106 376	106 478
Total landfill revenue		-	-	-	-	-	-	-	-	-	-
<i>Less Revenue Foregone (in excess of one removal a week to indigent households)</i>		-	-	-	(15 297)	(15 297)	(15 297)	-	(16 108)	(16 897)	(16 913)
<i>Less Cost of Free Basis Services (removed once a week to indigent households)</i>		-	-	-	(15 297)	(15 297)	(15 297)	-	(16 108)	(16 897)	(16 913)
Net Service charges - refuse revenue		107 183	114 503	127 393	126 897	126 897	126 897	89 163	133 623	140 171	140 304
Other Revenue by source											
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Other Revenue		21 076	14 908	18 151	104 623	104 623	104 623	17 703	50 838	53 343	56 509
Total 'Other' Revenue	1	21 076	14 908	18 151	104 623	104 623	104 623	17 703	50 838	53 343	56 509
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	484 672	510 763	560 283	642 949	594 174	594 174	382 758	702 527	735 520	775 304
Pension and UIF Contributions		91 622	99 282	107 935	140 546	124 086	124 086	74 599	150 641	158 775	167 508
Medical Aid Contributions		32 216	35 738	39 804	42 767	43 118	43 118	27 925	45 904	48 383	51 044
Overtime		75 070	95 046	92 771	38 974	97 296	97 296	65 340	88 928	93 730	98 885
Performance Bonus		37 745	39 532	42 985	54 133	53 734	53 734	31 258	55 635	58 639	61 865
Motor Vehicle Allowance		52 413	50 970	50 449	62 441	61 637	61 637	35 986	60 431	63 695	67 198
Cellphone Allowance		360	108	225	192	192	192	118	175	185	195
Housing Allowances		8 629	10 438	11 178	14 119	14 119	14 119	13 365	7 223	7 613	8 032
Other benefits and allowances		10 183	11 449	12 932	13 480	21 491	21 491	8 905	16 883	17 794	18 773
Payments in lieu of leave		18 633	56 989	21 203	-	20 053	20 053	16 082	19 123	20 156	21 264
Long service awards		(0)	56	(167)	-	6 866	6 866	4 347	6 887	7 259	7 658
Post-retirement benefit obligations		43 065	12 611	25 106	-	6 607	6 607	4 583	8 000	8 432	8 896
<i>sub-total</i>	5	854 608	922 982	964 704	1 009 601	1 043 372	1 043 372	665 266	1 162 356	1 220 180	1 286 621
<i>Less: Employees costs capitalised to PPE</i>		-	-	-	-	-	-	-	-	-	-
Total Employee related costs	1	854 608	922 982	964 704	1 009 601	1 043 372	1 043 372	665 266	1 162 356	1 220 180	1 286 621
Depreciation & asset impairment											
Depreciation of Property, Plant & Equipment		676 847	711 102	946 448	249 957	249 957	249 957	-	259 955	271 393	283 606
Lease amortisation		-	-	160	43	43	43	-	45	47	49
Capital asset impairment		3 540	696	-	-	-	-	-	-	-	-
Total Depreciation & asset impairment	1	680 387	711 798	946 607	250 000	250 000	250 000	-	260 000	271 440	283 655
Bulk purchases - electricity											
Electricity bulk purchases		626 738	725 603	765 101	887 800	887 800	887 800	600 693	976 580	1 054 706	1 149 630
Total bulk purchases	1	626 738	725 603	765 101	887 800	887 800	887 800	600 693	976 580	1 054 706	1 149 630
Transfers and grants											
Cash transfers and grants		9 480	8 420	66 558	40 000	50 000	50 000	50 000	15 000	15 638	16 319
Non-cash transfers and grants		-	-	-	-	-	-	-	-	-	-
Total transfers and grants	1	9 480	8 420	66 558	40 000	50 000	50 000	50 000	15 000	15 638	16 319
Contracted services											
Outsourced Services		351 126	352 231	354 440	294 798	360 921	360 921	225 137	353 753	358 268	374 312
Consultants and Professional Services		259 738	243 835	281 059	252 638	312 840	312 840	221 865	266 517	278 219	290 603
Contractors		118 097	164 539	173 492	191 967	247 724	247 724	147 905	263 069	297 138	321 873
Total contracted services		728 961	760 605	808 992	739 404	921 485	921 485	594 907	883 339	933 624	986 788
Other Expenditure By Type											
Collection costs		-	-	-	-	0	0	(571)	0	0	0
Contributions to 'other' provisions		35 861	3 023	9 952	130	130	130	-	135	141	147

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

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
Audit fees		9 960	14 340	13 839	10 826	15 826	15 826	10 987	14 000	14 616	15 274
Other Expenditure		203 797	192 541	202 294	219 426	244 259	244 259	149 713	250 126	260 755	272 104
Total 'Other' Expenditure	1	249 618	209 904	226 086	230 382	260 215	260 215	160 129	264 261	275 512	287 525
by Expenditure Item											
Employee related costs	8	270 553	63 111	209 530	218 470	230 634	230 634	154 834	258 486	271 235	286 153
Inventory Consumed (Project Maintenance)		24 413	36 538	49 194	45 274	45 274	45 274	37 429	47 085	49 157	51 369
Contracted Services		174 262	343 315	360 306	317 882	423 559	423 559	315 638	400 352	417 968	436 776
Other Expenditure		4	13 334	8 547	9 711	16 711	16 711	10 752	17 450	18 217	19 037
Total Repairs and Maintenance Expenditure	9	469 233	456 298	627 577	591 336	716 177	716 177	518 653	723 373	756 577	793 335
Inventory Consumed											
Inventory Consumed - Water		-	-	-	210 321	210 321	210 321	-	218 734	228 358	238 635
Inventory Consumed - Other		-	-	-	78 618	80 818	80 818	55 889	84 007	87 703	91 650
Total Inventory Consumed & Other Material		-	-	-	288 939	291 139	291 139	55 889	302 741	316 062	330 285

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

Description	Ref	Vote 1 - Chief operations office	Vote 2 - Municipal managers office	Vote 3 - Water and sanitation	Vote 4 - Energy services	Vote 5 - Community Services	Vote 6 - Public safety	Vote 7 - Corporate and Shared Services	Vote 8 - Planning and Economic Development	Vote 9 - Budget and Treasury office	Vote 10 - Transport Operations	Vote 11 - Human Settlement	Vote 12 -	Vote 13 -	Vote 14 -	Vote 15 -	Total
R thousand	1																
Revenue By Source		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Property rates		-	-	-	-	-	-	-	-	576 231	-	-	-	-	-	-	576 231
Service charges - electricity revenue		-	-	-	1 556 069	-	-	-	-	-	-	-	-	-	-	-	1 556 069
Service charges - water revenue		-	-	299 860	-	-	-	-	-	-	-	-	-	-	-	-	299 860
Service charges - sanitation revenue		-	-	138 980	-	-	-	-	-	-	-	-	-	-	-	-	138 980
Service charges - refuse revenue		-	-	-	-	133 623	-	-	-	-	-	-	-	-	-	-	133 623
Rental of facilities and equipment		-	-	-	-	4 317	4	-	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		-	-	156	6 328	157	33 520	-	-	-	-	-	-	-	-	-	40 162
Licences and permits		-	-	-	-	-	12 977	-	-	910	-	-	-	-	-	-	13 886
Agency services		-	-	-	-	-	-	-	-	-	30 443	-	-	-	-	-	30 443
Other revenue		4	2	4	6	2 808	2 352	3 204	20 155	20 441	1 608	254	-	-	-	-	50 838
Transfers and subsidies		-	-	-	-	-	-	-	-	1 353 078	-	-	-	-	-	-	1 353 078
Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		4	2	438 999	1 562 403	140 905	48 853	3 204	27 785	2 073 782	32 051	254	-	-	-	-	4 328 242
Expenditure By Type																	
Employee related costs		88 745	26 361	150 343	98 735	196 861	257 425	105 535	62 224	104 577	57 334	14 216	-	-	-	-	1 162 356
Remuneration of councillors		-	41 917	-	-	-	-	-	-	-	-	-	-	-	-	-	41 917
Debt impairment		-	260 000	-	-	-	-	-	-	-	-	-	-	-	-	-	260 000
Depreciation & asset impairment		244	1 639	60 130	15 277	48 070	6 262	11 882	9 257	742	105 394	1 104	-	-	-	-	260 000
Finance charges		-	-	-	-	-	-	-	-	42 336	-	-	-	-	-	-	42 336
Bulk purchases - electricity		-	-	-	976 580	-	-	-	-	-	-	-	-	-	-	-	976 580
Inventory consumed		3 861	146	231 844	36 066	8 698	8 809	8 626	634	2 450	1 480	126	-	-	-	-	302 741
Contracted services		33 329	10 875	182 970	23 255	119 673	100 621	95 641	3 762	161 567	150 758	888	-	-	-	-	883 339
Transfers and subsidies		-	14 500	-	-	-	-	-	-	-	-	-	-	-	-	-	14 500
Other expenditure		16 835	14 255	3 946	29 239	17 521	15 109	90 153	3 985	68 335	4 292	591	-	-	-	-	264 261
Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		143 015	369 693	629 233	1 179 151	390 823	388 225	311 838	79 862	380 007	319 258	16 925	-	-	-	-	4 208 030
Surplus/(Deficit)		(143 011)	(369 691)	(190 233)	383 253	(249 918)	(339 372)	(308 634)	(52 077)	1 693 774	(287 207)	(16 671)	-	-	-	-	120 212
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		-	-	-	-	-	-	-	-	803 725	-	-	-	-	-	-	803 725
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)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		(143 011)	(369 691)	(190 233)	383 253	(249 918)	(339 372)	(308 634)		2 497 499	(287 207)	(16 671)	-	-	-	-	923 937

LIM354 Polokwane - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
ASSETS											
Consumer debtors											
Consumer debtors		1 272 834	1 403 379	1 580 509	1 571 888	1 571 888	1 571 888	1 732 515	1 909 161	1 966 964	1 985 310
Less: Provision for debt impairment		(769 371)	(869 606)	(978 537)	(1 018 947)	(1 018 947)	(1 018 947)	(970 665)	(1 387 533)	(1 424 471)	(1 421 118)
Total Consumer debtors	2	503 463	533 772	601 971	552 940	552 940	552 940	761 850	521 628	542 493	564 193
Debt impairment provision											
Balance at the beginning of the year		(673 637)	(790 104)	(847 401)	(768 947)	(768 947)	(768 947)	(940 852)	(1 127 533)	(1 153 031)	(1 137 463)
Contributions to the provision		(95 734)	(57 297)	(93 451)	-	-	-	-	-	-	-
Bad debts written off		-	(22 206)	(37 686)	(250 000)	(250 000)	(250 000)	(29 814)	(260 000)	(271 440)	(283 655)
Balance at end of year		(769 371)	(869 606)	(978 537)	(1 018 947)	(1 018 947)	(1 018 947)	(970 665)	(1 387 533)	(1 424 471)	(1 421 118)
Inventory											
Water											
Opening Balance		-	-	-	306	306	306	256	306	306	306
System Input Volume		-	-	-	210 346	210 346	210 346	159 122	218 760	228 385	238 662
Water Treatment Works		-	-	-	-	-	-	-	-	-	-
Bulk Purchases		-	-	-	210 346	210 346	210 346	159 122	218 760	228 385	238 662
Natural Sources		-	-	-	-	-	-	-	-	-	-
Authorised Consumption	6	-	-	-	(210 321)	(210 321)	(210 321)	-	(218 734)	(228 358)	(238 635)
Billed Authorised Consumption		-	-	-	(210 321)	(210 321)	(210 321)	-	(218 734)	(228 358)	(238 635)
Billed Metered Consumption		-	-	-	(210 321)	(210 321)	(210 321)	-	(218 734)	(228 358)	(238 635)
Free Basic Water		-	-	-	-	-	-	-	-	-	-
Subsidised Water		-	-	-	-	-	-	-	-	-	-
Revenue Water		-	-	-	(210 321)	(210 321)	(210 321)	-	(218 734)	(228 358)	(238 635)
Billed Unmetered Consumption		-	-	-	-	-	-	-	-	-	-
Free Basic Water		-	-	-	-	-	-	-	-	-	-
Subsidised Water		-	-	-	-	-	-	-	-	-	-
Revenue Water		-	-	-	-	-	-	-	-	-	-
UnBilled Authorised Consumption		-	-	-	-	-	-	-	-	-	-
Unbilled Metered Consumption		-	-	-	-	-	-	-	-	-	-
Unbilled Unmetered Consumption		-	-	-	-	-	-	-	-	-	-
Water Losses		-	-	-	-	-	-	-	-	-	-
Apparent losses		-	-	-	-	-	-	-	-	-	-
Unauthorised Consumption		-	-	-	-	-	-	-	-	-	-
Customer Meter Inaccuracies		-	-	-	-	-	-	-	-	-	-
Real losses		-	-	-	-	-	-	-	-	-	-
Leakage on Transmission and Distribution Mains		-	-	-	-	-	-	-	-	-	-
Leakage and Overflows at Storage Tanks/Reservoirs		-	-	-	-	-	-	-	-	-	-
Leakage on Service Connections up to the point of Customer Meter		-	-	-	-	-	-	-	-	-	-
Data Transfer and Management Errors		-	-	-	-	-	-	-	-	-	-
Unavoidable Annual Real Losses		-	-	-	-	-	-	-	-	-	-
Non-revenue Water		-	-	-	-	-	-	-	-	-	-
Closing Balance Water		-	-	-	330	330	330	159 378	331	332	334
Agricultural											
Opening Balance		-	-	-	-	-	-	9 028	-	-	-
Acquisitions		-	-	-	-	-	-	-	-	-	-
Issues	7	-	-	-	-	-	-	-	-	-	-
Adjustments	8	-	-	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-	-
Closing balance - Agricultural		-	-	-	-	-	-	9 028	-	-	-
Consumables											
Standard Rated											
Opening Balance		-	-	-	188 584	190 784	190 784	166 890	190 784	190 784	190 784
Acquisitions		-	-	-	6 351	6 351	6 351	-	6 605	6 895	7 206
Issues	7	-	-	-	(7 286)	(9 586)	(9 586)	-	(8 893)	(9 284)	(9 702)
Adjustments	8	-	-	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-	-
Closing balance - Consumables Standard Rated		-	-	-	187 650	187 550	187 550	166 890	188 496	188 395	188 287
Zero Rated											
Opening Balance		-	-	-	-	-	-	(4 623)	-	-	-
Acquisitions		-	-	-	1 649	1 649	1 649	-	986	1 030	1 076
Issues	7	-	-	-	-	-	-	(0)	(1 090)	(1 138)	(1 190)
Adjustments	8	-	-	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-	-

LIM354 Polokwane - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
Closing balance - Consumables Zero Rated		-	-	-	1 649	1 649	1 649	(4 623)	(104)	(109)	(113)
Finished Goods											
Opening Balance		-	-	-	-	-	-	2	-	-	-
Acquisitions		-	-	-	-	-	-	-	-	-	-
Issues	7	-	-	-	-	-	-	-	-	-	-
Adjustments	8	-	-	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-	-
Closing balance - Finished Goods		-	-	-	-	-	-	2	-	-	-
Materials and Supplies											
Opening Balance		-	-	-	-	-	-	305	-	-	-
Acquisitions		-	-	-	71 332	71 332	71 332	45 668	76 390	79 752	83 340
Issues	7	-	-	-	(71 332)	(71 232)	(71 232)	(55 889)	(74 024)	(77 281)	(80 759)
Adjustments	8	-	-	-	-	-	-	-	-	-	-
Write-offs	9	-	-	-	-	-	-	-	-	-	-
Closing balance - Materials and Supplies		-	-	-	(0)	100	100	(9 916)	2 367	2 471	2 582
Work-in-progress											
Opening Balance		-	-	-	-	-	-	-	-	-	-
Materials		-	-	-	-	-	-	-	-	-	-
Transfers		-	-	-	-	-	-	-	-	-	-
Closing balance - Work-in-progress		-	-	-	-	-	-	-	-	-	-
Housing Stock											
Opening Balance		-	-	-	-	-	-	-	-	-	-
Acquisitions		-	-	-	-	-	-	-	-	-	-
Transfers		-	-	-	-	-	-	-	-	-	-
Sales		-	-	-	-	-	-	-	-	-	-
Closing balance - Housing Stock		-	-	-	-	-	-	-	-	-	-
Land											
Opening Balance		-	-	-	6 648	6 648	6 648	6 648	6 648	6 648	6 648
Acquisitions		-	-	-	-	-	-	-	-	-	-
Sales		-	-	-	-	-	-	-	-	-	-
Adjustments		-	-	-	-	-	-	-	-	-	-
Correction of Prior period errors		-	-	-	-	-	-	-	-	-	-
Closing Balance - Land		-	-	-	6 648	6 648	6 648	6 648	6 648	6 648	6 648
Closing Balance - Inventory & Consumables		-	-	-	196 277	196 277	196 277	327 408	197 738	197 738	197 738
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		28 201 269	34 065 184	34 864 521	28 385 712	28 282 931	28 282 931	35 347 147	28 113 237	28 019 211	28 025 313
Leases recognised as PPE	3	26 549	26 549	30 367	26 254	26 254	26 254	30 367	26 254	26 254	26 254
Less: Accumulated depreciation		15 129 175	17 781 205	18 707 560	11 152 990	11 152 990	(11 152 990)	18 707 560	11 162 988	11 174 426	11 186 639
Total Property, plant and equipment (PPE)	2	13 098 643	16 310 528	16 187 328	17 258 976	17 156 195	39 462 175	16 669 954	16 976 503	16 871 039	16 864 928
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)		-	-	-	-	-	-	-	-	-	-
Current portion of long-term liabilities		65 787	55 713	29 740	20 336	20 336	(20 336)	4 812	16 873	14 373	11 683
Total Current liabilities - Borrowing		65 787	55 713	29 740	20 336	20 336	(20 336)	4 812	16 873	14 373	11 683
Trade and other payables											
Trade Payables	5	893 238	989 110	956 560	504 192	508 867	(508 867)	455 190	152 013	115 841	119 332
Other creditors		2 950	-	12	2 000	2 500	(2 500)	12	725	757	791
Unspent conditional transfers		114 291	147 917	80 079	110 921	91 358	(91 358)	191 203	108 521	108 521	108 521
VAT		48 245	55 061	165 161	-	-	-	150 433	350 554	381 707	390 776
Total Trade and other payables	2	1 058 725	1 192 088	1 201 813	617 113	602 725	(602 725)	796 839	611 813	606 826	619 420
Non current liabilities - Borrowing											
Borrowing	4	466 051	415 510	395 365	376 990	376 990	(376 990)	395 365	376 990	376 990	376 990
Finance leases (including PPP asset element)		12 157	20 268	21 874	-	-	-	-	-	-	-
Total Non current liabilities - Borrowing		478 209	435 778	417 239	376 990	376 990	(376 990)	395 365	376 990	376 990	376 990
Provisions - non-current											
Retirement benefits		193 906	197 335	204 408	216 305	216 305	(216 305)	204 408	216 305	216 305	216 305
Refuse landfill site rehabilitation		118 135	125 397	144 368	141 369	141 369	(141 369)	144 368	141 369	141 369	141 369
Other		56 149	56 449	66 142	56 025	56 025	(56 025)	66 142	56 025	56 025	56 025
Total Provisions - non-current		368 190	379 181	414 918	413 699	413 699	(413 699)	414 918	413 699	413 699	413 699
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											

LIM354 Polokwane - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand											
Accumulated Surplus/(Deficit) - opening balance		5 258 430	5 453 728	5 796 307	9 014 169	9 127 524	(9 127 524)	5 909 977	9 263 198	9 335 390	9 572 554
GRAP adjustments		-	-	-	-	-	-	-	-	-	-
Restated balance		5 258 430	5 453 728	5 796 307	9 014 169	9 127 524	(9 127 524)	5 909 977	9 263 198	9 335 390	9 572 554
Surplus/(Deficit)		371 588	672 443	304 505	1 034 609	811 187	811 187	1 102 660	923 937	969 686	959 274
Transfers to/from Reserves		-	-	-	-	-	-	-	-	-	-
Depreciation offsets		-	-	-	-	-	-	-	-	-	-
Other adjustments		(21 477)	98 836	(25)	-	-	-	-	-	-	-
Accumulated Surplus/(Deficit)	1	5 608 541	6 225 007	6 100 788	10 048 778	9 938 711	(8 316 336)	7 012 636	10 187 135	10 305 077	10 531 828
Reserves											
Housing Development Fund		-	-	-	-	-	-	-	-	-	-
Capital replacement		-	-	-	-	-	-	-	-	-	-
Self-insurance		-	-	-	-	-	-	-	-	-	-
Other reserves		-	-	-	-	-	-	-	-	-	-
Revaluation		7 424 537	10 283 806	10 279 999	7 501 674	7 501 674	(7 501 674)	10 279 999	7 501 674	7 501 674	7 501 674
Total Reserves	2	7 424 537	10 283 806	10 279 999	7 501 674	7 501 674	(7 501 674)	10 279 999	7 501 674	7 501 674	7 501 674
TOTAL COMMUNITY WEALTH/EQUITY	2	13 033 079	16 508 813	16 380 787	17 550 452	17 440 385	(15 818 010)	17 292 635	17 688 809	17 806 751	18 033 502

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

Strategic Objective	Goal	Goal Code	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & 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	
R thousand													
Develop and refurbish infrastructural services	Improved provision of basic and environmental services in a sustainable way to our communities			1 308 079	1 637 877	1 470 681	1 859 359	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			17 926	53 480	49 311	52 420	52 420	52 420	27 784	29 160	30 909	
Enhance revenue and asset base	Enhanced Financial Viability and Improved Financial Management			2 568 407	3 325 101	2 672 513	2 709 429	2 737 592	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			-	8 858	1 122	541	541	541	254	267	283	
Preserve natural resources	Improved provision of basic and environmental services in a sustainable way to our communities			-	-	-	-	-	-	-	-	-	
Facilitate, care and support communities	Improve community confidence in the system of local government			155 356	211 922	175 826	196 538	196 538	196 538	189 758	199 053	202 470	
Invest in human capital and retain skills	Improve efficiency and effectiveness of Municipal administration			13 386	5 669	796	4 294	4 294	4 294	3 204	3 351	3 518	
Practice good governance	Improve efficiency and effectiveness of Municipal administration			-	2 013	-	1 573	1 573	1 573	7	7	7	
Allocations to other priorities			2										
Total Revenue (excluding capital transfers and contributions)				1	4 063 155	5 244 920	4 370 249	4 824 155	4 852 318	4 852 318	5 131 966	5 411 804	5 667 007

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

Strategic Objective	Goal	Goal Code	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & 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
Develop and refurbish infrastructural services	Improved provision of basic and environmental services in a sustainable way to our communities			1 801 056	1 839 495	2 298 445	1 901 408	2 021 546	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			69 676	126 870	65 797	77 936	72 741	72 741	67 761	70 702	74 495
Enhance revenue and asset base	Enhanced Financial Viability and Improved Financial Management			462 500	478 439	403 101	363 984	386 428	386 428	379 929	392 581	406 076
Plan sustainable integrated settlements	Increased economic growth, job creation and sustainable human settlement			–	10 750	43 150	12 023	13 864	13 864	16 787	17 668	18 613
Preserve natural resources	Improved provision of basic and environmental services in a sustainable way to our communities			–	–	–	–	–	–	–	–	–
Facilitate, care and support communities	Improve community confidence in the system of local government			581 439	617 536	791 413	637 039	705 852	705 852	779 675	806 984	848 071
Invest in human capital and retain skills	Improve efficiency and effectiveness of Municipal administration			466 607	232 989	291 728	273 131	299 970	299 970	311 858	326 371	341 900
Practice good governance	Improve efficiency and effectiveness of Municipal administration			435 724	491 037	432 687	524 025	540 730	540 730	524 319	548 995	575 393

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

Strategic Objective	Goal	Goal Code	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & 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	
R thousand													
Allocations to other priorities													
Total Expenditure				1	3 817 001	3 797 117	4 326 321	3 789 546	4 041 131	4 041 131	4 208 030	4 442 119	4 707 733

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

Strategic Objective	Goal	Goal Code	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & 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
Develop and refurbish infrastructural services	Improved provision of basic and environmental services in a sustainable way to our communities	A		851 847	1 132 191	820 300	960 850	899 314	899 314	842 461	803 271	810 772
Create a conducive economic environment	Increased economic growth, job creation and sustainable human settlement	B		419	777	482	19 339	5 974	5 974	17 972	13 003	16 027
Enhance revenue and asset base	Enhanced Financial Viability and Improved Financial Management	C		41 434	3 388	1 331	-	2 000	2 000	-	-	-
Plan sustainable integrated settlements	Increased economic growth, job creation and sustainable human settlement	D		-	-	-	-	-	-	1 374	329	1 873
Preserve natural resources	Improved provision of basic and environmental services in a sustainable way to our communities	E		-	-	-	-	-	-	-	-	-
Facilitate, care and support communities	Improve community confidence in the system of local government	F		61 484	38 066	56 967	113 642	92 226	92 226	65 753	36 601	30 347
Invest in human capital and retain skills	Improve efficiency and effectiveness of Municipal administration	G		36 821	17 779	30 366	26 014	16 829	16 829	38 921	4 570	4 547
Practice good governance	Improve efficiency and effectiveness of Municipal administration	H		1 965	1 244	2 259	8 715	8 126	8 126	1 185	1 605	2 920
		I										
		J										

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

Strategic Objective	Goal	Goal Code	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & 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
R thousand		K										
		L										
		M										
		N										
		O										
		P										
Allocations to other priorities			3									
Total Capital Expenditure			1	993 969	1 193 445	911 705	1 128 560	1 024 469	1 024 469	967 665	859 379	866 486

LIM354 Polokwane - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & 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
Vote 1 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Vote 2 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Vote 3 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
And so on for the rest of the Votes										

1. Include a measurable performance objective for each revenue source (within a relevant function) and each vote (MFMA s17(3)(b))
2. Include all Basic Services performance targets from 'Basic Service Delivery' to ensure Table SA7 represents all strategic responsibilities
3. Only include prior year comparative information for individual measures where relevant activity occurred in that year/s

LIM354 Polokwane - Entities measurable performance objectives

Description	Unit of measurement	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & 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
Entity 1 - (name of entity)										
Insert measure/s description										
Entity 2 - (name of entity)										

LIM354 Polokwane - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & 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
<i>Insert measure/s description</i>										
Entity 3 - (name of entity)										
<i>Insert measure/s description</i>										
And so on for the rest of the Entities										

LIM354 Polokwane - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	2.0%	1.7%	2.1%	1.8%	1.6%	1.6%	2.3%	1.5%	1.5%	1.4%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	3.7%	2.7%	3.9%	2.5%	2.4%	2.4%	2.9%	2.2%	2.0%	2.0%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	6.4%	4.2%	4.1%	5.0%	5.0%	5.0%	3.8%	5.0%	5.0%	5.0%
Liquidity											
Current Ratio	Current assets/current liabilities	0.7	0.8	0.9	1.5	1.5	(1.9)	1.8	2.0	2.4	2.7
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.7	0.8	0.8	1.2	1.2	(1.6)	1.6	1.8	2.1	2.4
Liquidity Ratio	Monetary Assets/Current Liabilities	0.2	0.3	0.2	0.3	0.3	(0.4)	0.2	0.3	0.6	0.8
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		16.8%	96.8%	98.9%	91.6%	92.0%	92.0%	99.5%	91.5%	91.4%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		16.8%	96.8%	98.9%	91.6%	92.0%	92.0%	99.5%	91.5%	91.4%	91.4%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	22.0%	19.5%	25.0%	14.9%	14.9%	14.9%	37.2%	24.1%	22.9%	22.8%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))										
Creditors to Cash and Investments		-40.7%	64.6%	26.3%	201.7%	221.7%	-221.7%	40.4%	66.7%	27.8%	19.5%
Other Indicators											
Electricity Distribution Losses (2)	Total Volume Losses (kW)	62 294	103 515	115 504	-	-	-	-	#####	#####	99 030
	Total Cost of Losses (Rand '000)	55 249	107 822	-	-	-	-	-	-	-	-
	% Volume (units purchased and generated less units sold)/units purchased and generated	9%	15%	15%					14%	14%	13%
Water Distribution Losses (2)	Total Volume Losses (kℓ)	6 777	6 995	8 004	-	-	-	-	7 604	7 224	6 863
	Total Cost of Losses (Rand '000)	34 863	36 723	43 462	-	-	-	-	41 289	39 224	37 263
	% Volume (units purchased and generated less units sold)/units purchased and generated	18%	22%	18%					17%	16%	15%
Employee costs	Employee costs/(Total Revenue - capital revenue)	28.1%	23.9%	26.5%	25.1%	25.9%	25.9%	23.2%	26.9%	26.0%	26.1%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	29.3%	24.9%	27.5%	26.1%	26.8%	26.8%		27.8%	27.0%	27.1%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	15.4%	11.8%	17.2%	14.7%	17.7%	17.7%		16.7%	16.1%	16.1%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	24.7%	20.3%	27.7%	7.4%	7.4%	7.4%	0.9%	7.0%	6.6%	6.5%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year	263.7	76.6	68.6	85.6	85.6	85.6	44.4	70.1	69.9	72.0
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	38.2%	37.9%	44.1%	23.9%	23.9%	23.9%	69.4%	38.4%	36.5%	37.1%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	(9.8)	6.6	14.8	0.9	0.8	0.8	6.6	0.8	1.3	1.8

References

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

Calculation data

Debtors > 90 days				163 299	161 735	164 258	164 258	164 258	181 738	193 256	206 905
Monthly fixed operational expenditure		224 890	232 376	246 246	267 402	286 766	286 766	171 682	298 812	315 929	335 509
Fixed operational expenditure % assumption		40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
Own capex		4 085 502	4 188 448	167 261	333 239	207 340	207 340	65 307	142 557	119 896	104 339
Borrowing		-	-	-	-	-	-	-	-	-	-

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

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2018/19	2019/20	2020/21	Current Year 2021/22	2022/23 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population		Stats SA Estimates	508		629	638	651	664	629	672	691	712
Females aged 5 - 14		Stats SA Estimates	47		58	59	61	62	58	62	64	66
Males aged 5 - 14		Stats SA Estimates	48		60	61	62	63	58	62	64	66
Females aged 15 - 34		Stats SA Estimates	100		123	125	128	130	629	672	691	712
Males aged 15 - 34		Stats SA Estimates	100		123	125	128	130	123	132	135	139
Unemployment		Stats SA Estimates	211		204	207	211	215	204	218	224	231
Monthly household income (no. of households)												
No income	1, 12	Stats SA	21 485		24 585	24 585	25 077	25 578	32 998	35 239	36 261	37 377
R1 - R1 600		Stats SA	7 473		8 551	8 551	8 722	8 896	11 478	12 257	12 613	13 001
R1 601 - R3 200		Stats SA	13 234		15 051	15 051	15 352	15 659	20 325	21 705	22 335	23 022
R3 201 - R6 400		Stats SA	30 048		34 367	34 367	35 054	35 755	46 149	49 283	50 713	52 273
R6 401 - R12 800		Stats SA	30 671		35 053	35 053	35 754	36 469	47 106	50 305	51 764	53 356
R12 801 - R25 600		Stats SA	18 216		20 794	20 794	21 210	21 634	27 977	29 876	30 743	31 689
R25 601 - R51 200		Stats SA	12 611		14 454	14 454	14 743	15 038	19 368	20 684	21 284	21 938
R52 201 - R102 400		Stats SA	11 210		12 900	12 900	13 158	13 421	17 216	18 385	18 919	19 501
R102 401 - R204 800		Stats SA	7 162		8 201	8 201	8 365	8 532	10 999	11 746	12 087	12 459
R204 801 - R409 600		Stats SA	2 491		2 834	2 834	2 891	2 948	383	409	420	433
R409 601 - R819 200		Stats SA	623		691	691	705	719	96	102	105	108
> R819 200		Stats SA	467		510	510	520	531	72	77	79	81
Poverty profiles (no. of households)												
< R2 060 per household per month	13											
Insert description	2											
Household/demographics (000)												
Number of people in municipal area			508 277	561 770	628 999	797	812	824	842	853	865	876
Number of poor people in municipal area			-	-	-	-	-	-	-	-	-	-
Number of households in municipal area			195 538	199 605	204 232	238	242	246	-	-	-	-
Number of poor households in municipal area			-	-	-	-	-	-	-	-	-	-
Definition of poor household (R per month)												
Housing statistics												
Formal	3											
Informal												
Total number of households			-	-	-	-	-	-	-	-	-	-
Dwellings provided by municipality	4											
Dwellings provided by province/s												
Dwellings provided by private sector	5											
Total new housing dwellings			-	-	-	-	-	-	-	-	-	-
Economic												
Inflation/inflation outlook (CPIX)	6											
Interest rate - borrowing												
Interest rate - investment												

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Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2018/19	2019/20	2020/21	Current Year 2021/22	2022/23 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Remuneration increases												
Consumption growth (electricity)												
Consumption growth (water)												
Collection rates	7											
Property tax/service charges												
Rental of facilities & equipment												
Interest - external investments												
Interest - debtors												
Revenue from agency services												

Detail on the provision of municipal services for A10

Total municipal services	Ref.		2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework			
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	
		Household service targets (000)										
		Water:										
	8	Piped water inside dwelling	59 998	62 851	62 851	62 851	62 851	62 851	67 119	69 066	71 096	
		Piped water inside yard (but not in dwelling)	66 868	118 780	118 780	118 780	118 780	118 780	126 846	130 526	134 362	
	10	Using public tap (at least min.service level)	30 904	16 567	16 567	16 567	16 567	16 567	17 313	11 347	11 681	
		Other water supply (at least min.service level)	9 065	9 671	9 671	9 671	9 671	9 671	14 313	51 823	53 346	
		<i>Minimum Service Level and Above sub-total</i>	166 835	207 869	207 869	207 869	207 869	207 869	225 591	262 762	270 485	
	9	Using public tap (< min.service level)	2 864	10 040	10 040	10 040	10 040	10 040	11 027	106 174	109 294	
	10	Other water supply (< min.service level)	1 355	2 597	2 597	2 597	2 597	2 597	16 747	6 220	6 403	
		No water supply	6 947	141	141	141	141	141	366	1 735	1 786	
		<i>Below Minimum Service Level sub-total</i>	11 166	12 778	12 778	12 778	12 778	12 778	28 140	114 128	117 483	
		Total number of households	178 001	220 647	220 647	220 647	220 647	220 647	253 731	376 890	387 968	
		Sanitation/sewerage:										
		Flush toilet (connected to sewerage)	73 092	96 619	96 619	96 619	96 619	96 619	103 180	103 386	105 454	
		Flush toilet (with septic tank)	4 777	5 660	5 660	5 660	5 660	5 660	6 044	6 056	6 177	
		Chemical toilet	640	1 579	1 579	1 579	1 579	1 579	1 686	1 689	1 723	
		Pit toilet (ventilated)	18 585	38 840	38 840	38 840	38 840	38 840	40 575	40 656	41 469	
		Other toilet provisions (> min.service level)	1 652	5 756	5 756	5 756	5 756	5 756	25 756	25 808	26 324	
		<i>Minimum Service Level and Above sub-total</i>	98 746	148 454	148 454	148 454	148 454	148 454	177 241	177 595	181 147	
		Bucket toilet	-	-	-	-	-	-	-	-	-	
		Other toilet provisions (< min.service level)	77 115	282	282	282	282	282	282	283	288	
		No toilet provisions	5 070	4 248	4 248	4 248	4 248	4 248	4 248	4 257	4 342	
		<i>Below Minimum Service Level sub-total</i>	82 185	4 530	4 530	4 530	4 530	4 530	4 530	4 539	4 630	
		Total number of households	180 931	152 984	152 984	152 984	152 984	152 984	181 771	182 135	185 777	
		Energy:										
		Electricity (at least min.service level)	112 379	112 379	114 626	119 121	119 121	119 121	240 949	247 940	255 228	
		Electricity - prepaid (min.service level)	97 167	97 167	99 111	102 997	102 997	102 997	8 571	8 820	9 079	
		<i>Minimum Service Level and Above sub-total</i>	209 546	209 546	213 737	222 119	222 119	222 119	249 520	256 760	264 306	
		Electricity (< min.service level)	18 611	18 611	18 983	19 728	19 728	19 728	-	-	-	
		Electricity - prepaid (< min. service level)	20 439	20 439	20 848	21 665	21 665	21 665	-	-	-	

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Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2018/19	2019/20	2020/21	Current Year 2021/22	2022/23 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
		Other energy sources		2 069	2 069	2 110	2 193	2 193	2 193	5 833	6 002	6 179
		<i>Below Minimum Service Level sub-total</i>		41 119	41 119	41 941	43 586	43 586	43 586	5 833	6 002	6 179
		Total number of households		250 665	250 665	255 678	265 704	265 704	265 704	255 353	262 762	270 485
		Refuse:										
		Removed at least once a week		112 379	112 379	114 626	119 121	119 121	119 121	240 949	247 940	255 228
		<i>Minimum Service Level and Above sub-total</i>		112 379	112 379	114 626	119 121	119 121	119 121	240 949	247 940	255 228
		Removed less frequently than once a week		112 379	112 379	114 626	119 121	119 121	119 121	240 949	247 940	255 228
		Using communal refuse dump		-	-	-	-	-	-	-	-	-
		Using own refuse dump		-	-	-	-	-	-	-	-	-
		Other rubbish disposal		-	-	-	-	-	-	-	-	-
		No rubbish disposal		-	-	-	-	-	-	-	-	-
		<i>Below Minimum Service Level sub-total</i>		112 379	112 379	114 626	119 121	119 121	119 121	240 949	247 940	255 228
		Total number of households		224 758	224 758	229 253	238 243	238 243	238 243	481 898	495 880	510 455
Municipal in-house services	Ref.			2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
				Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
		Household service targets (000)										
		Water:										
		Piped water inside dwelling		59 998	62 851	62 851	62 851	62 851	62 851	67 119	69 066	71 096
		Piped water inside yard (but not in dwelling)		66 868	118 780	118 780	118 780	118 780	118 780	126 846	130 526	134 362
8		Using public tap (at least min.service level)		30 904	16 567	16 567	16 567	16 567	16 567	17 313	11 347	11 681
10		Other water supply (at least min.service level)		9 065	9 671	9 671	9 671	9 671	9 671	14 313	51 823	53 346
		<i>Minimum Service Level and Above sub-total</i>		166 835	207 869	207 869	207 869	207 869	207 869	225 591	262 762	270 485
9		Using public tap (< min.service level)		2 864	10 040	10 040	10 040	10 040	10 040	11 027	106 174	109 294
10		Other water supply (< min.service level)		1 355	2 597	2 597	2 597	2 597	2 597	16 747	6 220	6 403
		No water supply		6 947	141	141	141	141	141	366	1 735	1 786
		<i>Below Minimum Service Level sub-total</i>		11 166	12 778	12 778	12 778	12 778	12 778	28 140	114 128	117 483
		Total number of households		178 001	220 647	220 647	220 647	220 647	220 647	253 731	376 890	387 968
		Sanitation/sewerage:										
		Flush toilet (connected to sewerage)		73 092	96 619	96 619	96 619	96 619	96 619	103 180	103 386	105 454
		Flush toilet (with septic tank)		4 777	5 660	5 660	5 660	5 660	5 660	6 044	6 056	6 177
		Chemical toilet		640	1 579	1 579	1 579	1 579	1 579	1 686	1 689	1 723
		Pit toilet (ventilated)		18 585	38 840	38 840	38 840	38 840	38 840	40 575	40 656	41 469
		Other toilet provisions (> min.service level)		1 652	5 756	5 756	5 756	5 756	5 756	25 756	25 808	26 324
		<i>Minimum Service Level and Above sub-total</i>		98 746	148 454	148 454	148 454	148 454	148 454	177 241	177 595	181 147
		Bucket toilet		-	-	-	-	-	-	-	-	-
		Other toilet provisions (< min.service level)		77 115	282	282	282	282	282	282	283	288
		No toilet provisions		5 070	4 248	4 248	4 248	4 248	4 248	4 248	4 257	4 342
		<i>Below Minimum Service Level sub-total</i>		82 185	4 530	4 530	4 530	4 530	4 530	4 530	4 539	4 630
		Total number of households		180 931	152 984	152 984	152 984	152 984	152 984	181 771	182 135	185 777
		Energy:										
		Electricity (at least min.service level)		112 379	112 379	114 626	119 121	119 121	119 121	240 949	247 940	255 228
		Electricity - prepaid (min.service level)		97 167	97 167	99 111	102 997	102 997	102 997	8 571	8 820	9 079
		<i>Minimum Service Level and Above sub-total</i>		209 546	209 546	213 737	222 119	222 119	222 119	249 520	256 760	264 306
		Electricity (< min.service level)		18 611	18 611	18 983	19 728	19 728	19 728	-	-	-

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Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2018/19	2019/20	2020/21	Current Year 2021/22	2022/23 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
		Electricity - prepaid (< min. service level)		20 439	20 439	20 848	21 665	21 665	21 665	-	-	-
		Other energy sources		2 069	2 069	2 110	2 193	2 193	2 193	5 833	6 002	6 179
		<i>Below Minimum Service Level sub-total</i>		41 119	41 119	41 941	43 586	43 586	43 586	5 833	6 002	6 179
		Total number of households		250 665	250 665	255 678	265 704	265 704	265 704	255 353	262 762	270 485
		Refuse:										
		Removed at least once a week		112 379	112 379	114 626	119 121	119 121	119 121	240 949	247 940	255 228
		<i>Minimum Service Level and Above sub-total</i>		112 379	112 379	114 626	119 121	119 121	119 121	240 949	247 940	255 228
		Removed less frequently than once a week		112 379	112 379	114 626	119 121	119 121	119 121	240 949	247 940	255 228
		Using communal refuse dump		-	-	-	-	-	-	-	-	-
		Using own refuse dump		-	-	-	-	-	-	-	-	-
		Other rubbish disposal		-	-	-	-	-	-	-	-	-
		No rubbish disposal		-	-	-	-	-	-	-	-	-
		<i>Below Minimum Service Level sub-total</i>		112 379	112 379	114 626	119 121	119 121	119 121	240 949	247 940	255 228
		Total number of households		224 758	224 758	229 253	238 243	238 243	238 243	481 898	495 880	510 455
Municipal entity services	Ref.			2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
				Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
		Household service targets (000)										
		Water:										
		Piped water inside dwelling										
		Piped water inside yard (but not in dwelling)										
8		Using public tap (at least min.service level)										
10		Other water supply (at least min.service level)										
		<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
9		Using public tap (< min.service level)										
10		Other water supply (< min.service level)										
		No water supply										
		<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
		Total number of households		-	-	-	-	-	-	-	-	-
		Sanitation/sewerage:										
		Flush toilet (connected to sewerage)										
		Flush toilet (with septic tank)										
		Chemical toilet										
		Pit toilet (ventilated)										
		Other toilet provisions (> min.service level)										
		<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
		Bucket toilet										
		Other toilet provisions (< min.service level)										
		No toilet provisions										
		<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
		Total number of households		-	-	-	-	-	-	-	-	-
		Energy:										
		Electricity (at least min.service level)										
		Electricity - prepaid (min.service level)										
		<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-

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Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2018/19	2019/20	2020/21	Current Year 2021/22	2022/23 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Name of municipal entity		Electricity (< min.service level)										
		Electricity - prepaid (< min. service level)										
		Other energy sources										
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-	-
		Total number of households	-	-	-	-	-	-	-	-	-	-
		Refuse:										
		Removed at least once a week										
		<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-	-
		Removed less frequently than once a week										
		Using communal refuse dump										
Using own refuse dump												
Other rubbish disposal												
No rubbish disposal												
<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-	-		
Total number of households	-	-	-	-	-	-	-	-	-	-		
Services provided by 'external mechanisms'	Ref.			2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
				Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Names of service providers		Household service targets (000)										
		Water:										
		Piped water inside dwelling										
		Piped water inside yard (but not in dwelling)										
		8 Using public tap (at least min.service level)										
		10 Other water supply (at least min.service level)										
		<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-	-
		9 Using public tap (< min.service level)										
		10 Other water supply (< min.service level)										
		No water supply										
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-	-
Total number of households	-	-	-	-	-	-	-	-	-	-		
Names of service providers		Sanitation/sewerage:										
		Flush toilet (connected to sewerage)										
		Flush toilet (with septic tank)										
		Chemical toilet										
		Pit toilet (ventilated)										
		Other toilet provisions (> min.service level)										
		<i>Minimum Service Level and Above sub-total</i>	-	-	-	-	-	-	-	-	-	
		Bucket toilet										
		Other toilet provisions (< min.service level)										
		No toilet provisions										
		<i>Below Minimum Service Level sub-total</i>	-	-	-	-	-	-	-	-	-	
Total number of households	-	-	-	-	-	-	-	-	-			
Names of service providers		Energy:										
		Electricity (at least min.service level)										
		Electricity - prepaid (min.service level)										

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Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2018/19	2019/20	2020/21	Current Year 2021/22	2022/23 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
		<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
		Electricity (< min.service level)										
		Electricity - prepaid (< min. service level)										
		Other energy sources										
		<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
		Total number of households		-	-	-	-	-	-	-	-	-
Names of service providers		Refuse:										
		Removed at least once a week										
		<i>Minimum Service Level and Above sub-total</i>		-	-	-	-	-	-	-	-	-
		Removed less frequently than once a week										
		Using communal refuse dump										
		Using own refuse dump										
		Other rubbish disposal										
		No rubbish disposal										
		<i>Below Minimum Service Level sub-total</i>		-	-	-	-	-	-	-	-	-
		Total number of households		-	-	-	-	-	-	-	-	-
Detail of Free Basic Services (FBS) provided				2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework		
				Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Electricity	Ref.	Location of households for each type of FBS										
List type of FBS service		Formal settlements - (50 kwh per indigent household per month Rands)		25 933 660	-	-	-	-	-	-	-	-
		Number of HH receiving this type of FBS										
		Informal settlements (Rands)										
		Number of HH receiving this type of FBS										
		Informal settlements targeted for upgrading (Rands)										
		Number of HH receiving this type of FBS										
		Living in informal backyard rental agreement (Rands)										
		Number of HH receiving this type of FBS										
		Other (Rands)										
		Number of HH receiving this type of FBS										
		Total cost of FBS - Electricity for informal settlements		-	-	-	-	-	-	-	-	-
Water	Ref.	Location of households for each type of FBS										
List type of FBS service		Formal settlements - (6 kilolitre per indigent household per month Rands)		19 844 340	-	-	-	-	-	-	-	-
		Number of HH receiving this type of FBS		15 075	15 377	16 959	14 175	14 175	14 175	15 451	16 918	18 610
		Informal settlements (Rands)		234 088 875	238 770 653	263 349 985				-	-	-
		Number of HH receiving this type of FBS		167 216	170 560	188 117	157 235	157 235	157 235	171 386	187 668	206 435
		Informal settlements targeted for upgrading (Rands)										
		Number of HH receiving this type of FBS										
		Living in informal backyard rental agreement (Rands)										
		Number of HH receiving this type of FBS										
		Other (Rands)										

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Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2018/19	2019/20	2020/21	Current Year 2021/22	2022/23 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
		<i>Number of HH receiving this type of FBS</i>										
		Total cost of FBS - Water for informal settlements		234 088 875	238 770 653	263 349 985	-	-	-	-	-	-
Sanitation	Ref.	<i>Location of households for each type of FBS</i>										
List type of FBS service		Formal settlements - (free sanitation service to indigent households)		14 830 380	-	-	-	-	-	-	-	-
		<i>Number of HH receiving this type of FBS</i>		14 539	14 830	15 775	16 879	16 879	16 879	17 774	18 644	19 577
		Informal settlements (Rands)		175 003 990	178 504 070	189 879 330	15 295 259	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>		161 271	164 496	174 979	187 223	187 223	187 223	197 146	206 806	217 146
		Informal settlements targeted for upgrading (Rands)										
		<i>Number of HH receiving this type of FBS</i>										
		Living in informal backyard rental agreement (Rands)										
		<i>Number of HH receiving this type of FBS</i>										
		Other (Rands)										
		<i>Number of HH receiving this type of FBS</i>										
		Total cost of FBS - Sanitation for informal settlements		175 003 990	178 504 070	189 879 330	15 295 259	15 295 259	15 295 259	16 105 908	16 895 097	17 739 852
Refuse Removal	Ref.	<i>Location of households for each type of FBS</i>										
List type of FBS service		Formal settlements - (removed once a week to indigent households)		12 432 440	-	-	-	-	-	-	-	-
		<i>Number of HH receiving this type of FBS</i>		14 539	14 830	15 775	16 879	16 879	16 879	17 774	18 644	19 577
		Informal settlements (Rands)		12 225 780	12 470 296	13 264 972	14 471 553	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>		161 271	164 496	174 979	187 223	187 223	187 223	197 146	206 806	217 146
		Informal settlements targeted for upgrading (Rands)										
		<i>Number of HH receiving this type of FBS</i>										
		Living in informal backyard rental agreement (Rands)										
		<i>Number of HH receiving this type of FBS</i>										
		Other (Rands)										
		<i>Number of HH receiving this type of FBS</i>										
		Total cost of FBS - Refuse Removal for informal settlements		12 225 780	12 470 296	13 264 972	14 471 553	14 471 553	14 471 553	15 238 546	15 985 234	16 784 496

LIM354 Polokwane - Supporting Table SA11 Property rates summary

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & 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
Valuation:										
Date of valuation:	1	-	-	79 805	79 805	-	-	-	-	-
Financial year valuation used		-	-	2 020	-	-	-	-	-	-
Municipal by-laws s6 in place? (Y/N)	2	1	1	1	1	-	-	1	-	-
Municipal/assistant valuer appointed? (Y/N)		1	1	1	1	-	-	1	-	-
Municipal partnership s38 used? (Y/N)		2	2	2	2	2	2	2	2	2
No. of assistant valuers (FTE)	3	2	2	2	2	2	2	2	2	2
No. of data collectors (FTE)	3	-	14	14	14	14	14	14	14	14
No. of internal valuers (FTE)	3	-	-	-	-	-	-	-	-	-
No. of external valuers (FTE)	3	1	1	1	1	1	1	1	1	-
No. of additional valuers (FTE)	4	-	-	-	-	-	-	-	-	-
Valuation appeal board established? (Y/N)		1	1	1	1	-	-	1	-	-
Implementation time of new valuation roll (mths)		12	12	12	12	-	-	12	-	-
No. of properties	5	65 000	65 000	70 583	70 583	70 583	70 583	70 583	70 583	70 583
No. of sectional title values	5	-	-	6 039	6 039	6 039	6 039	6 039	6 039	6 039
No. of unreasonably difficult properties s7(2)		-	-	-	-	-	-	-	-	-
No. of supplementary valuations		-	-	2	1	1	1	1	1	1
No. of valuation roll amendments		-	-	1	-	-	-	-	-	-
No. of objections by rate payers		-	-	601	-	-	-	-	-	-
No. of appeals by rate payers		-	-	37	-	-	-	-	-	-
No. of successful objections		-	-	45	-	-	-	-	-	-
No. of successful objections > 10%	8	-	-	18	-	-	-	-	-	-
Supplementary valuation		-	-	2	-	-	-	-	-	-
Public service infrastructure value (Rm)	5	-	-	75 076 000	75 076 000	75 076 000	75 076 000	-	-	-
Municipality owned property value (Rm)		-	-	2 083 095 300	2 083 095 300	2 083 095 300	2 083 095 300	-	-	-
Valuation reductions:										
Valuation reductions-public infrastructure (Rm)		-	-	-	-	-	-	-	-	-
Valuation reductions-nature reserves/park (Rm)		-	-	-	-	-	-	-	-	-
Valuation reductions-mineral rights (Rm)		-	-	-	-	-	-	-	-	-
Valuation reductions-R15,000 threshold (Rm)		-	-	775 245 000	775 245 000	775 245 000	775 245 000	-	-	-
Valuation reductions-public worship (Rm)		-	-	300 380 000	300 380 000	300 380 000	300 380 000	-	-	-
Valuation reductions-other (Rm)		-	-	4 393 055 000	4 393 055 000	4 393 055 000	4 393 055 000	-	-	-
Total valuation reductions:		-	-	5 469	5 469	5 469	5 469	-	-	-
Total value used for rating (Rm)	5	-	-	-	-	-	-	-	-	-
Total land value (Rm)	5	-	-	-	-	-	-	-	-	-
Total value of improvements (Rm)	5	-	-	-	-	-	-	-	-	-
Total market value (Rm)	5	-	-	-	-	-	-	-	-	-
Rating:										
Residential rate used to determine rate for other categories? (Y/N)		Y	Y	Y	Y	N	N	Y	N	N
Differential rates used? (Y/N)	5	N	N	N	N	N	N	N	N	N
Limit on annual rate increase (s20)? (Y/N)		N	N	N	N	N	N	N	N	N
Special rating area used? (Y/N)		N	N	N	N	N	N	N	N	N
Phasing-in properties s21 (number)		N	N	N	N	N	N	N	N	N
Rates policy accompanying budget? (Y/N)		Y	Y	Y	Y	N	N	Y	N	N
Fixed amount minimum value (R'000)		N	N	N	N	N	N	N	N	N
Non-residential prescribed ratio s19? (%)		N	N	N	N	N	N	N	N	N
Rate revenue:										
Rate revenue budget (R'000)	6	416 142 286	503 869 307	472 481 861	547 228 000	547 228 000	547 228 000	576 231 084	604 466 407	637 712 060
Rate revenue expected to collect (R'000)	6	-	421 147 314	378 566 821	499 379 057	499 379 074	499 379 074	507 083 354	531 930 438	561 186 612
Expected cash collection rate (%)		-	1	1	1	1	1	1	1	1
Special rating areas (R'000)	7	-	-	-	-	-	-	-	-	-
Rebates, exemptions - indigent (R'000)		-	-	-	-	-	-	-	-	-
Rebates, exemptions - pensioners (R'000)		-	-	-	-	-	-	-	-	-
Rebates, exemptions - bona fide farm. (R'000)		-	-	-	-	-	-	-	-	-
Rebates, exemptions - other (R'000)		40 396 412	55 140 399	60 255 881	62 666 117	62 666 117	62 666 117	65 987 421	69 220 805	72 681 845
Phase-in reductions/discounts (R'000)		-	-	-	-	-	-	-	-	-
Total rebates,exemptns,eductns,discs (R'000)		40 396	55 140	60 256	62 666	62 666	62 666	65 987	69 221	72 682

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

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.	
Current Year 2021/22																		
Valuation:																		
No. of properties		63 428	1 087	2 466	2 183	26	1 055	181	145	2	-	-	-	-	-	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	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
No. of successful objections > 10%	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Estimated no. of properties not valued		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Years since last valuation (select)		2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	
Frequency of valuation (select)		3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	
Method of valuation used (select)		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
Base of valuation (select)		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
Phasing-in properties s21 (number)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Combination of rating types used? (Y/N)		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
Flat rate used? (Y/N)		2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	
Is balance rated by uniform rate/variable rate?		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Valuation reductions:																		
Valuation reductions-public infrastructure (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Valuation reductions-nature reserves/park (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Valuation reductions-mineral rights (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Valuation reductions-R15,000 threshold (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Valuation reductions-public worship (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Valuation reductions-other (Rm)	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total valuation reductions:																		
Total value used for rating (Rm)	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total land value (Rm)	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total value of improvements (Rm)	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total market value (Rm)	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rating:																		
Average rate	3	0	0	0	-	-	-	-	0	-	-	-	-	-	-	-	-	
Rate revenue budget (R'000)		203 398 446	32 665 782	225 648 700	15 051 572	-	-	785 868	48 606 432	-	-	-	-	-	-	-	-	
Rate revenue expected to collect (R'000)		178 990 632	28 745 888	198 570 856	13 245 383	-	-	691 564	42 773 660	-	-	-	-	-	-	-	-	
Expected cash collection rate (%)	4	1	1	1	1	1	1	1	1	-	-	-	-	-	-	-	-	
Special rating areas (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rebates, exemptions - indigent (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rebates, exemptions - pensioners (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rebates, exemptions - bona fide farm. (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rebates, exemptions - other (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Phase-in reductions/discounts (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total rebates,exemptns,eductns,discs (R'000)																		

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

Description	Ref	Resi.	Indust.	Bus. & Comm.	Farm props.	State-owned	Muni props.	Public service infra.	Private owned towns	Formal & Informal Settle.	Comm. Land	State trust land	Section 8(2)(n) (note 1)	Protect. Areas	National Monum/ts	Public benefit organs.	Mining Props.	
Budget Year 2022/23																		
Valuation:																		
No. of properties		64 628	1 087	2 466	2 183	26	1 055	181	145	2	-	-	-	-	-	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	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
No. of successful objections > 10%	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Estimated no. of properties not valued		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Years since last valuation (select)		3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	
Frequency of valuation (select)		3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	3	
Method of valuation used (select)		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
Base of valuation (select)		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
Phasing-in properties s21 (number)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Combination of rating types used? (Y/N)		1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	1	
Fiat rate used? (Y/N)		2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	2	
Is balance rated by uniform rate/variable rate?		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Valuation reductions:																		
Valuation reductions-public infrastructure (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Valuation reductions-nature reserves/park (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Valuation reductions-mineral rights (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Valuation reductions-R15,000 threshold (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Valuation reductions-public worship (Rm)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Valuation reductions-other (Rm)	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total valuation reductions:																		
Total value used for rating (Rm)	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total land value (Rm)	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total value of improvements (Rm)	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total market value (Rm)	6	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rating:																		
Average rate	3	0	0	0	-	-	-	-	0	-	-	-	-	-	-	-	-	
Rate revenue budget (R '000)		214 178 563	34 397 068	237 608 081	15 849 305	-	-	827 520	51 182 573	-	-	-	-	-	-	-	-	
Rate revenue expected to collect (R'000)		188 477 136	30 269 420	209 095 111	13 947 389	-	-	728 217	45 040 664	-	-	-	-	-	-	-	-	
Expected cash collection rate (%)	4	1	1	1	1	1	1	1	1	-	-	-	-	-	-	-	-	
Special rating areas (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rebates, exemptions - indigent (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rebates, exemptions - pensioners (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rebates, exemptions - bona fide farm. (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Rebates, exemptions - other (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Phase-in reductions/discounts (R'000)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total rebates,exemptns,eductns,discs (R'000)																		

LIM354 Polokwane - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	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
Property rates (rate in the Rand)	1								
Residential properties			-	-	-	-	-	-	-
Residential properties - vacant land			-	-	-	-	-	-	-
Formal/informal settlements			-	-	-	-	-	-	-
Small holdings			-	-	-	-	-	-	-
Farm properties - used			-	-	-	-	-	-	-
Farm properties - not used			-	-	-	-	-	-	-
Industrial properties			-	-	-	-	-	-	-
Business and commercial properties			-	-	-	-	-	-	-
Communal land - residential			-	-	-	-	-	-	-
Communal land - small holdings			-	-	-	-	-	-	-
Communal land - farm property			-	-	-	-	-	-	-
Communal land - business and commercial			-	-	-	-	-	-	-
Communal land - other			-	-	-	-	-	-	-
State-owned properties			-	-	-	-	-	-	-
Municipal properties			-	-	-	-	-	-	-
Public service infrastructure			-	-	-	-	-	-	-
Privately owned towns serviced by the owner			-	-	-	-	-	-	-
State trust land			-	-	-	-	-	-	-
Restitution and redistribution properties			-	-	-	-	-	-	-
Protected areas			-	-	-	-	-	-	-
National monuments properties			-	-	-	-	-	-	-
Exemptions, reductions and rebates (Rands)									
Residential properties									
R15 000 threshold rebate			15 000	15 000	15 000	15 000	15 000	15 000	15 000
General residential rebate			85 000.0000	85 000.0000	85 000.0000	85 000.0000	85 000.0000	85 000.0000	85 000.0000
Indigent rebate or exemption			-	-	-	-	-	-	-
Pensioners/social grants rebate or exemption			-	-	-	-	-	-	-
Temporary relief rebate or exemption			-	-	-	-	-	-	-
Bona fide farmers rebate or exemption			-	-	-	-	-	-	-
Other rebates or exemptions	2		-	-	-	-	-	-	-
Water tariffs									
Domestic									
Basic charge/fixed fee (Rands/month)			-	-	-	-	-	-	-
Service point - vacant land (Rands/month)			-	-	-	-	-	-	-

LIM354 Polokwane - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	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
Water usage - flat rate tariff (c/kl)			-	-	-	-	-	-	-
Water usage - life line tariff		(describe structure)	7.8500	8.4300	8.8800	9.6400	10.5000	11.5000	12.6500
Water usage - Block 1 (c/kl)		(fill in thresholds)	11.8700	12.7400	13.4300	14.5700	15.8900	17.4000	19.1300
Water usage - Block 2 (c/kl)		(fill in thresholds)	12.8200	13.7700	14.5100	15.7500	17.1600	18.7900	20.6700
Water usage - Block 3 (c/kl)		(fill in thresholds)	16.9300	18.1800	19.1600	20.7900	22.6700	24.8200	27.3000
Water usage - Block 4 (c/kl)		(fill in thresholds)	20.4900	22.0000	23.1900	25.1600	27.4300	30.0300	33.0300
Other	2		24.7800	26.6100	28.0500	30.4300	33.1700	36.3200	39.9500
Waste water tariffs									
Domestic									
Basic charge/fixed fee (Rands/month)			53.0000	56.1800	59.2100	61.5800	55.8100	58.5400	61.4700
Service point - vacant land (Rands/month)			-	-	-	-	-	-	-
Waste water - flat rate tariff (c/kl)			-	-	-	-	-	-	-
Volumetric charge - Block 1 (c/kl)		(fill in structure)	50.3900	53.4200	56.3000	58.5500	53.0600	55.6600	58.4500
Volumetric charge - Block 2 (c/kl)		(fill in structure)	16.7000	17.7000	18.6600	19.4000	17.5800	18.4500	19.3700
Volumetric charge - Block 3 (c/kl)		(fill in structure)	13.3300	14.1300	14.8900	15.4800	14.0300	14.7200	15.4600
Volumetric charge - Block 4 (c/kl)		(fill in structure)	-	-	-	-	-	-	-
Other	2		-	-	-	-	-	-	-
Electricity tariffs									
Domestic									
Basic charge/fixed fee (Rands/month)			79.5000	90.1800	96.0000	110.0000	120.5600	132.6200	133.8200
Service point - vacant land (Rands/month)			-	-	-	-	-	-	-
FBE		(how is this targeted?)	-	-	-	-	-	-	-
Life-line tariff - meter		(describe structure)	99.2300	112.5700	120.0000	138.0000	151.2500	166.3700	167.8900
Life-line tariff - prepaid		(describe structure)	99.2300	112.5700	120.0000	138.0000	151.2500	166.3700	167.8900
Flat rate tariff - meter (c/kwh)			-	-	-	-	-	-	-
Flat rate tariff - prepaid(c/kwh)			-	-	-	-	-	-	-
Meter - IBT Block 1 (c/kwh)		(fill in thresholds)	90.0600	102.1600	109.0000	125.0000	137.0000	150.7000	152.0700
Meter - IBT Block 2 (c/kwh)		(fill in thresholds)	112.8400	128.0100	136.0000	156.0000	170.9800	188.0700	189.7800
Meter - IBT Block 3 (c/kwh)		(fill in thresholds)	166.0100	188.3200	200.0000	230.0000	252.0800	277.2900	279.8100
Meter - IBT Block 4 (c/kwh)		(fill in thresholds)	192.0500	217.8600	231.0000	266.0000	291.5400	320.6900	323.6000
Meter - IBT Block 5 (c/kwh)		(fill in thresholds)	-	-	-	-	-	-	-
Prepaid - IBT Block 1 (c/kwh)		(fill in thresholds)	90.0600	102.1600	109.0000	125.0000	137.0000	150.7000	152.0700
Prepaid - IBT Block 2 (c/kwh)		(fill in thresholds)	112.8400	128.0100	136.0000	156.0000	170.9800	188.0700	189.7800
Prepaid - IBT Block 3 (c/kwh)		(fill in thresholds)	166.0100	188.3200	200.0000	230.0000	252.0800	277.2900	279.8100
Prepaid - IBT Block 4 (c/kwh)		(fill in thresholds)	192.0500	217.8600	231.0000	266.0000	291.5400	320.6900	323.6000

LIM354 Polokwane - Supporting Table SA13a Service Tariffs by category

Description	Ref	Provide description of tariff structure where appropriate	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
Prepaid - IBT Block 5 (c/kwh)	2	(fill in thresholds)	-	-	-	-	-	-	-
<i>Other</i>			-	-	-	-	-	-	-
Waste management tariffs									
<i>Domestic</i>									
Street cleaning charge			-	-	-	-	-	-	-
Basic charge/fixd fee			-	-	-	-	-	-	-
80l bin - once a week			-	-	-	-	-	-	-
250l bin - once a week			-	-	-	-	-	-	-

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

Description	Ref	Provide description of tariff structure where appropriate	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
Exemptions, reductions and rebates (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
Water tariffs									
<i>Service charges - water revenue</i>		(fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds)	8 884 200	9 817 041	10 347 161	11 226 670	12 237 070	13 399 592	14 739 551
Waste water tariffs									
<i>Service charges - sanitation revenue</i>		(fill in structure) (fill in structure) (fill in structure) (fill in structure) (fill in structure) (fill in structure) (fill in structure) (fill in structure)	16 358 787	18 403 635	19 397 432	20 173 329	21 242 515	22 283 399	23 397 569
Electricity tariffs									
<i>Service charges - electricity revenue</i>		(fill in thresholds) (fill in thresholds) (fill in thresholds) (fill in thresholds)	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 SA13b Service Tariffs by category - explanatory

Description	Ref	Provide description of tariff structure where appropriate	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
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							

LIM354 Polokwane - Supporting Table SA14 Household bills

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2022/23 % incr.	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Rand/cent											
Monthly Account for Household - 'Middle Income Range'											
Rates and services charges:											
Property rates		286	304	320	333	333	333	5.3%	351	368	386
Electricity: Basic levy		89	101	112	129	129	129	5.3%	136	142	149
Electricity: Consumption		1 525	1 725	1 915	2 202	2 202	2 202	5.3%	2 318	0	2 441
Water: Basic levy		-	-	-	-	-	-	-	-	-	-
Water: Consumption		363	391	412	447	447	447	9.0%	487	533	587
Sanitation		67	71	75	78	78	78	9.0%	85	93	102
Refuse removal		112	119	125	130	130	130	5.3%	137	144	151
Other		117	124	130	135	135	135	5.3%	143	150	157
sub-total		2 560.34	2 833.59	3 088.85	3 453.85	3 453.85	3 453.85	5.9%	3 656.32	1 429.80	3 973.84
VAT on Services		-	-	-	-	-	-	-	-	-	-
Total large household bill:		2 560.34	2 833.59	3 088.85	3 453.85	3 453.85	3 453.85	5.9%	3 656.32	1 429.80	3 973.84
% increase/-decrease			10.7%	9.0%	11.8%	-	-		5.9%	(60.9%)	177.9%
Monthly Account for Household - 'Affordable Range'											
Rates and services charges:											
Property rates		89	101	112	129	129	129	5.3%	136	142	149
Electricity: Basic levy		643	727	807	928	928	928	5.3%	977	0	1 029
Electricity: Consumption		-	-	-	-	-	-	-	-	-	-
Water: Basic levy		297	319	336	365	365	365	9.0%	398	436	479
Water: Consumption		67	71	75	78	78	78	9.0%	85	93	102
Sanitation		112	119	125	130	130	130	5.3%	137	144	151
Refuse removal		58	62	65	68	68	68	5.3%	71	75	79
Other		1 458	1 601	1 734	1 920	1 920	1 920	6.2%	2 038	1 135	2 247
sub-total		2 724.01	2 999.92	3 254.66	3 617.27	3 617.27	3 617.27	6.2%	3 841.77	2 024.48	4 236.34
VAT on Services		1 458	1 601	1 734	1 920	1 920	1 920	6.2%	2 038	1 135	2 247
Total small household bill:		4 181.51	4 601.10	4 988.68	5 536.86	5 536.86	5 536.86	6.2%	5 879.49	3 159.28	6 483.20
% increase/-decrease			10.0%	8.4%	11.0%	-	-		6.2%	(46.3%)	105.2%
Monthly Account for Household - 'Indigent' Household receiving free basic services											
Rates and services charges:											
Property rates		366	414	460	529	529	529	5.3%	557	0	586
Electricity: Basic levy		-	-	-	-	-	-	-	-	-	-
Electricity: Consumption		177	191	201	218	218	218	9.0%	238	260	286
Water: Basic levy		-	-	-	-	-	-	-	-	-	-
Water: Consumption		42	44	47	49	49	49	5.3%	51	54	56
Sanitation		-	-	-	-	-	-	-	-	-	-
Refuse removal		772	853	928	1 037	1 037	1 037	6.1%	1 100	581	1 209
Other		-	-	-	-	-	-	-	-	-	-
sub-total		1 357.04	1 501.88	1 635.01	1 831.94	1 831.94	1 831.94	6.2%	1 945.17	894.61	2 137.53
VAT on Services		-	11	9	12	-	-	(48.3%)	6	109 447	-
Total small household bill:		1 357.04	1 512.39	1 643.79	1 843.69	1 831.94	1 831.94	5.8%	1 951.24	110 341.77	2 137.53
% increase/-decrease			11.4%	8.7%	12.2%	(0.6%)	-		6.5%	5 555.0%	(98.1%)

LIM354 Polokwane - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & 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
R thousand										
Parent municipality										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		-	-	66 411	-	-	-	-	-	-
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	-	-	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Municipal Bonds		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	-	-	66 411	-	-	-	-	-	-
Entities										
Securities - National Government		-	-	-	-	-	-	-	-	-
Listed Corporate Bonds		-	-	-	-	-	-	-	-	-
Deposits - Bank		-	-	-	-	-	-	-	-	-
Deposits - Public Investment Commissioners		-	-	-	-	-	-	-	-	-
Deposits - Corporation for Public Deposits		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificates		-	-	-	-	-	-	-	-	-
Negotiable Certificates of Deposit - Banks		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (sinking)		-	112 501	57 829	-	-	-	-	-	-
Repurchase Agreements - Banks		-	-	-	-	-	-	-	-	-
Entities sub-total		-	112 501	57 829	-	-	-	-	-	-
Consolidated total:		-	112 501	124 240	-	-	-	-	-	-

LIM354 Polokwane - Supporting Table SA16 Investment particulars by maturity

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

LIM354 Polokwane - Supporting Table SA17 Borrowing

Borrowing - Categorized by type	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & 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
R thousand										
Parent municipality										
Annuity and Bullet Loans		522 579	494 449	415 442	397 326	397 326	397 326	373 787	348 698	320 920
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		21 417	25 440	31 537	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	543 995	519 889	446 979	397 326	397 326	397 326	373 787	348 698	320 920
Entities										
Annuity and Bullet Loans		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Borrowing	1	543 995	519 889	446 979	397 326	397 326	397 326	373 787	348 698	320 920
Unspent Borrowing - Categorized by type										
Parent municipality										
Long-Term Loans (annuity/reducing balance)		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Municipality sub-total	1	-	-	-	-	-	-	-	-	-
Entities										
Long-Term Loans (annuity/reducing balance)		-	-	-	-	-	-	-	-	-
Long-Term Loans (non-annuity)		-	-	-	-	-	-	-	-	-
Local registered stock		-	-	-	-	-	-	-	-	-
Instalment Credit		-	-	-	-	-	-	-	-	-
Financial Leases		-	-	-	-	-	-	-	-	-
PPP liabilities		-	-	-	-	-	-	-	-	-
Finance Granted By Cap Equipment Supplier		-	-	-	-	-	-	-	-	-
Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-Marketable Bonds		-	-	-	-	-	-	-	-	-
Bankers Acceptances		-	-	-	-	-	-	-	-	-
Financial derivatives		-	-	-	-	-	-	-	-	-
Other Securities		-	-	-	-	-	-	-	-	-
Entities sub-total	1	-	-	-	-	-	-	-	-	-
Total Unspent Borrowing	1	-	-	-	-	-	-	-	-	-

LIM354 Polokwane - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & 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
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		968 853	1 291 007	1 381 196	1 211 033	1 223 032	1 223 032	1 348 078	1 469 820	1 601 902
Local Government Equitable Share		831 436	922 586	1 181 769	1 055 884	1 055 884	1 055 884	1 196 549	1 300 435	1 413 976
EPWP Incentive (EPWP)		5 742	4 201	9 527	7 971	7 971	7 971	11 570	-	-
Integrated National Electrification Programme (INEP)		17 831	15 209	28 805	18 000	21 561	21 561	3 600	21 733	27 000
Finance Management Grant (FMG)		3 048	2 500	2 500	2 400	2 400	2 400	2 400	2 400	2 400
Integrated Urban Development Grant (IUDG)		-	110 963	53 493	58 337	27 089	27 089	66 463	75 133	85 959
Public Transport Network Grant (PTNG)		53 159	222 495	98 245	62 224	101 910	101 910	61 496	64 119	66 568
Infrastructure Skills Development Grant (ISDG)		6 500	5 111	6 203	6 217	6 217	6 217	6 000	6 000	6 000
Energy Efficiency and Demand Management		3 809	7 346	654	-	-	-	-	-	-
Municipal Infrastructure Grant		45 279	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant		1 371	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant		679	-	-	-	-	-	-	-	-
Municipal Disaster Relief Grant		-	596	-	-	-	-	-	-	-
Provincial Government:		-	-	-	-	1 000	1 000	-	-	-
Sport s Arts and Culture		-	-	-	-	1 000	1 000	-	-	-
District Municipality:		882	-	-	-	18	18	-	-	-
Capricorn District		882	-	-	-	18	18	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Operating Transfers and Grants	5	969 735	1 291 007	1 381 196	1 211 033	1 224 050	1 224 050	1 348 078	1 469 820	1 601 902
Capital Transfers and Grants										
National Government:		1 070 479	1 026 876	764 993	795 321	810 468	810 468	803 725	721 873	746 833
Public Transport Network Grant (PTNG)		312 833	20 563	87 988	116 320	76 634	76 634	138 000	143 886	149 381
Regional Bulk Infrastructure Grant (RBIG)		370 171	614 271	295 844	218 806	230 298	230 298	154 584	120 597	126 013
Neighbourhood Development Partnership Grant (NDPG)		38 585	20 557	22 750	35 000	40 000	40 000	40 000	40 000	45 000
Water Services Infrastructure Grant (WSIG)		88 625	88 587	51 274	65 000	67 115	67 115	77 160	72 700	76 871
Municipal Infrastructure Grant		260 265	-	24 700	-	-	-	-	-	-
Integrated Urban Development Grant (IUDG)		-	267 327	265 465	339 195	375 821	375 821	359 581	331 690	339 455
Integrated National Electrification Programme (INEP)		-	15 571	16 971	15 000	12 000	12 000	29 400	9 000	5 112
Energy Efficiency and Demand Side Management Grant ()		-	-	-	6 000	6 000	6 000	5 000	4 000	5 000
Municipal Disaster Relief Grant (MDRG)		-	-	-	-	2 600	2 600	-	-	-
Other capital transfers/grants [insert desc]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
Capricorn District										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Capital Transfers and Grants	5	1 070 479	1 026 876	764 993	795 321	810 468	810 468	803 725	721 873	746 833
TOTAL RECEIPTS OF TRANSFERS & GRANTS		2 040 214	2 317 883	2 146 189	2 006 354	2 034 517	2 034 517	2 151 803	2 191 693	2 348 735

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

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & 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
EXPENDITURE:										
Operating expenditure of Transfers and Grants										
National Government:		968 853	1 291 007	1 381 196	1 211 033	1 223 032	1 223 032	1 348 078	1 469 820	1 601 902
Local Government Equitable Share		831 436	922 586	1 181 769	1 055 884	1 055 884	1 055 884	1 196 549	1 300 435	1 413 976
EPWP Incentive (EPWP)		5 742	4 201	9 527	7 971	7 971	7 971	11 570	-	-
Integrated National Electrification Programme (INEP)		17 831	15 209	28 805	18 000	21 561	21 561	3 600	21 733	27 000
Finance Management Grant (FMG)		3 048	2 500	2 500	2 400	2 400	2 400	2 400	2 400	2 400
Integrated Urban Development Grant (IUDG)		-	110 963	53 493	58 337	27 089	27 089	66 463	75 133	85 959
Public Transport Network Grant (PTNG)		53 159	222 495	98 245	62 224	101 910	101 910	61 496	64 119	66 568
Infrastructure Skills Development Grant (ISDG)		6 500	5 111	6 203	6 217	6 217	6 217	6 000	6 000	6 000
Energy Efficiency and Demand Management		3 809	7 346	654	-	-	-	-	-	-
Municipal Infrastructure Grant		45 279	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant		1 371	-	-	-	-	-	-	-	-
Municipal Systems Improvement Grant		679	-	-	-	-	-	-	-	-
Municipal Disaster Relief Grant		-	596	-	-	-	-	-	-	-
Provincial Government:		-	-	-	-	1 000	1 000	-	-	-
Sport s Arts and Culture		-	-	-	-	1 000	1 000	-	-	-
0										
District Municipality:		882	-	-	-	18	18	-	-	-
Capricorn District		882	-	-	-	18	18	-	-	-
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total operating expenditure of Transfers and Grants:		969 735	1 291 007	1 381 196	1 211 033	1 224 050	1 224 050	1 348 078	1 469 820	1 601 902
Capital expenditure of Transfers and Grants										
National Government:		1 070 479	1 026 876	764 993	795 321	810 468	810 468	803 725	721 873	746 833
Public Transport Network Grant (PTNG)		312 833	20 563	87 988	116 320	76 634	76 634	138 000	143 886	149 381
Regional Bulk Infrastructure Grant (RBIG)		370 171	614 271	295 844	218 806	230 298	230 298	154 584	120 597	126 013
Neighbourhood Development Partnership Grant (NDPG)		38 585	20 557	22 750	35 000	40 000	40 000	40 000	40 000	45 000
Water Services Infrastructure Grant (WSIG)		88 625	88 587	51 274	65 000	67 115	67 115	77 160	72 700	76 871
Integrated Urban Development Grant (IUDG)		-	267 327	265 465	339 195	375 821	375 821	359 581	331 690	339 455
Integrated National Electrification Programme (INEP)		-	15 571	16 971	15 000	12 000	12 000	29 400	9 000	5 112
Municipal Infrastructure Grant		260 265	-	24 700	-	-	-	-	-	-
Energy Efficiency and Demand Side Management Grant (-	-	-	6 000	6 000	6 000	5 000	4 000	5 000
Municipal Disaster Relief Grant (MDRG)		-	-	-	-	2 600	2 600	-	-	-
Other capital transfers/grants [insert desc]										
Provincial Government:		-	-	-	-	-	-	-	-	-
Other capital transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
Capricorn District										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total capital expenditure of Transfers and Grants		1 070 479	1 026 876	764 993	795 321	810 468	810 468	803 725	721 873	746 833
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		2 040 214	2 317 883	2 146 189	2 006 354	2 034 517	2 034 517	2 151 803	2 191 693	2 348 735

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

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & 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
R thousand										
Operating transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		968 853	1 291 007	1 381 196	1 211 033	1 223 032	1 223 032	1 373 878	1 457 087	1 580 014
Conditions met - transferred to revenue		968 853	1 291 007	1 381 196	1 211 033	1 223 032	1 223 032	1 373 878	1 457 087	1 580 014
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	1 000	1 000	-	-	-
Conditions met - transferred to revenue		-	-	-	-	1 000	1 000	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year		-	-	-	-	18	18	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	18	18	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Total operating transfers and grants revenue		968 853	1 291 007	1 381 196	1 211 033	1 224 050	1 224 050	1 373 878	1 457 087	1 580 014
Total operating transfers and grants - CTBM	2	-	-	-	-	-	-	-	-	-
Capital transfers and grants:	1,3									
National Government:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		1 070 479	1 026 876	764 993	795 321	810 468	810 468	777 925	734 606	768 721
Conditions met - transferred to revenue		1 070 479	1 026 876	764 993	795 321	810 468	810 468	777 925	734 606	768 721
Conditions still to be met - transferred to liabilities										
Provincial Government:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
District Municipality:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		-	-	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities										
Other grant providers:										
Balance unspent at beginning of the year		-	-	-	-	-	-	-	-	-
Current year receipts		-	-	-	-	-	-	-	-	-
Conditions met - transferred to revenue		(153 472)	(137 798)	-	-	-	-	-	-	-
Conditions still to be met - transferred to liabilities		153 472	137 798	-	-	-	-	-	-	-
Total capital transfers and grants revenue		917 007	889 078	764 993	795 321	810 468	810 468	777 925	734 606	768 721
Total capital transfers and grants - CTBM	2	153 472	137 798	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS REVENUE		1 885 860	2 180 085	2 146 189	2 006 354	2 034 517	2 034 517	2 151 803	2 191 693	2 348 735
TOTAL TRANSFERS AND GRANTS - CTBM		153 472	137 798	-	-	-	-	-	-	-

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

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22				2022/23 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Cash Transfers to other municipalities <i>Insert description</i>	1										
Total Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Entities/Other External Mechanisms <i>Polokwane Housing Association (PHA)</i>	2	9 000	7 940	66 078	39 500	49 500	49 500	49 500	14 500	15 138	15 819
		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Entities/Ems'		9 000	7 940	66 078	39 500	49 500	49 500	49 500	14 500	15 138	15 819
Cash Transfers to other Organs of State <i>Insert description</i>	3										
Total Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Cash Transfers to Organisations <i>SPCA</i>		480	480	480	500	500	500	500	500	500	500
		-	-	-	-	-	-	-	-	-	-
Total Cash Transfers To Organisations		480	480	480	500	500	500	500	500	500	500
Cash Transfers to Groups of Individuals <i>Insert description</i>											
Total Cash Transfers To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL CASH TRANSFERS AND GRANTS	6	9 480	8 420	66 558	40 000	50 000	50 000	50 000	15 000	15 638	16 319
Non-Cash Transfers to other municipalities <i>Insert description</i>	1										
Total Non-Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to Entities/Other External Mechanisms <i>Insert description</i>	2										
Total Non-Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
Non-Cash Transfers to other Organs of State <i>Insert description</i>	3										
Total Non-Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
Non-Cash Grants to Organisations <i>Insert description</i>	4										
Total Non-Cash Grants To Organisations		-	-	-	-	-	-	-	-	-	-
Groups of Individuals <i>Insert description</i>	5										
Total Non-Cash Grants To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL NON-CASH TRANSFERS AND GRANTS		-	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS	6	9 480	8 420	66 558	40 000	50 000	50 000	50 000	15 000	15 638	16 319

LIM354 Polokwane - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & 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
R thousand		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Basic Salaries and Wages	1	22 369	22 488	22 486	25 177	23 177	23 177	24 336	25 650	27 061
Pension and UIF Contributions		3 296	3 327	3 388	3 903	3 903	3 903	4 098	4 319	4 557
Medical Aid Contributions		463	659	711	586	586	586	615	648	684
Motor Vehicle Allowance		7 619	8 083	7 892	9 319	7 819	7 819	8 210	8 653	9 129
Cellphone Allowance		3 888	3 528	4 128	4 074	4 074	4 074	4 278	4 509	4 757
Housing Allowances		-	-	-	-	-	-	-	-	-
Other benefits and allowances		321	437	87	362	362	362	380	401	423
Sub Total - Councillors		37 955	38 522	38 692	43 421	39 921	39 921	41 917	44 180	46 610
% increase	4		1.5%	0.4%	12.2%	(8.1%)	-	5.0%	5.4%	5.5%
Senior Managers of the Municipality										
Basic Salaries and Wages	2	7 982	9 847	11 180	14 279	14 384	14 384	16 638	17 536	18 501
Pension and UIF Contributions		1 482	1 354	1 564	1 795	1 795	1 795	-	-	-
Medical Aid Contributions		77	144	176	191	191	191	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		394	117	-	-	100	100	-	-	-
Motor Vehicle Allowance	3	4 433	1 990	2 191	2 479	2 479	2 479	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	1 324	2 070	2 244	2 544	2 544	2 544	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		2 706	-	-	-	561	561	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Senior Managers of Municipality		18 398	15 522	17 355	21 288	22 055	22 055	16 638	17 536	18 501
% increase	4		(15.6%)	11.8%	22.7%	3.6%	-	(24.6%)	5.4%	5.5%
Other Municipal Staff										
Basic Salaries and Wages		476 689	500 916	549 103	628 669	579 790	579 790	685 889	717 984	756 803
Pension and UIF Contributions		90 140	97 928	106 371	138 751	122 291	122 291	150 641	158 775	167 508
Medical Aid Contributions		32 139	35 595	39 627	42 575	42 926	42 926	45 904	48 383	51 044
Overtime		75 070	95 046	92 771	38 974	97 296	97 296	88 928	93 730	98 885
Performance Bonus		37 351	39 415	42 985	54 133	53 633	53 633	55 635	58 639	61 865
Motor Vehicle Allowance	3	47 980	48 980	48 258	59 963	59 159	59 159	60 431	63 695	67 198
Cellphone Allowance	3	360	108	225	192	192	192	175	185	195
Housing Allowances	3	7 304	8 367	8 934	11 574	11 574	11 574	7 223	7 613	8 032
Other benefits and allowances	3	10 183	11 449	12 932	13 480	21 491	21 491	16 883	17 794	18 773
Payments in lieu of leave		15 927	56 989	21 203	-	19 492	19 492	19 123	20 156	21 264
Long service awards		(0)	56	(167)	-	6 866	6 866	6 887	7 259	7 658
Post-retirement benefit obligations	6	43 065	12 611	25 106	-	6 607	6 607	8 000	8 432	8 896
Sub Total - Other Municipal Staff		836 209	907 460	947 349	988 312	1 021 317	1 021 317	1 145 718	1 202 644	1 268 120
% increase	4		8.5%	4.4%	4.3%	3.3%	-	12.2%	5.0%	5.4%
Total Parent Municipality		892 563	961 504	1 003 396	1 053 021	1 083 293	1 083 293	1 204 273	1 264 360	1 333 231
			7.7%	4.4%	4.9%	2.9%	-	11.2%	5.0%	5.4%
Board Members of Entities										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Board Fees		-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Sub Total - Board Members of Entities		-	-	-	-	-	-	-	-	-
% increase	4		-	-	-	-	-	-	-	-

LIM354 Polokwane - Supporting Table SA22 Summary councillor and staff benefits

Summary of Employee and Councillor remuneration R thousand	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & 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
Senior Managers of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-	-	-
% increase	4	-	-	-	-	-	-	-	-	-
Other Staff of Entities										
Basic Salaries and Wages										
Pension and UIF Contributions										
Medical Aid Contributions										
Overtime										
Performance Bonus										
Motor Vehicle Allowance	3									
Cellphone Allowance	3									
Housing Allowances	3									
Other benefits and allowances	3									
Payments in lieu of leave										
Long service awards										
Post-retirement benefit obligations	6									
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-	-
% increase	4	-	-	-	-	-	-	-	-	-
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		892 563	961 504	1 003 396	1 053 021	1 083 293	1 083 293	1 204 273	1 264 360	1 333 231
% increase	4		7.7%	4.4%	4.9%	2.9%	-	11.2%	5.0%	5.4%
TOTAL MANAGERS AND STAFF	5,7	854 608	922 982	964 704	1 009 601	1 043 372	1 043 372	1 162 356	1 220 180	1 286 621

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

Disclosure of Salaries, Allowances & Benefits 1.	Ref	No.	Salary	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package
Rand per annum				1.				2.
Councillors	3							
Speaker	4	-	-	-	-	-	-	-
Chief Whip		1	573 572	86 036	264 269	-	-	923 877
Executive Mayor		1	537 724	80 659	250 528	-	-	868 910
Deputy Executive Mayor		1	871 077	228 270	44 400	-	-	1 143 746
Executive Committee		-	-	-	-	-	-	-
Total for all other councillors		1	4 917 260	834 634	2 450 103	-	-	8 201 998
Total Councillors	8	4	6 899 633	1 229 598	3 009 300			11 138 531
Senior Managers of the Municipality	5							
Municipal Manager (MM)		-	-	-	-	-	-	-
Chief Finance Officer		1	17 647 341	2 735 427	10 124 189	-	-	30 506 956
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
List of each official with packages >= senior manager								
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
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
Total Senior Managers of the Municipality	8,10	1	31 233 863	3 997 005	13 005 953			48 236 821
A Heading for Each Entity	6,7							
List each member of board by designation								
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
								-
Total for municipal entities	8,10	-	-	-	-	-	-	-
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	5	38 133 496	5 226 604	16 015 253	-		59 375 352

LIM354 Polokwane - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers		Ref	2020/21			Current Year 2021/22			Budget Year 2022/23		
Number		1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities											
Councillors (Political Office Bearers plus Other Councillors)			90	-	90	90	-	90	90	-	90
Board Members of municipal entities			-	-	-	-	-	-	-	-	-
Municipal employees		5	-	-	-	-	-	-	-	-	-
Municipal Manager and Senior Managers		3	9	-	9	10	-	10	10	-	10
Other Managers		7	124	110	3	137	100	1	137	100	1
Professionals			215	190	11	215	190	11	221	147	11
<i>Finance</i>			30	24	6	30	24	6	35	25	6
<i>Spatial/town planning</i>			30	23	-	30	23	-	27	11	-
<i>Information Technology</i>			11	9	-	11	9	-	11	11	-
<i>Roads</i>			9	8	-	9	8	-	9	9	-
<i>Electricity</i>			15	14	-	15	14	-	15	13	-
<i>Water</i>			12	11	-	12	11	-	19	11	-
<i>Sanitation</i>			-	-	-	-	-	-	-	-	-
<i>Refuse</i>			3	2	-	3	2	-	6	3	-
<i>Other</i>			105	99	5	105	99	5	99	64	5
Technicians			945	731	-	945	731	-	672	399	-
<i>Finance</i>			119	102	-	119	102	-	69	56	-
<i>Spatial/town planning</i>			29	22	-	29	22	-	12	10	-
<i>Information Technology</i>			11	10	-	11	10	-	11	8	-
<i>Roads</i>			42	39	-	42	39	-	12	12	-
<i>Electricity</i>			56	50	-	56	50	-	45	30	-
<i>Water</i>			52	44	-	52	44	-	53	24	-
<i>Sanitation</i>			-	-	-	-	-	-	-	-	-
<i>Refuse</i>			41	32	-	41	32	-	8	2	-
<i>Other</i>			595	432	-	595	432	-	462	257	-
Clerks (Clerical and administrative)			108	88	-	108	88	-	234	176	-
Service and sales workers			34	28	-	34	28	-	60	48	-
Skilled agricultural and fishery workers			-	-	-	-	-	-	-	-	-
Craft and related trades			-	-	-	-	-	-	-	-	-
Plant and Machine Operators			-	-	-	-	-	-	-	-	-
Elementary Occupations			645	654	-	645	654	-	702	562	-
TOTAL PERSONNEL NUMBERS		9	2 170	1 801	113	2 184	1 791	112	2 126	1 432	112
% increase						0.6%	(0.6%)	(0.9%)	(2.7%)	(20.0%)	-
Total municipal employees headcount		6, 10	-	-	-	-	-	-	-	-	-
Finance personnel headcount		8, 10	210	154	-	210	154	-	212	161	-
Human Resources personnel headcount		8, 10	56	45	-	56	45	-	64	52	-

LIM354 Polokwane - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand																
Revenue By Source																
Property rates		48 019	48 019	48 019	48 019	48 019	48 019	48 019	48 019	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	129 672	129 672	129 672	129 672	129 672	129 672	129 672	129 672	1 566 069	1 711 676	1 727 236
Service charges - water revenue		24 988	24 988	24 988	24 988	24 988	24 988	24 988	24 988	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	11 582	11 582	11 582	11 582	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	11 135	11 135	11 135	11 135	11 135	11 135	11 135	11 135	133 623	140 171	140 304
Rental of facilities and equipment		996	996	996	996	996	996	996	996	996	996	996	996	11 950	12 542	13 294
Interest earned - external investments		1 376	1 376	1 376	1 376	1 376	1 376	1 376	1 376	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	8 884	8 884	8 884	8 884	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	3 347	3 347	3 347	3 347	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	1 157	1 157	1 157	1 157	1 157	1 157	1 157	1 157	13 886	14 559	15 356
Agency services		2 537	2 537	2 537	2 537	2 537	2 537	2 537	2 537	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	112 757	112 757	112 757	112 757	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	4 237	4 237	4 237	4 237	4 237	4 237	4 237	4 237	50 838	53 343	56 509
Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		360 687	360 687	360 687	360 687	360 687	360 687	360 687	360 687	360 687	360 687	360 687	360 687	4 328 242	4 689 931	4 920 174
Expenditure By Type																
Employee related costs		96 863	96 863	96 863	96 863	96 863	96 863	96 863	96 863	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	3 493	3 493	3 493	3 493	3 493	3 493	3 493	3 493	41 917	44 180	46 610
Debt impairment		21 667	21 667	21 667	21 667	21 667	21 667	21 667	21 667	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	21 667	21 667	21 667	21 667	21 667	21 667	21 667	21 667	260 000	271 440	283 655
Finance charges		3 528	3 528	3 528	3 528	3 528	3 528	3 528	3 528	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	81 382	81 382	81 382	81 382	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	25 228	25 228	25 228	25 228	25 228	25 228	25 228	25 228	302 741	316 062	330 285
Contracted services		73 612	73 612	73 612	73 612	73 612	73 612	73 612	73 612	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	1 208	1 208	1 208	1 208	1 208	1 208	1 208	1 208	14 500	15 138	15 819
Other expenditure		22 022	22 022	22 022	22 022	22 022	22 022	22 022	22 022	22 022	22 022	22 022	22 022	264 261	275 512	287 525
Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure		350 669	350 669	350 669	350 669	350 669	350 669	350 669	350 669	350 669	350 669	350 669	350 669	4 208 030	4 442 118	4 707 733
Surplus/(Deficit)		10 018	10 018	10 018	10 018	10 018	10 018	10 018	10 018	10 018	10 018	10 018	10 018	120 212	247 813	212 441
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		66 977	66 977	66 977	66 977	66 977	66 977	66 977	66 977	66 977	66 977	66 977	66 977	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)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		76 995	76 995	76 995	76 995	76 995	76 995	76 995	76 995	76 995	76 995	76 995	76 995	923 937	969 686	959 274
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	76 995	76 995	76 995	76 995	76 995	76 995	76 995	76 995	76 995	76 995	76 995	76 995	923 937	969 686	959 274

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

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue by Vote																
Vote 1 - Chief operations office		0	0	0	0	0	0	0	0	0	0	0	0	4	4	5
Vote 2 - Municipal managers office		0	0	0	0	0	0	0	0	0	0	0	0	2	2	2
Vote 3 - Water and sanitation		36 583	36 583	36 583	36 583	36 583	36 583	36 583	36 583	36 583	36 583	36 583	36 583	438 999	474 304	507 287
Vote 4 - Energy services		130 200	130 200	130 200	130 200	130 200	130 200	130 200	130 200	130 200	130 200	130 200	130 200	1 562 403	1 718 321	1 734 247
Vote 5 - Community Services		11 742	11 742	11 742	11 742	11 742	11 742	11 742	11 742	11 742	11 742	11 742	11 742	140 905	147 813	148 404
Vote 6 - Public safety		4 071	4 071	4 071	4 071	4 071	4 071	4 071	4 071	4 071	4 071	4 071	4 071	48 853	51 240	54 067
Vote 7 - Corporate and Shared Services		267	267	267	267	267	267	267	267	267	267	267	267	3 204	3 350	3 518
Vote 8 - Planning and Economic Development		2 315	2 315	2 315	2 315	2 315	2 315	2 315	2 315	2 315	2 315	2 315	2 315	27 785	29 160	30 910
Vote 9 - Budget and Treasury office		239 792	239 792	239 792	239 792	239 792	239 792	239 792	239 792	239 792	239 792	239 792	239 792	2 877 506	2 953 721	3 152 806
Vote 10 - Transport Operations		2 671	2 671	2 671	2 671	2 671	2 671	2 671	2 671	2 671	2 671	2 671	2 671	32 051	33 622	35 480
Vote 11 - Human Settlement		21	21	21	21	21	21	21	21	21	21	21	21	254	267	283
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue by Vote		427 664	427 664	427 664	427 664	427 664	427 664	427 664	427 664	427 664	427 664	427 664	427 664	5 131 966	5 411 804	5 667 007
Expenditure by Vote to be appropriated																
Vote 1 - Chief operations office		11 918	11 918	11 918	11 918	11 918	11 918	11 918	11 918	11 918	11 918	11 918	11 918	143 015	149 420	157 079
Vote 2 - Municipal managers office		30 808	30 808	30 808	30 808	30 808	30 808	30 808	30 808	30 808	30 808	30 808	30 808	369 693	386 651	404 769
Vote 3 - Water and sanitation		52 436	52 436	52 436	52 436	52 436	52 436	52 436	52 436	52 436	52 436	52 436	52 436	629 233	662 827	701 525
Vote 4 - Energy services		98 263	98 263	98 263	98 263	98 263	98 263	98 263	98 263	98 263	98 263	98 263	98 263	1 179 151	1 285 160	1 395 784
Vote 5 - Community Services		32 569	32 569	32 569	32 569	32 569	32 569	32 569	32 569	32 569	32 569	32 569	32 569	390 823	406 634	427 007
Vote 6 - Public safety		32 352	32 352	32 352	32 352	32 352	32 352	32 352	32 352	32 352	32 352	32 352	32 352	388 225	400 487	421 207
Vote 7 - Corporate and Shared Services		25 986	25 986	25 986	25 986	25 986	25 986	25 986	25 986	25 986	25 986	25 986	25 986	311 838	326 358	341 886
Vote 8 - Planning and Economic Development		6 655	6 655	6 655	6 655	6 655	6 655	6 655	6 655	6 655	6 655	6 655	6 655	79 862	83 379	87 780
Vote 9 - Budget and Treasury office		31 667	31 667	31 667	31 667	31 667	31 667	31 667	31 667	31 667	31 667	31 667	31 667	380 007	392 591	406 086
Vote 10 - Transport Operations		26 605	26 605	26 605	26 605	26 605	26 605	26 605	26 605	26 605	26 605	26 605	26 605	319 258	330 792	345 836
Vote 11 - Human Settlement		1 410	1 410	1 410	1 410	1 410	1 410	1 410	1 410	1 410	1 410	1 410	1 410	16 925	17 820	18 772
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure by Vote		350 669	350 669	350 669	350 669	350 669	350 669	350 669	350 669	350 669	350 669	350 669	350 669	4 208 030	4 442 118	4 707 733
Surplus/(Deficit) before assoc.		76 995	76 995	76 995	76 995	76 995	76 995	76 995	76 995	76 995	76 995	76 995	76 995	923 937	969 686	959 274
Taxation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Attributable to minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	76 995	76 995	76 995	76 995	76 995	76 995	76 995	76 995	76 995	76 995	76 995	76 995	923 937	969 686	959 274

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

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Revenue - Functional																
Governance and administration		240 091	240 091	240 091	240 091	240 091	240 091	240 091	240 091	240 091	240 091	240 091	240 091	2 881 090	2 957 470	3 156 745
Executive and council		0	0	0	0	0	0	0	0	0	0	0	0	2	2	2
Finance and administration		240 091	240 091	240 091	240 091	240 091	240 091	240 091	240 091	240 091	240 091	240 091	240 091	2 881 088	2 957 468	3 156 742
Internal audit		0	0	0	0	0	0	0	0	0	0	0	0	1	1	1
Community and public safety		512	512	512	512	512	512	512	512	512	512	512	512	6 145	6 449	6 834
Community and social services		181	181	181	181	181	181	181	181	181	181	181	181	2 172	2 279	2 415
Sport and recreation		289	289	289	289	289	289	289	289	289	289	289	289	3 470	3 641	3 860
Public safety		21	21	21	21	21	21	21	21	21	21	21	21	248	260	275
Housing		21	21	21	21	21	21	21	21	21	21	21	21	254	267	283
Health		0	0	0	0	0	0	0	0	0	0	0	0	2	2	2
Economic and environmental services		9 142	9 142	9 142	9 142	9 142	9 142	9 142	9 142	9 142	9 142	9 142	9 142	109 703	115 088	121 588
Planning and development		2 315	2 315	2 315	2 315	2 315	2 315	2 315	2 315	2 315	2 315	2 315	2 315	27 786	29 161	30 911
Road transport		6 689	6 689	6 689	6 689	6 689	6 689	6 689	6 689	6 689	6 689	6 689	6 689	80 273	84 201	88 848
Environmental protection		137	137	137	137	137	137	137	137	137	137	137	137	1 644	1 726	1 829
Trading services		177 919	177 919	177 919	177 919	177 919	177 919	177 919	177 919	177 919	177 919	177 919	177 919	2 135 028	2 332 797	2 381 840
Energy sources		130 200	130 200	130 200	130 200	130 200	130 200	130 200	130 200	130 200	130 200	130 200	130 200	1 562 403	1 718 321	1 734 247
Water management		25 002	25 002	25 002	25 002	25 002	25 002	25 002	25 002	25 002	25 002	25 002	25 002	300 019	328 513	361 357
Waste water management		11 582	11 582	11 582	11 582	11 582	11 582	11 582	11 582	11 582	11 582	11 582	11 582	138 981	145 791	145 930
Waste management		11 135	11 135	11 135	11 135	11 135	11 135	11 135	11 135	11 135	11 135	11 135	11 135	133 625	140 173	140 306
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenue - Functional		427 664	427 664	427 664	427 664	427 664	427 664	427 664	427 664	427 664	427 664	427 664	427 664	5 131 966	5 411 804	5 667 007
Expenditure - Functional																
Governance and administration		110 508	110 508	110 508	110 508	110 508	110 508	110 508	110 508	110 508	110 508	110 508	110 508	1 326 100	1 381 033	1 441 944
Executive and council		33 569	33 569	33 569	33 569	33 569	33 569	33 569	33 569	33 569	33 569	33 569	33 569	402 824	421 494	441 449
Finance and administration		75 761	75 761	75 761	75 761	75 761	75 761	75 761	75 761	75 761	75 761	75 761	75 761	909 135	944 681	984 868
Internal audit		1 178	1 178	1 178	1 178	1 178	1 178	1 178	1 178	1 178	1 178	1 178	1 178	14 141	14 858	15 626
Community and public safety		27 310	27 310	27 310	27 310	27 310	27 310	27 310	27 310	27 310	27 310	27 310	27 310	327 714	342 723	360 493
Community and social services		6 996	6 996	6 996	6 996	6 996	6 996	6 996	6 996	6 996	6 996	6 996	6 996	83 956	87 575	92 208
Sport and recreation		12 684	12 684	12 684	12 684	12 684	12 684	12 684	12 684	12 684	12 684	12 684	12 684	152 212	159 731	167 785
Public safety		5 606	5 606	5 606	5 606	5 606	5 606	5 606	5 606	5 606	5 606	5 606	5 606	67 268	70 783	74 552
Housing		1 410	1 410	1 410	1 410	1 410	1 410	1 410	1 410	1 410	1 410	1 410	1 410	16 925	17 820	18 772
Health		613	613	613	613	613	613	613	613	613	613	613	613	7 352	6 813	7 176
Economic and environmental services		48 752	48 752	48 752	48 752	48 752	48 752	48 752	48 752	48 752	48 752	48 752	48 752	585 024	604 565	634 128
Planning and development		8 838	8 838	8 838	8 838	8 838	8 838	8 838	8 838	8 838	8 838	8 838	8 838	106 058	110 122	115 914
Road transport		37 447	37 447	37 447	37 447	37 447	37 447	37 447	37 447	37 447	37 447	37 447	37 447	449 366	466 090	488 411
Environmental protection		2 467	2 467	2 467	2 467	2 467	2 467	2 467	2 467	2 467	2 467	2 467	2 467	29 600	28 353	29 803
Trading services		164 099	164 099	164 099	164 099	164 099	164 099	164 099	164 099	164 099	164 099	164 099	164 099	1 969 192	2 113 797	2 271 168
Energy sources		98 263	98 263	98 263	98 263	98 263	98 263	98 263	98 263	98 263	98 263	98 263	98 263	1 179 151	1 285 160	1 395 784
Water management		45 683	45 683	45 683	45 683	45 683	45 683	45 683	45 683	45 683	45 683	45 683	45 683	548 202	572 625	599 966
Waste water management		6 753	6 753	6 753	6 753	6 753	6 753	6 753	6 753	6 753	6 753	6 753	6 753	81 031	90 202	101 560
Waste management		13 401	13 401	13 401	13 401	13 401	13 401	13 401	13 401	13 401	13 401	13 401	13 401	160 809	165 810	173 859
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional		350 669	350 669	350 669	350 669	350 669	350 669	350 669	350 669	350 669	350 669	350 669	350 669	4 208 030	4 442 118	4 707 733
Surplus/(Deficit) before assoc.		76 995	76 995	76 995	76 995	76 995	76 995	76 995	76 995	76 995	76 995	76 995	76 995	923 937	969 686	959 274
Share of surplus/ (deficit) of associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit)	1	76 995	76 995	76 995	76 995	76 995	76 995	76 995	76 995	76 995	76 995	76 995	76 995	923 937	969 686	959 274

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

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
R thousand																
Multi-year expenditure to be appropriated	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 1 - Chief operations office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal managers office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Water and sanitation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Energy services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Corporate and Shared Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Planning and Economic Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Budget and Treasury office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Transport Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Human Settlement		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Single-year expenditure to be appropriated																
Vote 1 - Chief operations office		86	86	86	86	86	86	86	86	86	86	86	86	1 030	1 778	2 877
Vote 2 - Municipal managers office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Water and sanitation		23 071	23 071	23 071	23 071	23 071	23 071	23 071	23 071	23 071	23 071	23 071	23 071	276 857	255 215	241 651
Vote 4 - Energy services		9 159	9 159	9 159	9 159	9 159	9 159	9 159	9 159	9 159	9 159	9 159	9 159	109 913	89 183	91 064
Vote 5 - Community Services		4 489	4 489	4 489	4 489	4 489	4 489	4 489	4 489	4 489	4 489	4 489	4 489	53 862	27 307	20 468
Vote 6 - Public safety		160	160	160	160	160	160	160	160	160	160	160	160	1 922	4 150	5 569
Vote 7 - Corporate and Shared Services		2 936	2 936	2 936	2 936	2 936	2 936	2 936	2 936	2 936	2 936	2 936	2 936	35 236	4 343	4 306
Vote 8 - Planning and Economic Development		1 402	1 402	1 402	1 402	1 402	1 402	1 402	1 402	1 402	1 402	1 402	1 402	16 823	11 919	15 858
Vote 9 - Budget and Treasury office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Transport Operations		28 817	28 817	28 817	28 817	28 817	28 817	28 817	28 817	28 817	28 817	28 817	28 817	345 805	353 716	371 966
Vote 11 - Human Settlement		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	2	70 121	70 121	70 121	70 121	70 121	70 121	70 121	70 121	70 121	70 121	70 121	70 121	841 448	747 611	753 759
Total Capital Expenditure	2	70 121	70 121	70 121	70 121	70 121	70 121	70 121	70 121	70 121	70 121	70 121	70 121	841 448	747 611	753 759

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

Description	Ref	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Capital Expenditure - Functional	1															
Governance and administration		2 976	2 976	2 976	2 976	2 976	2 976	2 976	2 976	2 976	2 976	2 976	2 976	35 707	4 900	5 025
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance and administration		2 976	2 976	2 976	2 976	2 976	2 976	2 976	2 976	2 976	2 976	2 976	2 976	35 707	4 900	5 025
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Community and public safety		4 056	4 056	4 056	4 056	4 056	4 056	4 056	4 056	4 056	4 056	4 056	4 056	48 676	18 857	18 293
Community and social services		178	178	178	178	178	178	178	178	178	178	178	178	2 137	2 416	4 099
Sport and recreation		3 878	3 878	3 878	3 878	3 878	3 878	3 878	3 878	3 878	3 878	3 878	3 878	46 539	16 441	14 194
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Economic and environmental services		30 277	30 277	30 277	30 277	30 277	30 277	30 277	30 277	30 277	30 277	30 277	30 277	363 323	368 710	391 736
Planning and development		1 402	1 402	1 402	1 402	1 402	1 402	1 402	1 402	1 402	1 402	1 402	1 402	16 823	11 919	15 858
Road transport		28 875	28 875	28 875	28 875	28 875	28 875	28 875	28 875	28 875	28 875	28 875	28 875	346 500	356 791	375 877
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Trading services		32 812	32 812	32 812	32 812	32 812	32 812	32 812	32 812	32 812	32 812	32 812	32 812	393 742	355 144	338 705
Energy sources		9 159	9 159	9 159	9 159	9 159	9 159	9 159	9 159	9 159	9 159	9 159	9 159	109 913	89 565	91 402
Water management		13 173	13 173	13 173	13 173	13 173	13 173	13 173	13 173	13 173	13 173	13 173	13 173	158 075	150 336	132 062
Waste water management		9 899	9 899	9 899	9 899	9 899	9 899	9 899	9 899	9 899	9 899	9 899	9 899	118 782	104 880	109 590
Waste management		581	581	581	581	581	581	581	581	581	581	581	581	6 972	10 363	5 652
Other		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Functional	2	70 121	70 121	70 121	70 121	70 121	70 121	70 121	70 121	70 121	70 121	70 121	70 121	841 448	747 611	753 759
Funded by:																
National Government		58 241	58 241	58 241	58 241	58 241	58 241	58 241	58 241	58 241	58 241	58 241	58 241	698 891	627 716	649 420
Provincial Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital		58 241	58 241	58 241	58 241	58 241	58 241	58 241	58 241	58 241	58 241	58 241	58 241	698 891	627 716	649 420
Borrowing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Internally generated funds		11 880	11 880	11 880	11 880	11 880	11 880	11 880	11 880	11 880	11 880	11 880	11 880	142 557	119 896	104 339
Total Capital Funding		70 121	70 121	70 121	70 121	70 121	70 121	70 121	70 121	70 121	70 121	70 121	70 121	841 448	747 611	753 759

LIM354 Polkwane - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework			
	R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Cash Receipts By Source																
Property rates	43 821	43 821	43 821	43 821	43 821	43 821	43 821	43 821	43 821	43 821	43 821	43 821	43 821	525 846	551 613	581 853
Service charges - electricity revenue	120 366	120 366	120 366	120 366	120 366	120 366	120 366	120 366	120 366	120 366	120 366	120 366	120 366	1 444 392	1 585 003	1 602 633
Service charges - water revenue	21 990	21 990	21 990	21 990	21 990	21 990	21 990	21 990	21 990	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	10 192	10 192	10 192	10 192	10 192	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	9 799	9 799	9 799	9 799	9 799	9 799	9 799	9 799	9 799	117 588	123 350	123 468
Rental of facilities and equipment	876	876	876	876	876	876	876	876	876	876	876	876	876	10 516	11 037	11 699
Interest earned - external investments	1 376	1 376	1 376	1 376	1 376	1 376	1 376	1 376	1 376	1 376	1 376	1 376	1 376	16 515	17 324	18 190
Interest earned - outstanding debtors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	2 945	2 945	2 945	2 945	2 945	2 945	2 945	2 945	2 945	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	1 018	1 018	1 018	1 018	1 018	1 018	1 018	1 018	1 018	12 220	12 812	13 513
Agency services	2 232	2 232	2 232	2 232	2 232	2 232	2 232	2 232	2 232	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	112 757	112 757	112 757	112 757	112 757	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	3 728	3 728	3 728	3 728	3 728	3 728	3 728	3 728	3 728	44 738	46 942	49 728
Cash Receipts by Source	331 100	331 100	331 100	331 100	331 100	331 100	331 100	331 100	331 100	331 100	331 100	331 100	331 100	3 973 204	4 306 317	4 525 004
Other Cash Flows by Source																
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	66 977	66 977	66 977	66 977	66 977	66 977	66 977	66 977	66 977	66 977	66 977	66 977	66 977	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)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Receipts by Source	398 077	398 077	398 077	398 077	398 077	398 077	398 077	398 077	398 077	398 077	398 077	398 077	398 077	4 776 929	5 028 190	5 271 837
Cash Payments by Type																
Employee related costs	96 232	96 232	96 232	96 232	96 232	96 232	96 232	96 232	96 232	96 232	96 232	96 232	96 232	1 154 779	1 212 333	1 278 264
Remuneration of councillors	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance charges	3 352	3 352	3 352	3 352	3 352	3 352	3 352	3 352	3 352	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	77 313	77 313	77 313	77 313	77 313	77 313	77 313	77 313	77 313	927 751	1 001 971	1 092 148
Acquisitions - water & other inventory	23 967	23 967	23 967	23 967	23 967	23 967	23 967	23 967	23 967	23 967	23 967	23 967	23 967	287 604	300 259	313 770
Contracted services	69 931	69 931	69 931	69 931	69 931	69 931	69 931	69 931	69 931	69 931	69 931	69 931	69 931	839 172	886 943	937 449
Transfers and grants - other municipalities	1 108	1 108	1 108	1 108	1 108	1 108	1 108	1 108	1 108	1 108	1 108	1 108	1 108	13 300	13 906	14 553
Transfers and grants - other	40	40	40	40	40	40	40	40	40	40	40	40	40	475	475	475
Other expenditure	53 382	53 382	53 382	53 382	53 382	53 382	53 382	53 382	53 382	53 382	53 382	53 382	53 382	640 579	650 803	661 723
Cash Payments by Type	325 323	325 323	325 323	325 323	325 323	325 323	325 323	325 323	325 323	325 323	325 323	325 323	325 323	3 903 878	4 104 533	4 333 670
Other Cash Flows/Payments by Type																
Capital assets	66 615	66 615	66 615	66 615	66 615	66 615	66 615	66 615	66 615	66 615	66 615	66 615	66 615	799 376	710 231	716 071
Repayment of borrowing	1 882	1 882	1 882	1 882	1 882	1 882	1 882	1 882	1 882	1 882	1 882	1 882	1 882	22 588	25 088	27 778
Other Cash Flows/Payments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments by Type	393 820	393 820	393 820	393 820	393 820	393 820	393 820	393 820	393 820	393 820	393 820	393 820	393 820	4 725 842	4 839 853	5 077 520
NET INCREASE/(DECREASE) IN CASH HELD	4 257	4 257	4 257	4 257	4 257	4 257	4 257	4 257	4 257	4 257	4 257	4 257	4 257	51 087	188 337	194 317
Cash/cash equivalents at the month/year begin:	176 786	181 043	185 301	189 558	193 815	198 072	202 329	206 587	210 844	215 101	219 358	223 616	227 873	176 786	227 873	416 210
Cash/cash equivalents at the month/year end:	181 043	185 301	189 558	193 815	198 072	202 329	206 587	210 844	215 101	219 358	223 616	227 873	232 133	227 873	416 210	610 527

LIM354 Polokwane - NOT REQUIRED - municipality does not have entities

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & 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
Financial Performance										
Property rates		-	-	-	-	-	-	-	-	-
Service charges		-	-	-	-	-	-	-	-	-
Investment revenue		-	-	-	-	-	-	-	-	-
Transfers recognised - operational		11	8	12	14	14	14	14	14	14
Other own revenue		45	77	119	16	13	13	16	16	16
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)		-	-	-	25	54	54	-	-	-
Total Revenue (excluding capital transfers and contributions)		56	85	131	55	81	81	30	30	30
Employee costs		7	8	9	10	10	10	12	12	13
Remuneration of Board Members		1	1	1	2	2	2	2	2	2
Depreciation & asset impairment		5	5	5	5	5	5	5	5	5
Finance charges		-	-	-	-	-	-	-	-	-
Inventory consumed and bulk purchases		-	-	-	-	-	-	-	-	-
Transfers and grants		-	-	-	-	-	-	-	-	-
Other expenditure		42	29	30	15	21	21	15	16	16
Total Expenditure		55	44	45	32	38	38	34	35	37
Surplus/(Deficit)		1	41	86	22	43	43	(4)	(5)	(7)
Capital expenditure & funds sources										
Capital expenditure		-	-	-	-	-	-	-	-	-
Transfers recognised - operational		-	-	-	25	54	54	-	-	-
Borrowing		-	-	-	-	-	-	-	-	-
Internally generated funds		-	0	-	0	0	0	2	-	-
Total sources		-	0	-	25	54	54	2	-	-
Financial position										
Total current assets		-	-	-	-	-	-	-	-	-
Total non current assets		-	-	-	-	-	-	-	-	-
Total current liabilities		-	-	-	-	-	-	-	-	-
Total non current liabilities		-	-	-	-	-	-	-	-	-
Equity		-	-	-	-	-	-	-	-	-
Cash flows										
Net cash from (used) operating		-	-	-	-	-	-	-	-	-
Net cash from (used) investing		-	-	-	-	-	-	-	-	-
Net cash from (used) financing		-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end		-	-	-	-	-	-	-	-	-

LIM354 Polokwane - Supporting Table SA32 List of external mechanisms

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

LIM354 Polokwane - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2021/22	2022/23 Medium Term Revenue & Expenditure Framework			Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Total Contract Value
		Total	Original Budget	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
R thousand	1.3													
Parent Municipality:														
Revenue Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Parent Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Entities:														
Revenue Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Expenditure Obligation By Contract	2													
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Entity Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-

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

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & 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
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure	1	21 650	668 831	400 268	489 300	500 169	500 169	478 912	437 684	453 025
Roads Infrastructure		21 650	72 117	74 501	160 222	189 173	189 173	82 867	74 348	101 316
Roads		21 650	-	1 797	5 539	848	848	6 087	9 674	4 322
Road Structures		-	72 117	72 704	154 683	188 325	188 325	76 780	64 674	96 994
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	3 641	-	2 500	2 500	2 500	6 522	17 822	19 826
Drainage Collection		-	3 641	-	2 500	2 500	2 500	6 522	17 822	19 826
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	29 254	45 519	93 250	72 150	72 150	106 000	80 390	84 812
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	12 174	5 046	2 281
HV Switching Station		-	-	-	-	-	-	15 913	-	-
HV Transmission Conductors		-	29 231	44 605	60 650	58 250	58 250	61 478	33 763	32 306
MV Substations		-	-	-	-	-	-	-	7 875	13 180
MV Switching Stations		-	-	914	-	-	-	-	3 058	1 690
MV Networks		-	23	-	22 600	7 900	7 900	696	10 704	16 897
LV Networks		-	-	-	-	-	-	11 391	15 625	12 928
Capital Spares		-	-	-	10 000	6 000	6 000	4 348	4 319	5 531
Water Supply Infrastructure		-	274 057	194 289	165 224	154 773	154 773	149 379	141 640	125 105
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	140 627	89 570	16 000	25 967	25 967	15 652	-	-
Reservoirs		-	-	4 450	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	85 832	65 863	76 500	43 940	43 940	81 414	93 814	89 801
Distribution		-	47 597	34 405	72 044	84 865	84 865	52 313	47 826	35 304
Distribution Points		-	-	-	680	(0)	(0)	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	287 189	85 037	50 098	78 437	78 437	127 478	113 575	116 546
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	287 189	85 037	50 000	78 339	78 339	118 769	104 867	109 577
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	8 696	8 696	6 957
Capital Spares		-	-	-	98	98	98	14	13	13
Solid Waste Infrastructure		-	2 573	830	17 870	3 000	3 000	6 503	9 744	5 270
Landfill Sites		-	-	-	15 000	1 000	1 000	170	8 550	4 211
Waste Transfer Stations		-	2 573	743	2 462	2 000	2 000	5 217	471	489
Waste Processing Facilities		-	-	-	-	-	-	-	123	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	87	408	(0)	(0)	1 115	601	570
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-

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

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & 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
R thousand	1									
<i>Revetments</i>		-	-	-	-	-	-	-	-	-
<i>Promenades</i>		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	91	136	136	136	164	163	150
<i>Data Centres</i>		-	-	91	136	136	136	164	163	150
<i>Core Layers</i>		-	-	-	-	-	-	-	-	-
<i>Distribution Layers</i>		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Community Assets		13 879	37 485	249 081	135 398	95 619	95 619	117 016	87 716	88 521
Community Facilities		13 879	17 417	214 774	93 852	52 944	52 944	73 068	75 497	77 360
<i>Halls</i>		-	-	-	2 000	1 045	1 045	1 057	297	270
<i>Centres</i>		-	-	916	3 586	2 708	2 708	2 019	2 781	1 511
<i>Crèches</i>		-	-	-	-	-	-	-	-	-
<i>Clinics/Care Centres</i>		-	-	-	-	-	-	-	-	-
<i>Fire/Ambulance Stations</i>		-	-	-	-	-	-	-	224	318
<i>Testing Stations</i>		-	181	4 301	3 670	4 565	4 565	1 725	575	1 498
<i>Museums</i>		-	607	79	453	183	183	-	319	401
<i>Galleries</i>		-	-	-	-	-	-	-	-	-
<i>Theatres</i>		-	-	-	-	-	-	-	-	-
<i>Libraries</i>		-	-	-	498	498	498	788	351	415
<i>Cemeteries/Crematoria</i>		-	-	-	-	-	-	-	264	440
<i>Police</i>		-	749	31	3 856	3 135	3 135	1 274	1 495	1 194
<i>Parks</i>		-	402	-	-	-	-	-	127	163
<i>Public Open Space</i>		-	1 292	-	2 272	2 272	2 272	1 304	829	658
<i>Nature Reserves</i>		-	-	-	-	-	-	-	-	-
<i>Public Ablution Facilities</i>		-	-	161	544	(0)	(0)	522	615	132
<i>Markets</i>		-	-	-	3 500	(0)	(0)	207	48	49
<i>Stalls</i>		-	-	-	-	-	-	-	-	-
<i>Abattoirs</i>		-	-	-	-	-	-	-	-	-
<i>Airports</i>		-	-	-	-	-	-	-	-	-
<i>Taxi Ranks/Bus Terminals</i>		13 879	13 767	209 096	71 474	36 538	36 538	64 174	66 911	69 467
<i>Capital Spares</i>		-	418	189	2 000	2 000	2 000	-	662	845
Sport and Recreation Facilities		-	20 068	34 307	41 546	42 674	42 674	43 947	12 219	11 162
<i>Indoor Facilities</i>		-	-	-	-	-	-	-	-	-
<i>Outdoor Facilities</i>		-	20 068	34 307	41 546	42 674	42 674	43 947	12 002	10 917
<i>Capital Spares</i>		-	-	-	-	-	-	-	217	244
Heritage assets		6 304	6 210	-	-	-	-	-	57	98
Monuments		-	-	-	-	-	-	-	-	-
Historic Buildings		-	-	-	-	-	-	-	-	-
Works of Art		6 304	6 210	-	-	-	-	-	-	-
Conservation Areas		-	-	-	-	-	-	-	57	98
Other Heritage		-	-	-	-	-	-	-	-	-
Investment properties		-	0	279	14 488	4 388	4 388	15 628	11 180	13 692
Revenue Generating		-	0	279	14 488	4 388	4 388	14 606	10 167	12 715
<i>Improved Property</i>		-	-	-	10 000	1 000	1 000	13 043	8 696	10 435
<i>Unimproved Property</i>		-	0	279	4 488	3 388	3 388	1 562	1 471	2 280
Non-revenue Generating		-	-	-	-	-	-	1 022	1 013	977
<i>Improved Property</i>		-	-	-	-	-	-	-	-	-
<i>Unimproved Property</i>		-	-	-	-	-	-	1 022	1 013	977
Other assets		-	2 745	1 369	5 265	2 000	2 000	2 439	1 914	4 073
Operational Buildings		-	2 745	1 369	5 265	2 000	2 000	2 439	1 914	4 073
<i>Municipal Offices</i>		-	-	-	5 265	(0)	(0)	2 274	1 304	2 998
<i>Pay/Enquiry Points</i>		-	-	-	-	-	-	-	-	-
<i>Building Plan Offices</i>		-	-	-	-	-	-	165	-	-
<i>Workshops</i>		-	-	-	-	-	-	-	-	-
<i>Yards</i>		-	-	-	-	-	-	-	-	-
<i>Stores</i>		-	2 416	1 207	-	2 000	2 000	-	-	98
<i>Laboratories</i>		-	-	-	-	-	-	-	-	-

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

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & 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
R thousand	1									
<i>Training Centres</i>		-	-	-	-	-	-	-	-	-
<i>Manufacturing Plant</i>		-	-	-	-	-	-	-	-	-
<i>Depots</i>		-	329	162	-	-	-	-	610	977
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
<i>Housing</i>		-	-	-	-	-	-	-	-	-
<i>Staff Housing</i>		-	-	-	-	-	-	-	-	-
<i>Social Housing</i>		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		(7 101)	(7 383)	(48)	-	-	-	-	-	-
Biological or Cultivated Assets		(7 101)	(7 383)	(48)	-	-	-	-	-	-
Intangible Assets		25 734	25 895	141	-	13 500	13 500	613	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		25 734	25 895	141	-	13 500	13 500	613	-	-
<i>Water Rights</i>		-	-	-	-	-	-	-	-	-
<i>Effluent Licenses</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Licenses</i>		-	-	-	-	-	-	-	-	-
<i>Computer Software and Applications</i>		25 734	25 895	141	-	-	-	613	-	-
<i>Load Settlement Software Applications</i>		-	-	-	-	-	-	-	-	-
<i>Unspecified</i>		-	-	-	-	13 500	13 500	-	-	-
Computer Equipment		7 127	9 610	12 841	2 569	2 569	2 569	2 174	633	586
Computer Equipment		7 127	9 610	12 841	2 569	2 569	2 569	2 174	633	586
Furniture and Office Equipment		860	1 457	262	725	227	227	261	125	122
Furniture and Office Equipment		860	1 457	262	725	227	227	261	125	122
Machinery and Equipment		37 155	39 739	7 411	9 590	8 083	8 083	3 314	1 619	2 138
Machinery and Equipment		37 155	39 739	7 411	9 590	8 083	8 083	3 314	1 619	2 138
Transport Assets		42 765	43 295	51 483	42 800	37 404	37 404	17 391	2 595	1 869
Transport Assets		42 765	43 295	51 483	42 800	37 404	37 404	17 391	2 595	1 869
Land		(8 677)	(8 294)	-	-	-	-	-	-	-
Land		(8 677)	(8 294)	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	139 696	819 591	723 086	700 135	663 959	663 959	637 747	543 524	564 124

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

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & 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
Capital expenditure on renewal of existing assets by Asset Class/Sub-class	1									
Infrastructure		–	49 149	2 094	167 814	96 672	96 672	18 392	27 102	1 411
Roads Infrastructure		–	2 424	2 094	121 314	45 172	45 172	16 218	25 649	228
Roads		–	–	–	120 000	43 859	43 859	15 973	25 414	–
Road Structures		–	2 424	2 094	1 314	1 314	1 314	245	235	228
Road Furniture		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	1 500	1 500	1 500	2 174	1 453	1 183
Power Plants		–	–	–	–	–	–	–	–	–
HV Substations		–	–	–	–	–	–	–	–	–
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		–	–	–	–	–	–	–	917	1 183
MV Substations		–	–	–	–	–	–	–	–	–
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		–	–	–	–	–	–	–	–	–
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	1 500	1 500	1 500	2 174	535	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Dams and Weirs		–	–	–	–	–	–	–	–	–
Boreholes		–	–	–	–	–	–	–	–	–
Reservoirs		–	–	–	–	–	–	–	–	–
Pump Stations		–	–	–	–	–	–	–	–	–
Water Treatment Works		–	–	–	–	–	–	–	–	–
Bulk Mains		–	–	–	–	–	–	–	–	–
Distribution		–	–	–	–	–	–	–	–	–
Distribution Points		–	–	–	–	–	–	–	–	–
PRV Stations		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	46 725	–	45 000	50 000	50 000	–	–	–
Pump Station		–	–	–	–	–	–	–	–	–
Reticulation		–	–	–	–	–	–	–	–	–
Waste Water Treatment Works		–	46 725	–	45 000	50 000	50 000	–	–	–
Outfall Sewers		–	–	–	–	–	–	–	–	–
Toilet Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Landfill Sites		–	–	–	–	–	–	–	–	–
Waste Transfer Stations		–	–	–	–	–	–	–	–	–
Waste Processing Facilities		–	–	–	–	–	–	–	–	–
Waste Drop-off Points		–	–	–	–	–	–	–	–	–
Waste Separation Facilities		–	–	–	–	–	–	–	–	–
Electricity Generation Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines		–	–	–	–	–	–	–	–	–
Rail Structures		–	–	–	–	–	–	–	–	–
Rail Furniture		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps		–	–	–	–	–	–	–	–	–
Piers		–	–	–	–	–	–	–	–	–
Revetments		–	–	–	–	–	–	–	–	–
Promenades		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Data Centres		–	–	–	–	–	–	–	–	–
Core Layers		–	–	–	–	–	–	–	–	–
Distribution Layers		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–

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

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & 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
R thousand	1									
Community Assets		-	1 407	12 413	6 343	10 996	10 996	5 198	3 679	3 908
Community Facilities		-	1 407	12 413	6 343	10 996	10 996	4 850	3 589	3 825
Halls		-	-	1 043	2 000	1 686	1 686	321	67	65
Centres		-	1 082	1 049	1 042	1 559	1 559	442	219	354
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-
Museums		-	94	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Libraries		-	141	1 259	498	698	698	1 304	402	394
Cemeteries/Crematoria		-	-	-	-	-	-	-	-	-
Police		-	-	-	-	-	-	-	-	-
Parks		-	90	-	-	-	-	-	-	-
Public Open Space		-	-	-	-	-	-	-	-	-
Nature Reserves		-	-	-	-	-	-	-	-	-
Public Ablution Facilities		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Stalls		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Airports		-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals		-	-	9 063	2 803	7 053	7 053	2 783	2 901	3 012
Capital Spares		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	348	90	83
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		-	-	-	-	-	-	348	90	83
Capital Spares		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Monuments		-	-	-	-	-	-	-	-	-
Historic Buildings		-	-	-	-	-	-	-	-	-
Works of Art		-	-	-	-	-	-	-	-	-
Conservation Areas		-	-	-	-	-	-	-	-	-
Other Heritage		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Other assets		-	369	3 579	1 364	1 120	1 120	957	500	179
Operational Buildings		-	369	3 579	1 364	1 120	1 120	957	500	179
Municipal Offices		-	369	3 579	1 364	1 120	1 120	957	500	179
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-	-
Workshops		-	-	-	-	-	-	-	-	-
Yards		-	-	-	-	-	-	-	-	-
Stores		-	-	-	-	-	-	-	-	-
Laboratories		-	-	-	-	-	-	-	-	-
Training Centres		-	-	-	-	-	-	-	-	-
Manufacturing Plant		-	-	-	-	-	-	-	-	-
Depots		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Staff Housing		-	-	-	-	-	-	-	-	-
Social Housing		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Water Rights		-	-	-	-	-	-	-	-	-
Effluent Licenses		-	-	-	-	-	-	-	-	-
Solid Waste Licenses		-	-	-	-	-	-	-	-	-
Computer Software and Applications		-	-	-	-	-	-	-	-	-
Load Settlement Software Applications		-	-	-	-	-	-	-	-	-

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

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & 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
<i>Unspecified</i>		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on renewal of existing assets	1	-	50 925	18 087	175 521	108 789	108 789	24 546	31 281	5 498
Renewal of Existing Assets as % of total capex		0.0%	1.0%	1.8%	15.6%	10.6%	10.6%	2.9%	4.2%	0.7%
Renewal of Existing Assets as % of deprecn"		0.0%	7.2%	1.9%	70.2%	43.5%	43.5%	9.4%	11.5%	1.9%

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

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & 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
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure	1	36 623	324 487	492 284	445 816	552 853	552 853	551 604	576 650	604 679
Roads Infrastructure		21 736	36 175	73 227	91 851	115 264	115 264	99 005	103 714	108 752
Roads		21 736	760	-	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	35 415	73 227	91 851	115 264	115 264	99 005	103 714	108 752
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		(21 877)	49 679	108 569	107 148	131 019	131 019	142 021	149 098	156 680
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		(21 877)	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	49 679	108 569	107 148	131 019	131 019	142 021	149 098	156 680
Water Supply Infrastructure		20 025	156 286	220 823	165 921	199 127	199 127	200 368	208 779	219 010
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		20 025	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	156 286	220 823	165 921	199 127	199 127	200 368	208 779	219 010
Sanitation Infrastructure		14 659	4 435	10 627	11 645	18 645	18 645	19 391	20 244	21 155
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		14 659	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	4 435	10 627	11 645	18 645	18 645	19 391	20 244	21 155
Solid Waste Infrastructure		2 080	77 912	79 037	69 252	88 798	88 798	90 820	94 816	99 082
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		2 080	77 912	79 037	69 252	88 798	88 798	90 820	94 816	99 082
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-

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

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & 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
<i>Capital Spares</i>	1	-	-	-	-	-	-	-	-	-
Community Assets		2 598	38 241	39 928	40 785	48 464	48 464	47 873	50 299	52 898
Community Facilities		21	6 645	9 058	8 892	12 836	12 836	11 269	11 765	12 294
<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>		21	-	-	23	23	23	24	25	26
<i>Galleries</i>		-	-	-	-	-	-	-	-	-
<i>Theatres</i>		-	-	-	-	-	-	-	-	-
<i>Libraries</i>		-	-	-	-	-	-	-	-	-
<i>Cemeteries/Crematoria</i>		-	-	-	-	-	-	-	-	-
<i>Police</i>		-	-	-	-	-	-	-	-	-
<i>Parks</i>		-	1 550	2 550	2 000	2 000	2 000	-	-	-
<i>Public Open Space</i>		-	-	-	-	-	-	-	-	-
<i>Nature Reserves</i>		-	8	-	7	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>		-	5 087	6 508	6 861	10 805	10 805	11 237	11 732	12 260
Sport and Recreation Facilities		2 577	31 596	30 869	31 893	35 628	35 628	36 604	38 534	40 604
<i>Indoor Facilities</i>		-	-	-	-	-	-	-	-	-
<i>Outdoor Facilities</i>		2 577	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	31 596	30 869	31 893	35 628	35 628	36 604	38 534	40 604
Heritage assets		-	-	-	-	-	-	-	-	-
<i>Monuments</i>		-	-	-	-	-	-	-	-	-
<i>Historic Buildings</i>		-	-	-	-	-	-	-	-	-
<i>Works of Art</i>		-	-	-	-	-	-	-	-	-
<i>Conservation Areas</i>		-	-	-	-	-	-	-	-	-
<i>Other Heritage</i>		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
<i>Improved Property</i>		-	-	-	-	-	-	-	-	-
<i>Unimproved Property</i>		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<i>Improved Property</i>		-	-	-	-	-	-	-	-	-
<i>Unimproved Property</i>		-	-	-	-	-	-	-	-	-
Other assets		389 456	28 454	37 701	43 660	40 624	40 624	49 358	51 811	54 439
Operational Buildings		389 456	28 454	37 701	43 660	40 624	40 624	49 358	51 811	54 439
<i>Municipal Offices</i>		389 456	28 454	37 701	43 660	40 624	40 624	49 358	51 811	54 439
<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		-	-	-	-	-	-	-	-	-
<i>Staff Housing</i>		-	-	-	-	-	-	-	-	-
<i>Social Housing</i>		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	14 303	10 105	11 192	10 592	10 592	11 016	11 501	12 018
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	14 303	10 105	11 192	10 592	10 592	11 016	11 501	12 018
<i>Water Rights</i>		-	-	-	-	-	-	-	-	-

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

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & 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
R thousand	1									
<i>Effluent Licenses</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Licenses</i>		-	-	-	-	-	-	-	-	-
<i>Computer Software and Applications</i>		-	-	-	-	-	-	-	-	-
<i>Load Settlement Software Applications</i>		-	-	-	-	-	-	-	-	-
<i>Unspecified</i>		-	14 303	10 105	11 192	10 592	10 592	11 016	11 501	12 018
Computer Equipment		-	4 930	4 045	4 320	7 120	7 120	7 405	7 731	8 078
Computer Equipment		-	4 930	4 045	4 320	7 120	7 120	7 405	7 731	8 078
Furniture and Office Equipment		-	12 318	8 827	9 621	9 381	9 381	9 756	10 186	10 644
Furniture and Office Equipment		-	12 318	8 827	9 621	9 381	9 381	9 756	10 186	10 644
Machinery and Equipment		29 174	500	-	3	3	3	3	3	4
Machinery and Equipment		29 174	500	-	3	3	3	3	3	4
Transport Assets		11 381	33 064	34 687	35 940	47 140	47 140	46 357	48 397	50 575
Transport Assets		11 381	33 064	34 687	35 940	47 140	47 140	46 357	48 397	50 575
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Repairs and Maintenance Expenditure	1	469 233	456 298	627 577	591 336	716 177	716 177	723 373	756 577	793 335
R&M as a % of PPE		3.6%	2.8%	3.9%	3.4%	4.2%	1.8%	4.3%	4.5%	4.7%
R&M as % Operating Expenditure		12.8%	10.8%	15.3%	15.6%	17.7%	17.7%	32.8%	18.0%	17.9%

LIM354 Polokwane - Supporting Table SA34d Depreciation by asset class

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & 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
R thousand	1									
Depreciation by Asset Class/Sub-class										
Infrastructure		522 510	462 887	633 626	165 688	165 688	165 688	172 316	179 897	187 993
Roads Infrastructure		522 510	253 098	345 805	88 154	88 154	88 154	91 680	95 714	100 021
Roads		-	-	-	-	-	-	-	-	-
Road Structures		-	249 686	345 805	88 154	88 154	88 154	91 680	95 714	100 021
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		522 510	3 412	-	-	-	-	-	-	-
Storm water Infrastructure		-	28 005	35 592	9 588	9 588	9 588	9 972	10 410	10 879
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	28 005	35 592	9 588	9 588	9 588	9 972	10 410	10 879
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		(0)	34 915	44 375	11 954	11 954	11 954	12 432	12 979	13 563
Power Plants		(0)	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	34 915	44 375	11 954	11 954	11 954	12 432	12 979	13 563
Water Supply Infrastructure		-	-	7 732	2 083	2 083	2 083	2 166	2 262	2 363
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	7 732	2 083	2 083	2 083	2 166	2 262	2 363
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	24 661	31 346	8 444	8 444	8 444	8 782	9 168	9 581
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	24 661	31 346	8 444	8 444	8 444	8 782	9 168	9 581
Solid Waste Infrastructure		-	119 880	165 812	44 667	44 667	44 667	46 454	48 498	50 680
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	119 880	165 812	44 667	44 667	44 667	46 454	48 498	50 680
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	2 328	2 962	798	798	798	830	866	905
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-

LIM354 Polokwane - Supporting Table SA34d Depreciation by asset class

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & 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
<i>Capital Spares</i>	1	-	2 328	2 962	798	798	798	830	866	905
Community Assets		123 163	119 651	152 100	40 973	40 973	40 973	42 612	44 487	46 489
Community Facilities		123 163	31 767	40 404	10 884	10 884	10 884	11 319	11 817	12 349
<i>Halls</i>		-	-	-	-	-	-	-	-	-
<i>Centres</i>		-	2 616	3 326	896	896	896	932	973	1 017
<i>Crèches</i>		-	-	-	-	-	-	-	-	-
<i>Clinics/Care Centres</i>		-	201	256	69	69	69	72	75	78
<i>Fire/Ambulance Stations</i>		-	2 458	3 126	842	842	842	876	914	955
<i>Testing Stations</i>		-	427	546	147	147	147	153	160	167
<i>Museums</i>		-	-	-	-	-	-	-	-	-
<i>Galleries</i>		-	-	-	-	-	-	-	-	-
<i>Theatres</i>		-	-	-	-	-	-	-	-	-
<i>Libraries</i>		-	-	-	-	-	-	-	-	-
<i>Cemeteries/Crematoria</i>		-	870	1 106	298	298	298	310	324	338
<i>Police</i>		-	-	-	-	-	-	-	-	-
<i>Parks</i>		-	-	-	-	-	-	-	-	-
<i>Public Open Space</i>		-	4 431	5 631	1 517	1 517	1 517	1 578	1 647	1 721
<i>Nature Reserves</i>		-	-	-	-	-	-	-	-	-
<i>Public Ablution Facilities</i>		-	87	111	30	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>		123 163	20 676	26 301	7 085	7 085	7 085	7 368	7 693	8 039
Sport and Recreation Facilities		-	87 884	111 696	30 089	30 089	30 089	31 293	32 669	34 140
<i>Indoor Facilities</i>		-	-	-	-	-	-	-	-	-
<i>Outdoor Facilities</i>		-	-	7 075	1 906	1 906	1 906	1 982	2 069	2 163
<i>Capital Spares</i>		-	87 884	104 621	28 183	28 183	28 183	29 310	30 600	31 977
Heritage assets		-	6 208	-	-	-	-	-	-	-
<i>Monuments</i>		-	-	-	-	-	-	-	-	-
<i>Historic Buildings</i>		-	-	-	-	-	-	-	-	-
<i>Works of Art</i>		-	6 208	-	-	-	-	-	-	-
<i>Conservation Areas</i>		-	-	-	-	-	-	-	-	-
<i>Other Heritage</i>		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
<i>Improved Property</i>		-	-	-	-	-	-	-	-	-
<i>Unimproved Property</i>		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
<i>Improved Property</i>		-	-	-	-	-	-	-	-	-
<i>Unimproved Property</i>		-	-	-	-	-	-	-	-	-
Other assets		-	-	4 340	1 169	1 169	1 169	1 216	1 269	1 326
Operational Buildings		-	-	4 340	1 169	1 169	1 169	1 216	1 269	1 326
<i>Municipal Offices</i>		-	-	4 340	1 169	1 169	1 169	1 216	1 269	1 326
<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		-	-	-	-	-	-	-	-	-
<i>Staff Housing</i>		-	-	-	-	-	-	-	-	-
<i>Social Housing</i>		-	-	-	-	-	-	-	-	-
<i>Capital Spares</i>		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	160	43	43	43	45	47	49
<i>Servitudes</i>		-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>		-	-	160	43	43	43	45	47	49
<i>Water Rights</i>		-	-	-	-	-	-	-	-	-

LIM354 Polokwane - Supporting Table SA34d Depreciation by asset class

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & 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
<i>Effluent Licenses</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Licenses</i>		-	-	-	-	-	-	-	-	-
<i>Computer Software and Applications</i>		-	-	160	43	43	43	45	47	49
<i>Load Settlement Software Applications</i>		-	-	-	-	-	-	-	-	-
<i>Unspecified</i>		-	-	-	-	-	-	-	-	-
Computer Equipment		8 236	6 845	8 817	2 375	2 375	2 375	2 470	2 579	2 695
Computer Equipment		8 236	6 845	8 817	2 375	2 375	2 375	2 470	2 579	2 695
Furniture and Office Equipment		7 411	26 194	33 421	9 003	9 003	9 003	9 363	9 775	10 215
Furniture and Office Equipment		7 411	26 194	33 421	9 003	9 003	9 003	9 363	9 775	10 215
Machinery and Equipment		2 184	10 171	13 022	3 508	3 508	3 508	3 648	3 809	3 980
Machinery and Equipment		2 184	10 171	13 022	3 508	3 508	3 508	3 648	3 809	3 980
Transport Assets		13 343	79 147	101 123	27 241	27 241	27 241	28 331	29 577	30 908
Transport Assets		13 343	79 147	101 123	27 241	27 241	27 241	28 331	29 577	30 908
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Depreciation	1	676 847	711 102	946 607	250 000	250 000	250 000	260 000	271 440	283 655

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

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & 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
R thousand	1									
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		4 038 526	4 283 505	223 829	237 559	241 491	241 491	175 850	169 681	180 208
Roads Infrastructure		-	132 526	108 249	143 829	151 382	151 382	167 922	153 627	163 409
Roads		-	-	8 597	23 601	10 000	10 000	64 348	68 465	55 334
Road Structures		-	132 526	99 652	120 228	141 382	141 382	101 939	83 895	107 098
Road Furniture		-	-	-	-	-	-	1 635	1 267	977
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	3 450	-	-	102	3 695	7 934
Drainage Collection		-	-	-	3 450	-	-	102	3 695	7 934
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		4 038 526	4 038 526	-	7 000	2 000	2 000	870	5 964	4 224
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	870	612	845
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		4 038 526	4 038 526	-	7 000	2 000	2 000	-	5 352	3 379
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	12 513	4 660	15 000	6 003	6 003	4 348	6 087	4 348
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	786	1 872	-	6 003	6 003	4 348	6 087	4 348
Bulk Mains		-	11 727	2 788	5 000	(0)	(0)	-	-	-
Distribution		-	-	-	10 000	(0)	(0)	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	87 309	109 671	63 280	78 106	78 106	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	87 309	109 671	63 280	78 106	78 106	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	4 195	1 249	-	-	-	-	-	-
Landfill Sites		-	4 195	1 249	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	8 437	-	5 000	4 000	4 000	2 609	308	293
Data Centres		-	8 437	-	5 000	4 000	4 000	2 609	308	293
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Community Assets		-	953	23 142	8 631	5 942	5 942	696	648	1 357

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

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & 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
R thousand	1									
Community Facilities		-	-	1 213	3 087	2 942	2 942	696	648	1 357
Halls		-	-	-	-	-	-	-	-	-
Centres		-	-	-	1 087	359	359	-	328	352
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	2 582	2 582	696	98	93
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria		-	-	-	-	-	-	-	-	-
Police		-	-	-	-	-	-	-	-	-
Parks		-	-	-	-	-	-	-	-	-
Public Open Space		-	-	-	-	-	-	-	-	326
Nature Reserves		-	-	-	-	-	-	-	127	489
Public Ablution Facilities		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Stalls		-	-	-	-	-	-	-	96	98
Abattoirs		-	-	-	-	-	-	-	-	-
Airports		-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals		-	-	-	2 000	(0)	(0)	-	-	-
Capital Spares		-	-	1 213	-	-	-	-	-	-
Sport and Recreation Facilities		-	953	21 929	5 544	3 000	3 000	-	-	-
Indoor Facilities		-	-	-	-	-	-	-	-	-
Outdoor Facilities		-	953	21 929	5 544	3 000	3 000	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-
Monuments		-	-	-	-	-	-	-	-	-
Historic Buildings		-	-	-	-	-	-	-	-	-
Works of Art		-	-	-	-	-	-	-	-	-
Conservation Areas		-	-	-	-	-	-	-	-	-
Other Heritage		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	321	321	321	-	127	244
Revenue Generating		-	-	-	321	321	321	-	127	244
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	321	321	321	-	127	244
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-	-
Other assets		-	4 218	5 836	6 393	3 967	3 967	2 609	2 351	2 327
Operational Buildings		-	4 218	5 836	6 393	3 967	3 967	2 609	2 351	2 327
Municipal Offices		-	4 218	5 262	5 849	3 671	3 671	2 609	2 199	2 182
Pay/Enquiry Points		-	-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-	-
Workshops		-	-	-	-	-	-	-	-	-
Yards		-	-	-	544	296	296	-	152	145
Stores		-	-	573	-	-	-	-	-	-
Laboratories		-	-	-	-	-	-	-	-	-
Training Centres		-	-	-	-	-	-	-	-	-
Manufacturing Plant		-	-	-	-	-	-	-	-	-
Depots		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Staff Housing		-	-	-	-	-	-	-	-	-
Social Housing		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-	-
Water Rights		-	-	-	-	-	-	-	-	-
Effluent Licenses		-	-	-	-	-	-	-	-	-
Solid Waste Licenses		-	-	-	-	-	-	-	-	-
Computer Software and Applications		-	-	-	-	-	-	-	-	-
Load Settlement Software Applications		-	-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-	-
Computer Equipment		(89)	(312)	(11)	-	-	-	-	-	-
Computer Equipment		(89)	(312)	(11)	-	-	-	-	-	-

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

Description	Ref	2018/19	2019/20	2020/21	Current Year 2021/22			2022/23 Medium Term Revenue & 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
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on upgrading of existing assets	1	4 038 437	4 288 364	252 796	252 904	251 721	251 721	179 155	172 806	184 136
<i>Upgrading of Existing Assets as % of total capex</i>		0.0%	83.1%	25.4%	22.4%	24.6%	24.6%	21.3%	23.1%	24.4%
<i>Upgrading of Existing Assets as % of deprecn"</i>		596.7%	603.1%	26.7%	101.2%	100.7%	100.7%	68.9%	63.7%	64.9%

LIM354 Polokwane - Supporting Table SA35 Future financial implications of the capital budget

Vote Description	Ref	2022/23 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	Forecast 2025/26	Forecast 2026/27	Forecast 2027/28	Present value
R thousand								
Capital expenditure	1							
Vote 1 - Chief operations office		1 030	1 778	2 877				
Vote 2 - Municipal managers office		-	-	-				
Vote 3 - Water and sanitation		276 857	255 215	241 651				
Vote 4 - Energy services		109 913	89 183	91 064				
Vote 5 - Community Services		53 862	27 307	20 468				
Vote 6 - Public safety		1 922	4 150	5 569				
Vote 7 - Corporate and Shared Services		35 236	4 343	4 306				
Vote 8 - Planning and Economic Development		16 823	11 919	15 858				
Vote 9 - Budget and Treasury office		-	-	-				
Vote 10 - Transport Operations		345 805	353 716	371 966				
Vote 11 - Human Settlement		-	-	-				
Vote 12 -		-	-	-				
Vote 13 -		-	-	-				
Vote 14 -		-	-	-				
Vote 15 -		-	-	-				
<i>List entity summary if applicable</i>								
Total Capital Expenditure		841 448	747 611	753 759	-	-	-	-
Future operational costs by vote	2							
Vote 1 - Chief operations office								
Vote 2 - Municipal managers office								
Vote 3 - Water and sanitation								
Vote 4 - Energy services								
Vote 5 - Community Services								
Vote 6 - Public safety								
Vote 7 - Corporate and Shared Services								
Vote 8 - Planning and Economic Development								
Vote 9 - Budget and Treasury office								
Vote 10 - Transport Operations								
Vote 11 - Human Settlement								
Vote 12 -								
Vote 13 -								
Vote 14 -								
Vote 15 -								
<i>List entity summary if applicable</i>								
Total future operational costs		-	-	-	-	-	-	-
Future revenue by source	3							
Property rates								
Service charges - electricity revenue								
Service charges - water revenue								
Service charges - sanitation revenue								
Service charges - refuse revenue								
Rental of facilities and equipment								
<i>List other revenues sources if applicable</i>								
<i>List entity summary if applicable</i>								
Total future revenue		-	-	-	-	-	-	-
Net Financial Implications		841 448	747 611	753 759	-	-	-	-

Road Transport	Upgrading of road from Sengatane (D333	N/A		Promotion of economic growth, job creation and sustainable development	Infrastructure	Roads Infrastructure		N/A	N/A		2 136	1 838	4 000
Road Transport	Upgrading of Bloodriver main road via Mula	N/A		Promotion of economic growth, job creation and sustainable development	Infrastructure	Roads Infrastructure		N/A	N/A		2 136	1 838	4 000
Road Transport	Upgrading of arterial road D3472 Ga-Setaf	N/A		Promotion of economic growth, job creation and sustainable development	Infrastructure	Roads Infrastructure		N/A	N/A		2 136	1 838	4 000
Road Transport	Upgrading of road D3432 from Ga-Mosi(Gil	N/A		Promotion of economic growth, job creation and sustainable development	Infrastructure	Roads Infrastructure		N/A	N/A		2 136	1 838	4 000
Road Transport	Upgrading of road from Leokama to Moshu	N/A		Promotion of economic growth, job creation and sustainable development	Infrastructure	Roads Infrastructure		N/A	N/A		2 136	1 838	4 000
Road Transport	Upgrading of internal street in westernburg	N/A		Promotion of economic growth, job creation and sustainable development	Infrastructure	Roads Infrastructure		N/A	N/A		2 136	1 838	4 000
Road Transport	Upgrading of road D3989 Ga-mamabolo to	N/A		Promotion of economic growth, job creation and sustainable development	Infrastructure	Roads Infrastructure		N/A	N/A		2 136	1 838	4 000
Road Transport	Upgrading of internal street from gravel to t	N/A		Promotion of economic growth, job creation and sustainable development	Infrastructure	Roads Infrastructure		N/A	N/A		2 136	1 838	4 000
Road Transport	Upgrading of internal street along Dikolobe	N/A		Promotion of economic growth, job creation and sustainable development	Infrastructure	Roads Infrastructure		N/A	N/A		2 136	1 838	4 000
Road Transport	Upgrading of road in ga Thoka from reservi	N/A		Promotion of economic growth, job creation and sustainable development	Infrastructure	Roads Infrastructure		N/A	N/A		2 136	1 838	4 000
Road Transport	Upgrading of Bus road from R71 to Dinoker	N/A		Promotion of economic growth, job creation and sustainable development	Infrastructure	Roads Infrastructure		N/A	N/A		2 136	1 838	4 000
Road Transport	Upgrading of arterial road from Madiga to M	N/A		Promotion of economic growth, job creation and sustainable development	Infrastructure	Roads Infrastructure		N/A	N/A		2 136	1 838	4 000
Road Transport	Upgrading of arterial road in Tshware from	N/A		Promotion of economic growth, job creation and sustainable development	Infrastructure	Roads Infrastructure		N/A	N/A		2 136	1 838	4 000
Road Transport	Upgrading of road internal street in Tlhatla	N/A		Promotion of economic growth, job creation and sustainable development	Infrastructure	Roads Infrastructure		N/A	N/A		2 136	1 838	4 000
Road Transport	Upgrading of internal street from Solomond	N/A		Promotion of economic growth, job creation and sustainable development	Infrastructure	Roads Infrastructure		N/A	N/A		2 136	1 838	4 000
Road Transport	Upgrading of arterial road D3997 from GaM	N/A		Promotion of economic growth, job creation and sustainable development	Infrastructure	Roads Infrastructure		N/A	N/A		2 136	1 838	4 000
Road Transport	Upgrading of road from Ga Mamphaka to S	N/A		Promotion of economic growth, job creation and sustainable development	Infrastructure	Roads Infrastructure		N/A	N/A		2 136	1 838	4 000
Road Transport	Upgrading of arterial road D3413 Ramakga	N/A		Promotion of economic growth, job creation and sustainable development	Infrastructure	Roads Infrastructure		N/A	N/A		2 136	1 838	4 000
Road Transport	Upgrading of road from Ralema primary sch	N/A		Promotion of economic growth, job creation and sustainable development	Infrastructure	Roads Infrastructure		N/A	N/A		2 136	1 838	4 000
Road Transport	Upgrading of internal street in Moletjje Ga-1	N/A		Promotion of economic growth, job creation and sustainable development	Infrastructure	Roads Infrastructure		N/A	N/A		2 136	1 838	4 000
Road Transport	Upgrading of Internal Street in Ga Ujane to	N/A		Promotion of economic growth, job creation and sustainable development	Infrastructure	Roads Infrastructure		N/A	N/A		2 136	1 838	4 000
Road Transport	Upgrading of arterial road D3355 from Mon	N/A		Promotion of economic growth, job creation and sustainable development	Infrastructure	Roads Infrastructure		N/A	N/A		2 136	1 838	4 000
Road Transport	Upgrading of arterial road in Magongwa vill	N/A		Promotion of economic growth, job creation and sustainable development	Infrastructure	Roads Infrastructure		N/A	N/A		2 136	1 838	4 000
Road Transport	Upgrading of arterial road D3383 in Setum	N/A		Promotion of economic growth, job creation and sustainable development	Infrastructure	Roads Infrastructure		N/A	N/A		2 136	1 838	4 000
Road Transport	Complete the incomplete road from Kordon	N/A		Promotion of economic growth, job creation and sustainable development	Infrastructure	Roads Infrastructure		N/A	N/A		2 136	1 838	4 000
Road Transport	Upgrading of arterial road D3426 in Ga- Ra	N/A		Promotion of economic growth, job creation and sustainable development	Infrastructure	Roads Infrastructure		N/A	N/A				4 000
Road Transport	Rehabilitation of City CBD Roads - Phase 2	N/A		Promotion of economic growth, job creation and sustainable development	Infrastructure	Roads Infrastructure		N/A	N/A				
Road Transport	Rehabilitation of City CBD Roads - Phase 3	N/A		Promotion of economic growth, job creation and sustainable development	Infrastructure	Roads Infrastructure		N/A	N/A				
Water Management	Installation of (Smart Meters) in the Municip	N/A		To ensure provision of basic and environmental services	Infrastructure	Water Supply Infrastructure	8	N/A	N/A				
Water Management	Segwasi RWS	N/A		To ensure provision of basic and environmental services	Infrastructure	Water Supply Infrastructure	8	N/A	N/A		6 302	5 000	5 600
Water Management	Badimong RWS phase 10	N/A		To ensure provision of basic and environmental services	Infrastructure	Water Supply Infrastructure	Extension 126	N/A	N/A		2 000		
Water Management	Aganang RWS (3)(Ramalapa,Mashamaite	N/A		To ensure provision of basic and environmental services	Infrastructure	Water Supply Infrastructure	10,16,36,37	N/A	N/A		34 858	30 000	20 000
Water Management	Thakgalang Rural Sanitation Phase 1	N/A		To ensure provision of basic and environmental services	Infrastructure	Water Supply Infrastructure	6.24	N/A	N/A		10 000	10 000	8 000
Water Management	Moletjje North RWS	N/A		To ensure provision of basic and environmental services	Infrastructure	Water Supply Infrastructure	15,36,38	N/A	N/A		12 000	7 000	
Water Management	Moletjje South RWS	N/A		To ensure provision of basic and environmental services	Infrastructure	Water Supply Infrastructure	35	N/A	N/A		12 000	5 000	
Water Management	Bakone RWS	N/A		To ensure provision of basic and environmental services	Infrastructure	Water Supply Infrastructure	29,30,31,32,33	N/A	N/A			15 700	43 271
Water Management	Ground Water Development	N/A		To ensure provision of basic and environmental services	Infrastructure	Water Supply Infrastructure	9	N/A	N/A		18 000		
Waste Water Management	Plants and Equipments	N/A		To ensure provision of basic and environmental services	Infrastructure	Water Supply Infrastructure	09,16,18,35	N/A	N/A		16	15	15
Waste Water Management	Regional waste Water treatment plant	N/A		To ensure provision of basic and environmental services	Infrastructure	Water Supply Infrastructure	Molepo	N/A	N/A		136 584	120 597	126 013
Water Management	Olifantspoort RWS (Mmotong wa Perekisi)	N/A		To ensure provision of basic and environmental services	Infrastructure	Water Supply Infrastructure	molepo	N/A	N/A		8 000	8 000	5 000
Water Management	Mothapo RWS	N/A		To ensure provision of basic and environmental services	Infrastructure	Water Supply Infrastructure	laastehoop	N/A	N/A		8 000	8 000	5 000
Water Management	Moletjje East RWS 2	N/A		To ensure provision of basic and environmental services	Infrastructure	Water Supply Infrastructure	mankweng	N/A	N/A		4 265	4 186	5 000
Water Management	Moletjje North RWS	N/A		To ensure provision of basic and environmental services	Infrastructure	Water Supply Infrastructure	boyne	N/A	N/A				
Water Management	Sebayeng/Dikgale RWS 2	N/A		To ensure provision of basic and environmental services	Infrastructure	Water Supply Infrastructure	aganang	N/A	N/A		5 000	8 000	5 000
Water Management	Moletjje South RWS	N/A		To ensure provision of basic and environmental services	Infrastructure	Water Supply Infrastructure	aganang	N/A	N/A				
Water Management	Houtriver phase 10	N/A		To ensure provision of basic and environmental services	Infrastructure	Water Supply Infrastructure	Mashashane	N/A	N/A		7 000	7 000	5 000
Water Management	Chuene Maja RWS phase 10	N/A		To ensure provision of basic and environmental services	Infrastructure	Water Supply Infrastructure	City ,Sehego and Mankweng	N/A	N/A		8 000	6 000	5 000
Water Management	Molepo RWS phase 10	N/A		To ensure provision of basic and environmental services	Infrastructure	Water Supply Infrastructure	mankweng	N/A	N/A		8 000	8 000	5 000
Water Management	Laastehoop RWS phase 12	N/A		To ensure provision of basic and environmental services	Infrastructure	Water Supply Infrastructure	mankweng	N/A	N/A		5 000	7 000	5 000
Water Management	Mankweng RWS phase 12	N/A		To ensure provision of basic and environmental services	Infrastructure	Water Supply Infrastructure	23	N/A	N/A		7 000	7 000	5 000
Water Management	Boyne RWS phase 10	N/A		To ensure provision of basic and environmental services	Infrastructure	Water Supply Infrastructure	37,12,16,11,10	N/A	N/A		8 000	7 000	5 000
Water Management	Aganang RWS (2) (Mahoi and Rammetlo	N/A		To ensure provision of basic and environmental services	Infrastructure	Water Supply Infrastructure	40,41,42,43,44,45	N/A	N/A		17 000	20 000	15 000
Water Management	Bakone RWS (for development of technica	N/A		To ensure provision of basic and environmental services	Infrastructure	Water Supply Infrastructure	municipal wide	N/A	N/A		1 361	10 000	10 000
Water Management	Mashashane Water Works	N/A		To ensure provision of basic and environmental services	Infrastructure	Water Supply Infrastructure	city	N/A	N/A		5 000	7 000	5 000
Energy Sources	Illumination of Public areas road (Street Lig	N/A		To ensure provision of basic and environmental services	Infrastructure	Electrical Infrastructure	8	N/A	N/A		2 000	176	
Energy Sources	Installation of streetlights at Nelson Mandel	N/A		To ensure provision of basic and environmental services	Infrastructure	Electrical Infrastructure	municipal wide	N/A	N/A			528	583
Energy Sources	Illumination of public areas (Streetlights): Ki	N/A		To ensure provision of basic and environmental services	Infrastructure	Electrical Infrastructure	11,12,13,14,37,08,19,20,21,22,23	N/A	N/A		1 000	88	
Energy Sources	Illumination of public areas (High mast ligh	N/A		To ensure provision of basic and environmental services	Infrastructure	Electrical Infrastructure	11,12,13,14,37,08,19,20,21,22,23	N/A	N/A		5 000	967	1 166
Energy Sources	Illumination of public areas (High mast ligh	N/A		To ensure provision of basic and environmental services	Infrastructure	Electrical Infrastructure	11,12,13,14,37,08,19,20,21,22,23	N/A	N/A			352	427
Energy Sources	Retrofit streetlights with LED lights	N/A		To ensure provision of basic and environmental services	Infrastructure	Electrical Infrastructure	11,12,13,14,37,08,19,20,21,22,23	N/A	N/A			528	777
Energy Sources	Retrofit high mast lights with LED lights	N/A		To ensure provision of basic and environmental services	Infrastructure	Electrical Infrastructure	11,12,13,14,37,08,19,20,21,22,23	N/A	N/A			440	583
Energy Sources	Upgrade SCADA and RTU	N/A		To ensure provision of basic and environmental services	Infrastructure	Electrical Infrastructure	11,12,13,14,37,08,19,20,21,22,23	N/A	N/A		2 500	2 374	2 915
Energy Sources	Replacement of overhead lines by undergr	N/A		To ensure provision of basic and environmental services	Infrastructure	Electrical Infrastructure	11,12,13,14,37,08,19,20,21,22,23	N/A	N/A				
Energy Sources	Replacement of Oil RMU's and Substation	N/A		To ensure provision of basic and environmental services	Infrastructure	Electrical Infrastructure	11,12,13,14,37,08,19,20,21,22,23	N/A	N/A		2 000	528	680
Energy Sources	Replacement of Fiber glass enclosures	N/A		To ensure provision of basic and environmental services	Infrastructure	Electrical Infrastructure	11,12,13,14,37,08,19,20,21,22,23	N/A	N/A			879	972
Energy Sources	Install New Bakone to IOTA 66kV double c	N/A		To ensure provision of basic and environmental services	Infrastructure	Electrical Infrastructure		N/A	N/A		30 000	3 517	1 943
Energy Sources	Build 66kV/Bakone substation	N/A		To ensure provision of basic and environmental services	Infrastructure	Electrical Infrastructure		N/A	N/A		20 000		
Energy Sources	Electrification Of Urban Households in Ext	N/A		To ensure provision of basic and environmental services	Infrastructure	Electrical Infrastructure		N/A	N/A			3 517	2 915
Energy Sources	Power factor corrections in the following su	N/A		To ensure provision of basic and environmental services	Infrastructure	Electrical Infrastructure		N/A	N/A				
Energy Sources	Plant and Equipment	N/A		To ensure provision of basic and environmental services	Infrastructure	Electrical Infrastructure		N/A	N/A		1 200	967	1 166
Energy Sources	Increase license area assets	N/A		To ensure provision of basic and environmental services	Infrastructure	Electrical Infrastructure		N/A	N/A		300	8 792	9 716
Energy Sources	Installation of 3x185mm ² cables from Stero	N/A		To ensure provision of basic and environmental services	Infrastructure	Electrical Infrastructure		N/A	N/A			879	
Energy Sources	Retrofit Protection Relays at Substations: S	N/A		To ensure provision of basic and environmental services	Infrastructure	Electrical Infrastructure		N/A	N/A		1 000	703	972
Energy Sources	Replace 66kV Bus Bars & Breakers at Gan	N/A		To ensure provision of basic and environmental services	Infrastructure	Electrical Infrastructure		N/A	N/A				
Energy Sources	Replacement of Fences at Substations: Ho	N/A		To ensure provision of basic and environmental services	Infrastructure	Electrical Infrastructure		N/A	N/A			88	
Energy Sources	Replacement of Fences at Substations: Le	N/A		To ensure provision of basic and environmental services	Infrastructure	Electrical Infrastructure		N/A	N/A			88	
Energy Sources	Replacement of Fences at Substations: Su	N/A		To ensure provision of basic and environmental services	Infrastructure	Electrical Infrastructure		N/A	N/A			88	
Energy Sources	Replacement of Fences at Substations: La	N/A		To ensure provision of basic and environmental services	Infrastructure	Electrical Infrastructure		N/A	N/A			176	194
Energy Sources	Replacement of Fences at Substations: Inc	N/A		To ensure provision of basic and environmental services	Infrastructure	Electrical Infrastructure		N/A	N/A			176	194

Sport and Recreation	Upgrading of Mankweng Unit A Park	N/A		To ensure the provision of basic and environmental services in a su	Community Assets	Community Facilities		N/A	N/A	-	-	-	-	187
Sport and Recreation	Greening programme	N/A		To ensure the provision of basic and environmental services in a su	Community Assets	Community Facilities		N/A	N/A	-	-	1 500	670	700
Sport and Recreation	Development of a regional parks In Rural A	N/A		To ensure the provision of basic and environmental services in a su	Community Assets	Community Facilities		N/A	N/A	-	-	-	550	1 000
Public Safety	Installation of CCTV cameras and fibre net	N/A		To ensure the provision of basic and environmental services in a su	Community Assets	Community Facilities	city	N/A	N/A	-	-	542	271	300
Public Safety	Provision two way radios	N/A		To ensure the provision of basic and environmental services in a su	Community Assets	Community Facilities	city	N/A	N/A	-	-	-	42	19
Public Safety	Provision of Access Control Systems and e	N/A		To ensure the provision of basic and environmental services in a su	Community Assets	Community Facilities	city	N/A	N/A	-	-	-	167	187
Public Safety	Supply of National flags	N/A		To ensure the provision of basic and environmental services in a su	Community Assets	Community Facilities	city	N/A	N/A	-	-	-	21	-
Public Safety	Supply and installation of prohibited signs	N/A		To ensure the provision of basic and environmental services in a su	Community Assets	Community Facilities	city	N/A	N/A	-	-	-	37	-
Public Safety	Supply and delivery of mobile guard house	N/A		To ensure the provision of basic and environmental services in a su	Community Assets	Community Facilities	city	N/A	N/A	-	-	-	104	140
Public Safety	Purchase of firearms	N/A		To ensure the provision of basic and environmental services in a su	Community Assets	Community Facilities	city	N/A	N/A	-	-	-	-	67
Public Safety	Purchase of mobile container	N/A		To ensure the provision of basic and environmental services in a su	Community Assets	Community Facilities	city	N/A	N/A	-	-	-	-	112
Water Management	Extension of landfill site(Weltevreden)	N/A		To ensure the provision of basic and environmental services in a su	Other Assets	Other Assets	municipal wide	N/A	N/A	-	-	196	833	843
Water Management	240 litre bins	N/A		To ensure the provision of basic and environmental services in a su	Other Assets	Other Assets	municipal wide	N/A	N/A	-	-	632	131	187
Water Management	6 & 9 M3 Skip containers	N/A		To ensure the provision of basic and environmental services in a su	Other Assets	Other Assets	municipal wide	N/A	N/A	-	-	500	144	187
Water Management	Procurement of Concrete Street Bins	N/A		To ensure the provision of basic and environmental services in a su	Other Assets	Other Assets	seshego	N/A	N/A	-	-	-	333	187
Water Management	Seshego transfer station	N/A		To ensure the provision of basic and environmental services in a su	Other Assets	Other Assets	19	N/A	N/A	-	-	-	271	281
Water Management	Westemburg Transfer Station	N/A		To ensure the provision of basic and environmental services in a su	Other Assets	Other Assets	mankweng	N/A	N/A	-	-	-	271	281
Water Management	Building plans for Mankweng transfer stati	N/A		To ensure the provision of basic and environmental services in a su	Other Assets	Other Assets	municipal wide	N/A	N/A	-	-	190	-	-
Water Management	Purchase of Educational and Awareness e	N/A		To ensure the provision of basic and environmental services in a su	Other Assets	Other Assets	municipal wide	N/A	N/A	-	-	350	62	47
Water Management	No dumping Boards	N/A		To ensure the provision of basic and environmental services in a su	Other Assets	Other Assets	mankweng	N/A	N/A	-	-	150	83	94
Water Management	Mankweng depot truck wash bay	N/A		To ensure the provision of basic and environmental services in a su	Other Assets	Other Assets	seshego	N/A	N/A	-	-	-	142	-
Water Management	Seshego depot truck wash bay	N/A		To ensure the provision of basic and environmental services in a su	Other Assets	Other Assets	mankweng	N/A	N/A	-	-	-	144	-
Water Management	Construction of septic tank at Mankweng tr	N/A		To ensure the provision of basic and environmental services in a su	Other Assets	Other Assets	ladanna	N/A	N/A	-	-	-	142	-
Water Management	Gates and parameter fence at Ladanna de	N/A		To ensure the provision of basic and environmental services in a su	Other Assets	Other Assets	23	N/A	N/A	-	-	-	146	-
Water Management	Extension of boardroom at waste offices	N/A		To ensure the provision of basic and environmental services in a su	Other Assets	Other Assets	23	N/A	N/A	-	-	-	94	-
Water Management	Installation of air conditioners at Waste Ma	N/A		To ensure the provision of basic and environmental services in a su	Other Assets	Other Assets	municipal wide	N/A	N/A	-	-	-	-	-
Water Management	Installation of CCTV cameras at the landfill	N/A		To ensure the provision of basic and environmental services in a su	Other Assets	Other Assets	molepo	N/A	N/A	-	-	-	125	-
Water Management	Purchase of street pavement bins	N/A		To ensure the provision of basic and environmental services in a su	Other Assets	Other Assets	maja	N/A	N/A	-	-	-	-	94
Water Management	Purchase of truck washing machines	N/A		To ensure the provision of basic and environmental services in a su	Other Assets	Other Assets	chuene	N/A	N/A	-	-	-	-	112
Water Management	Purchase of speed points for the Land fill s	N/A		To ensure the provision of basic and environmental services in a su	Other Assets	Other Assets		N/A	N/A	-	-	-	-	187
Water Management	Rural transfer Station(Molepo)	N/A		To ensure the provision of basic and environmental services in a su	Other Assets	Other Assets		N/A	N/A	-	-	6 000	-	-
Water Management	Ga- Maja transfer (Planning)	N/A		To ensure the provision of basic and environmental services in a su	Other Assets	Other Assets		N/A	N/A	-	-	-	4 500	2 000
Water Management	Ga- Chuene transfer station(Planning)	N/A		To ensure the provision of basic and environmental services in a su	Other Assets	Other Assets		N/A	N/A	-	-	-	4 500	2 000
Sport and Recreation	Grass Cutting equipment's	N/A		To ensure social protection and education o	Community Assets	Sport and Recreation Facilities	municipal wide	N/A	N/A	-	-	215	167	187
Sport and Recreation	Procurement of Conference Table and Cha	N/A		To ensure social protection and education o	Community Assets	Sport and Recreation Facilities	44	N/A	N/A	-	-	-	71	84
Sport and Recreation	Establishment of artificial grass surfaces in	N/A		To ensure social protection and education o	Community Assets	Sport and Recreation Facilities	sebayang	N/A	N/A	-	-	-	250	281
Sport and Recreation	Construction of clear view fencing around t	N/A		To ensure social protection and education o	Community Assets	Sport and Recreation Facilities	peter mokaba stadium	N/A	N/A	-	-	-	312	318
Sport and Recreation	Nirvana stadium outside field and abluion f	N/A		To ensure social protection and education o	Community Assets	Sport and Recreation Facilities	municipal wide	N/A	N/A	-	-	-	416	318
Sport and Recreation	Procurement of fields maintenance equipm	N/A		To ensure social protection and education o	Community Assets	Sport and Recreation Facilities	municipal wide	N/A	N/A	-	-	-	271	281
Sport and Recreation	Procurement of Sports Fields Poles and Ne	N/A		To ensure social protection and education o	Community Assets	Sport and Recreation Facilities	19	N/A	N/A	-	-	-	208	281
Sport and Recreation	EXT 44/78 Sports and Recreation Facility	N/A		To ensure social protection and education o	Community Assets	Sport and Recreation Facilities	municipal wide	N/A	N/A	-	-	8 000	9 000	-
Sport and Recreation	Construction of Sebayang / Dikgale Sport C	N/A		To ensure social protection and education o	Community Assets	Sport and Recreation Facilities	municipal wide	N/A	N/A	-	-	1 361	3 349	10 755
Sport and Recreation	Construction of Softball stadium in City Clu	N/A		To ensure social protection and education o	Community Assets	Sport and Recreation Facilities	8	N/A	N/A	-	-	5 608	-	-
Sport and Recreation	Upgrading of Mankweng Stadium-roadwor	N/A		To ensure social protection and education o	Community Assets	Sport and Recreation Facilities	mankweng	N/A	N/A	-	-	-	1 675	-
Sport and Recreation	Construction of Softball Stadium	N/A		To ensure social protection and education o	Community Assets	Sport and Recreation Facilities	molepo	N/A	N/A	-	-	35 000	-	-
Community and Social Services	Collection development -books	N/A		To ensure social protection and education o	Community Assets	Community Facilities	municipal wide	N/A	N/A	-	-	404	146	140
Community and Social Services	New exhibition Irish House	N/A		To ensure social protection and education o	Community Assets	Community Facilities	city	N/A	N/A	-	-	-	119	150
Community and Social Services	Pur-chase of Art works	N/A		To ensure social protection and education o	Community Assets	Community Facilities	city	N/A	N/A	-	-	-	125	112
Community and Social Services	Installation of the Boardwalk at Bakone Ma	N/A		To ensure social protection and education o	Community Assets	Community Facilities	bakone malapa	N/A	N/A	-	-	-	66	112
Community and Social Services	Public Sculpture	N/A		To ensure social protection and education o	Community Assets	Community Facilities	city	N/A	N/A	-	-	-	123	112
Community and Social Services	Purchase of the museum shelves	N/A		To ensure social protection and education o	Community Assets	Community Facilities		N/A	N/A	-	-	-	-	56
Community and Social Services	Purchase of the Drone for museum	N/A		To ensure social protection and education o	Community Assets	Community Facilities		N/A	N/A	-	-	-	-	28
Community and Social Services	Purchase of the fridge for the museum	N/A		To ensure social protection and education o	Community Assets	Community Facilities		N/A	N/A	-	-	-	-	3
Finance and Administration	Procurement of Laptops, PCs and Peripher	N/A		To ensure community confidence in the system of l	Computer Equipment	Computer Equipment	head office	N/A	N/A	-	-	2 500	354	337
Finance and Administration	Implementation of ICT Strategy	N/A		To ensure community confidence in the system of l	Computer Equipment	Computer Equipment	head office	N/A	N/A	-	-	188	187	172
Finance and Administration	Network Upgrade	N/A		To ensure community confidence in the system of l	Computer Equipment	Computer Equipment	head office	N/A	N/A	-	-	3 000	354	337
Planning and Development	Township establishment at Farm Volgestru	N/A		Promotion of economic growth, job creation and sustaina	Investment properties	Revenue Generating	1	N/A	N/A	-	-	-	250	281
Planning and Development	Township establishment at portion 151-160	N/A		Promotion of economic growth, job creation and sustaina	Investment properties	Revenue Generating	45	N/A	N/A	-	-	611	291	187
Planning and Development	Land Acquisition	N/A		Promotion of economic growth, job creation and sustaina	Investment properties	Revenue Generating	8	N/A	N/A	-	-	198	104	187
Planning and Development	Implementation of the ICM program (IUDF)	N/A		Promotion of economic growth, job creation and sustaina	Investment properties	Revenue Generating	municipal wide	N/A	N/A	-	-	-	77	281
Planning and Development	Township Establishment for the Eco-estate	N/A		Promotion of economic growth, job creation and sustaina	Investment properties	Revenue Generating	6	N/A	N/A	-	-	494	146	187
Planning and Development	Mixed use development on the land adjace	N/A		Promotion of economic growth, job creation and sustaina	Investment properties	Revenue Generating	20	N/A	N/A	-	-	-	312	281
Planning and Development	Establishment of Arts and Cultural HUB at	N/A		Promotion of economic growth, job creation and sustaina	Investment properties	Revenue Generating	20	N/A	N/A	-	-	141	200	562
Planning and Development	Upgrading of the R293 area Townships	N/A		Promotion of economic growth, job creation and sustaina	Investment properties	Revenue Generating	6	N/A	N/A	-	-	-	146	281
Planning and Development	Township establishment at the remainder o	N/A		Promotion of economic growth, job creation and sustaina	Investment properties	Revenue Generating	municipal wide	N/A	N/A	-	-	-	-	281
Planning and Development	Provision of short term engineering services	N/A		Promotion of economic growth, job creation and sustaina	Investment properties	Revenue Generating	municipal wide	N/A	N/A	-	-	15 000	10 000	12 000
Planning and Development	New Municipal Offices HQ (Polokwane Tow	N/A		Promotion of economic growth, job creation and sustaina	Investment properties	Revenue Generating	6	N/A	N/A	-	-	669	329	1 873
Planning and Development	Electronic System for Approval of Building	N/A		Promotion of economic growth, job creation and sustaina	Investment properties	Revenue Generating	7	N/A	N/A	-	-	705	-	-
Planning and Development	Development of the Industrial Park or Spec	N/A		Promotion of economic growth, job creation and sustaina	Investment properties	Revenue Generating	8	N/A	N/A	-	-	353	312	375
Planning and Development	Post Incubation Hub-Installation of services	N/A		Promotion of economic growth, job creation and sustaina	Investment properties	Revenue Generating	9	N/A	N/A	-	-	588	583	562
Planning and Development	Post Incubation Hub Development Concep	N/A		Promotion of economic growth, job creation and sustaina	Investment properties	Revenue Generating	10	N/A	N/A	-	-	588	583	562
Planning and Development	Procurement of a drone for aerial imagery	N/A		Promotion of economic growth, job creation and sustaina	Investment properties	Revenue Generating	11	N/A	N/A	-	-	-	375	337
Finance and Administration	Purchase of fleet	N/A		To ensure community confidence in the system of l	Other Assets	Other Assets	municipal wide	N/A	N/A	-	-	-	312	375
Finance and Administration	Purchase of Yellow Fleet (3 x Graders / 2 x	N/A		To ensure community confidence in the system of l	Other Assets	Other Assets	municipal wide	N/A	N/A	-	-	15 000	-	-

Waste Management	Purchase of Waste Trucks (2 X Compactor)	N/A			To ensure community confidence in the system of l	Other Assets	Other Assets	municipal wide	N/A	N/A	-	-	5 000	-	-
Road Transport	PT facilities Upgrade	N/A			Promotion of economic growth, job creation and sustaina	Community Assets	Community Facilities	City ,Seshego	N/A	N/A	-	-	7 500	7 820	8 119
Road Transport	Upgrad & constr of Trunk route WP1	N/A			Promotion of economic growth, job creation and sustaina	Community Assets	Community Facilities	City ,Seshego	N/A	N/A	-	-	14 500	15 118	15 696
Road Transport	widening of sandriver bridge(trunk)	N/A			Promotion of economic growth, job creation and sustaina	Community Assets	Community Facilities	City ,Seshego	N/A	N/A	-	-	38 000	39 621	41 134
Road Transport	Refurshment of daytime layover facility	N/A			Promotion of economic growth, job creation and sustaina	Community Assets	Community Facilities	City ,Seshego	N/A	N/A	-	-	2 000	2 085	2 165
Road Transport	Construction of Bus station upper structure	N/A			Promotion of economic growth, job creation and sustaina	Community Assets	Community Facilities	City ,Seshego	N/A	N/A	-	-	23 000	23 981	24 897
Road Transport	Upgrad of transit mall	N/A			Promotion of economic growth, job creation and sustaina	Community Assets	Community Facilities	City ,Seshego	N/A	N/A	-	-	3 200	3 336	3 464
Road Transport	Ditlou intersection	N/A			Promotion of economic growth, job creation and sustaina	Community Assets	Community Facilities	City ,Seshego	N/A	N/A	-	-	6 500	6 777	7 036
Road Transport	Construction of bus Station at Seshego	N/A			Promotion of economic growth, job creation and sustaina	Community Assets	Community Facilities	City ,Seshego	N/A	N/A	-	-	-	-	-
Road Transport	Construction of bus depot Civil works WP3	N/A			Promotion of economic growth, job creation and sustaina	Community Assets	Community Facilities	City ,Seshego	N/A	N/A	-	-	15 000	15 640	16 237
Road Transport	Environmental Management Seshego & ST	N/A			Promotion of economic growth, job creation and sustaina	Community Assets	Community Facilities	City ,Seshego	N/A	N/A	-	-	1 500	1 564	1 624
Road Transport	Environmental Management in Polokwane	N/A			Promotion of economic growth, job creation and sustaina	Community Assets	Community Facilities	City ,Seshego	N/A	N/A	-	-	1 500	1 564	1 624
Road Transport	Upgrade & rehab of Trunk Ext in Seshego	N/A			Promotion of economic growth, job creation and sustaina	Community Assets	Community Facilities	City ,Seshego	N/A	N/A	-	-	-	-	-
Road Transport	Rehabilitation of Feeder Routes in Polokwa	N/A			Promotion of economic growth, job creation and sustaina	Community Assets	Community Facilities	City ,Seshego	N/A	N/A	-	-	-	-	-
Road Transport	Construction and upgrading of NMT facilities	N/A			Promotion of economic growth, job creation and sustaina	Community Assets	Community Facilities	City ,Seshego	N/A	N/A	-	-	-	-	-
Road Transport	Construction & provision of Bus Depot Upp	N/A			Promotion of economic growth, job creation and sustaina	Community Assets	Community Facilities	City ,Seshego	N/A	N/A	-	-	23 300	24 294	25 222
Road Transport	Occupational Health & Safety (OHS) Mana	N/A			Promotion of economic growth, job creation and sustaina	Community Assets	Community Facilities	City ,Seshego	N/A	N/A	-	-	2 000	2 085	2 165
Road Transport	Upgrade & rehab of Trunk Ext in Moletjie	N/A			Promotion of economic growth, job creation and sustaina	Community Assets	Community Facilities	City ,Seshego	N/A	N/A	-	-	-	-	-
Parent Capital expenditure											-	-	967 665	859 753	866 823
Entities:															
<i>List all capital projects grouped by Entity</i>															
Entity A															
Water project A															
Entity B															
Electricity project B															
Entity Capital expenditure											-	-	-	-	-
Total Capital expenditure											-	-	967 665	859 753	866 823

References
Must reconcile with Budgeted Capital Expenditure
Projects that fall above the threshold values applicable to the municipality as identified in regulation 13 of the Municipal Budget and Reporting Regulations must be listed individually. Other projects by Function Asset class as per table A9 and asset sub-class as per table SA34
GPS coordinates correct to seconds. Provide a logical starting point on networked infrastructure.
Distinguish projects approved in terms of MFMA section 19(1)(b) and MRRR Regulation 13
Project Number consists of MSCOA Project Longcode and seq No (sample PC001002006002_00002)

check 993 969 1 024 469 (126 217) (112 142) (113 064)

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

R thousand	Function	Project name	Project number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Previous target year to complete	Current Year 2021/22		2022/23 Medium Term Revenue & Expenditure Framework		
														Original Budget	Full Year Forecast	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Parent municipality: <i>List all capital projects grouped by Function</i>																		
Entities: <i>List all capital projects grouped by Entity</i>																		
Entity Name <i>Project name</i>																		

LIM354 Polokwane - Supporting Table SA38 Consolidated detailed operational projects

R thousand	Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Prior year outcomes			2022/23 Medium Term Revenue & Expenditure Framework			
													Audited Outcome 2020/21	Current Year 2021/22 Full Year Forecast		Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25	
	Parent municipality: <i>List all operational projects grouped by Function</i>																		
	Parent Operational expenditure												-	-	-	-	-	-	-
	Entities: <i>List all Operational projects grouped by Entity</i>																		
	Entity A Water project A																		
	Entity B Electricity project B																		
	Entity Operational expenditure												-	-	-	-	-	-	-
	Total Operational expenditure												-	-	-	-	-	-	-

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				
Clusters -Chief Operations Office				
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
Total Clusters -Chief Operations Office		1 184 706	1 604 676	2 919 837
Facility Management- Corporate and Shared Services				
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
Total Facility Management- Corporated and Shared Service		13 232 820	3 362 732	3 326 285
Roads & Stormwater - Transport Services				
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

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				
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	-

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				
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

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				
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

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				
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 itireleng(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 reservior 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
Total Roads & Stormwater -Transport Services		254 675 550	255 887 011	273 379 809

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				
Water Supply and reticulation - Water and Sanitation Services				
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	-	-
Total Water Supply and reticulation - Water and Sanitation Services		95 160 000	72 700 000	76 871 000
Sewer Reticulation - Water and Sanitation Service				
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
Total Sewer Reticulation - Water and Sanitation		228 225 545	227 797 818	206 027 983

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				
Energy Services - Energy				
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 ² 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

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

MULTI YEAR BUDGET CAPITAL REPLACEMENT RESERVE	Funding Source	Budget Year +1 2022/23	Budget Year +1 2023/24	Budget Year +1 2024/25
Description				
Environmental Management - Community Services				
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
Total Environmental Management - Community Services		3 334 391	3 188 916	3 816 367
Control Centre Services/Safety and Security -Public Safety				
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
Total Control Centre/Safety and Security - Public Safety		541 814	641 038	825 945
Waste Management - Community Services				
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

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				
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 Iydale	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
Total Energy Services - Energy		126 400 000	103 000 000	105 112 000
Disaster and Fire - Public Safety				
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
Total Disaster and Fire - Public Safety		869 061	595 470	1 080 014
Traffic & Licencing - Public Safety				
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
Total Traffic & Licencing - Public Safety		2 400 000	3 960 699	4 903 041

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				
Environmental Management - Community Services				
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
Total Environmental Management - Community Services		3 334 391	3 188 916	3 816 367
Control Centre Services/Safety and Security -Public Safety				
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
Total Control Centre/Safety and Security - Public Safety		541 814	641 038	825 945
Waste Management - Community Services				
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

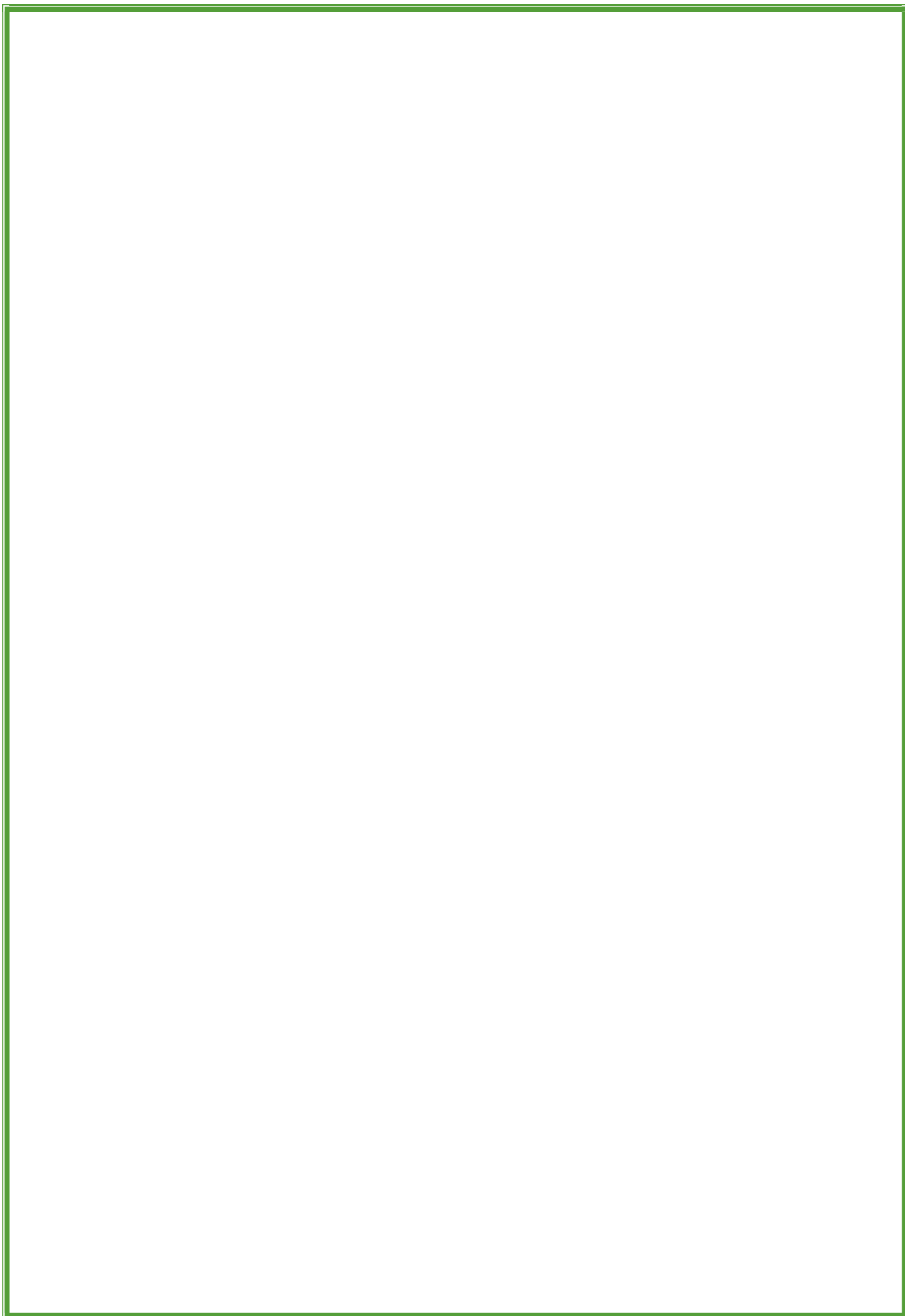
MULTI YEAR BUDGET	Funding Source	Budget Year +1 2022/23	Budget Year +1 2023/24	Budget Year +1 2024/25
Description				
Seshego depot truck wash bay	CRR	-	143 609	-
Construction of septic tank at Mankweng transfer station	CRR	-	141 528	-
Gates and parameter fence at Ladanna depot	CRR	-	145 690	-
Extension 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
Total Waste Management - Community Services		8 018 185	11 917 972	6 500 309
Sport & Recreation - Community Services				
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	-	-
Total Sport & Recreation - Community Services		50 184 930	15 718 755	12 506 493
Cultural Services - Community Services				
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
Total Cultural Services - Community Services		404 304	577 857	714 508

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				
Information Services - Corporate and Shared Services				
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
Total Information Services - Corporate and Shared Services		5 688 048	894 956	846 547
City Planning - Planning and Economic Development				
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
Total City Planning - Planning and Economic Development		16 443 997	11 525 415	14 528 403
Human Settlement - Planning and Economic Development				
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	-	-
Total Human Settlement - Planning and Economic Development		1 374 084	329 295	1 872 891
LED - Planning and Economic Development				
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
Total LED - Planning and Economic Development		1 527 892	1 477 718	1 498 313
GIS - Planning and Economic Development				
Procurement of a drone for aerial imagery acquisition	CRR	-	374 633	337 120
Total GIS - Planning and Economic Development		-	374 633	337 120

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				
Total Fleet Management - Corporate and Shared Services				
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	-	-
Total Fleet Management - Corporate and Shared Services		20 000 000	312 194	374 578
Transport Operations(IPRTS)- Transport and Services				
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	-	-	-
Total Transport Operations(IPRTS)- Transport and Services		138 000 000	143 886 043	149 381 251
Total Capital Expenditure		967 665 326	859 378 565	866 485 572
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
Total DoRA Allocations		803 724 617	721 873 226	746 832 591
Capital Replacement Reserve	CRR	163 940 709	137 879 971	119 990 102
TOTAL FUNDING		967 665 326	859 753 198	866 822 693



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





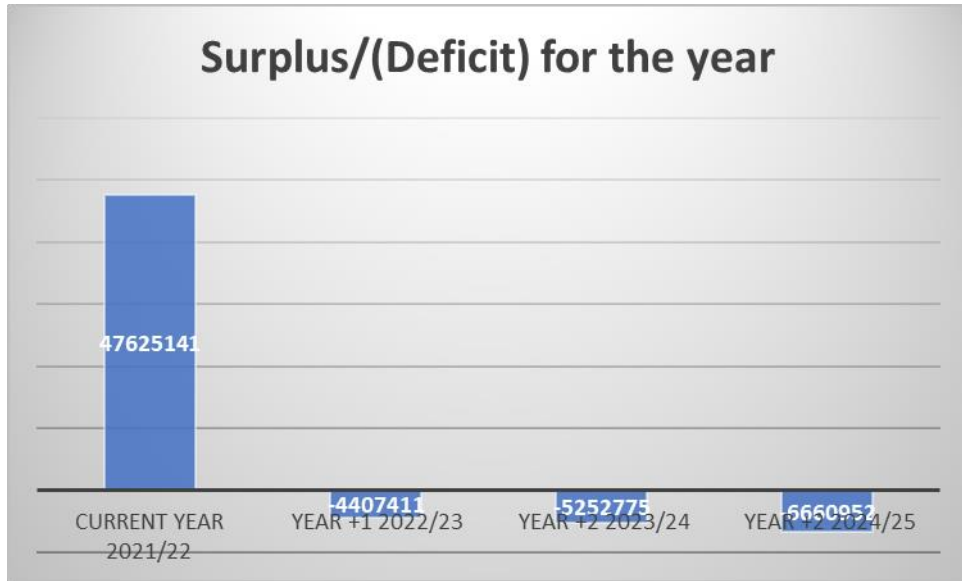
SUMMARY

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	-	-	-
Total Revenue	54 872	80 732	29 872	29 873	29 873
Total Expenditure	32 469	33 107	34 279	35 125	36 534
Surplus/ (Deficit) for the year	22 403	47 625	(4 407)	(5 253)	(6 661)

Surplus and deficit



Capital Budget

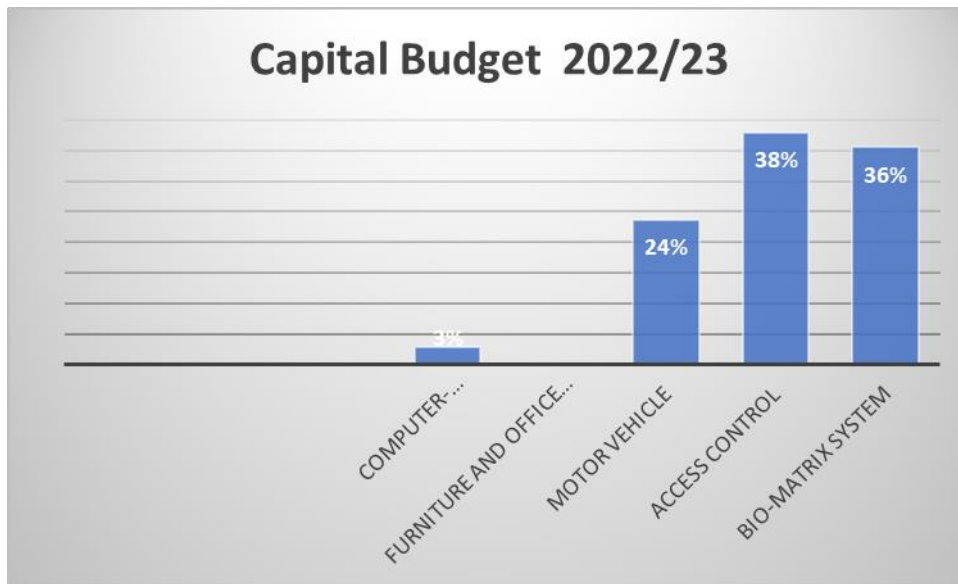


Table D1 Budget Summary

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
R thousands									
Financial Performance									
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
Total Revenue (excluding capital transfers and contributions)	56 437	84 630	131 126	29 872	26 677	26 677	29 872	29 873	29 873
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
Total Expenditure	42 011	29 218	29 784	32 469	33 107	33 107	34 279	35 125	36 534
Surplus/(Deficit)	14 426	55 412	101 342	(2 597)	(6 430)	(6 430)	(4 407)	(5 253)	(6 661)
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)	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	14 426	55 412	101 342	(2 597)	(6 430)	(6 430)	(4 407)	(5 253)	(6 661)
Taxation	-	-	-	-	-	-	-	-	-
Surplus/ (Deficit) for the year	14 426	55 412	101 342	(2 597)	(6 430)	(6 430)	(4 407)	(5 253)	(6 661)
Capital expenditure & funds sources									
Capital expenditure									
Transfers recognised - capital	-	48	-	25 150	54 085	54 085	2 110	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	-	-
Total sources of capital funds	-	-	-	-	-	-	-	-	-
Financial position									
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
Cash flows									
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	-	-	-	-	-	-	-	-	-
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

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
R thousands									
Revenue by Source									
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									
Total Revenue (excluding capital transfers and contributions)	56 437	84 630	131 126	29 872	26 677	26 677	29 872	29 873	29 873
Expenditure By Type									
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									
Total Expenditure	42 011	29 218	29 784	32 469	33 107	33 107	34 279	35 125	36 534
Surplus/(Deficit)	14 426	55 412	101 342	(2 597)	(6 430)	(6 430)	(4 407)	(5 253)	(6 661)
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)									
Surplus/(Deficit) after capital transfers & contributions	14 426	55 412	101 342	22 403	47 625	47 625	(4 407)	(5 253)	(6 661)
Taxation									
Surplus/ (Deficit) for the year	14 426	55 412	101 342	22 403	47 625	47 625	(4 407)	(5 253)	(6 661)

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
R thousands									
Capital expenditure by Asset Class/Sub-class									
Other assets	-	48	-	25 150	54 085	54 085	2 110	-	-
<i>plant & 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>	-	-	-	-	-	-	-	-	-
Total capital expenditure on assets	-	48	-	25 150	54 085	54 085	2 110	-	-
Funded by:									
National Government	-	-	-	-	19 055	19 055	-	-	-
Provincial Government	-	-	-	-	-	-	-	-	-
Parent Municipality	-	-	-	25 000	35 000	35 000	-	-	-
District Municipality	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	-	-	-	25 000	54 055	54 055	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	48	-	150	30	30	2 110	-	-
Total Capital Funding	-	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
R thousands									
ASSETS									
Current assets									
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									
Total current assets	23 494	2 677	17 716	7 775	7 921	7 921	7 960	7 671	7 671
Non current assets									
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									
Total non current assets	122 795	179 442	283 449	241 700	312 171	312 171	307 203	303 815	298 240
TOTAL ASSETS	146 289	182 119	301 165	249 475	320 092	320 092	315 163	311 486	305 911
LIABILITIES									
Current liabilities									
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
Total current liabilities	29 390	9 914	27 618	4 130	4 400	4 400	3 877	5 453	6 539
Non current liabilities									
Borrowing									
Provisions									
Total non current liabilities	-	-	-	-	-	-	-	-	-
TOTAL LIABILITIES	29 390	9 914	27 618	4 130	4 400	4 400	3 877	5 453	6 539
NET ASSETS	116 899	172 206	273 547	245 345	315 692	315 692	311 286	306 033	299 372
COMMUNITY WEALTH/EQUITY									
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
TOTAL COMMUNITY WEALTH/EQUITY	116 898	172 205	273 546	245 344	315 691	315 691	311 285	306 032	299 371

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
R thousands									
CASH FLOW FROM OPERATING ACTIVITIES									
Receipts									
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									
Payments									
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									
NET CASH FROM/(USED) OPERATING ACTIVITIES	45 710	41 224	109 233	161	261	261	(261)	161	100
CASH FLOWS FROM INVESTING ACTIVITIES									
Receipts									
Proceeds on disposal of PPE									
Decrease (increase) in non-current receivables									
Decrease (increase) in non-current investments									
Payments									
Capital assets	(25 744)	(61 901)	(109 160)						
NET CASH FROM/(USED) INVESTING ACTIVITIES	(25 744)	(61 901)	(109 160)	-	-	-	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES									
Receipts									
Short term loans									
Borrowing long term/refinancing									
Increase (decrease) in consumer deposits									
Payments									
Repayment of borrowing									
NET CASH FROM/(USED) FINANCING ACTIVITIES	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD	19 966	(20 677)	74	161	261	261	(261)	161	100
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.

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 5th 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.

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.

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 for the attention of Mr. Wayne McComans on 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 *mSCOA* 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 *mSCOA* 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 *mSCOA* 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	Matjatji.Mashoeshoe@treasury.gov.za
	Abigail Maila	012-395 6737	Abigail.Maila@Treasury.gov.za
Buffalo City	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
Free State	Sifiso Mabaso	012-315 5952	Sifiso.mabaso@treasury.gov.za
	Cethekile Moshane	012-315 5079	Cethekile.moshane@treasury.gov.za

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

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 10th 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. 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

Department:
National Treasury
REPUBLIC OF SOUTH AFRICA

Post Private Bag X115, Pretoria 0001
Phone 012 315 5009
Fax 012 395 6553
Website <http://www.treasury.gov.za/default.aspx>

JH Hattingh
Chief Director: Local Government Budget Analysis
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.

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 5th 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.

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	Matjatji.Mashoeshoe@treasury.gov.za
Abigail Maila		012-395 6737	Abigail.Maila@Treasury.gov.za
Buffalo City	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
Free State	Sifiso Mabaso	012-315 5952	Sifiso.mabaso@treasury.gov.za
Cethekile Moshane		012-315 5079	Cethekile.moshane@treasury.gov.za
Gauteng	Matjatji Mashoeshoe	012-315 5553	Matjatji.Mashoeshoe@treasury.gov.za
Abigail Maila		012-395 6737	Abigail.Maila@Treasury.gov.za
Johannesburg and Tshwane	Willem Voigt	012-315 5830	WillemCordes.Voigt@treasury.gov.za
Ekurhuleni	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za
KwaZulu-Natal	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za
Kevin Bell		012-315 5725	Kevin.Bell@treasury.gov.za
eThekweni	Sifiso Mabaso	012-315 5952	Sifiso.mabaso@treasury.gov.za
Limpopo	Sifiso Mabaso	012-315 5952	Sifiso.Mabaso@treasury.gov.za
Mpumalanga	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
Lesego Leqasa			Lesego.Leqasa@treasury.gov.za
Northern Cape	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
Phumelele Gulukunqu		012-315 5539	Phumelele.Gulukunqu@treasury.gov.za
North West	Willem Voigt	012-315 5830	WillemCordes.Voigt@treasury.gov.za
Makgabo Mabotja		012-315 5156	Makgabo.Mabotja@treasury.gov.za
Western Cape	Willem Voigt	012-315-5830	WillemCordes.Voigt@treasury.gov.za
Cape Town	Kgomotso Baloyi	012-315 5866	Kgomotso.Baloyi@treasury.gov.za
George	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
Technical issues with Excel formats	Sephiri Tlhomeli	012-406 9064	Iqdataqueries@treasury.gov.za

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 10th 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, but requires all documents to:

- Be in PDF format only; and
- Each PDF file must NOT contain multiple document e.g. council resolution and quality certificate within the budget document. Each document type must be identified clearly and uploaded separately.

Municipalities may **only** send electronic versions of the above documents to lgdocuments@treasury.gov.za when experiencing problems with the GoMuni Upload Portal.

lgdataqueries@treasury.gov.za – Database related and submission queries and the grant rollover templates.

lgdocuments@treasury.gov.za – Any additional information required by National Treasury that is not listed under the GoMuni Upload portal such as the 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
Fax 012 395 6553
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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

DIVISION OF REVENUE BILL

(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)

(MINISTER OF FINANCE)

[B 6—2022]

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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		
LIMPOPO						
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	
Total: Mopani Municipalities			2 689 500	2 884 063	3 095 225	
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	
Total: Vhembe Municipalities			2 918 499	3 139 905	3 381 209	
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	
Total: Capricorn Municipalities			2 618 127	2 807 121	3 012 260	
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	
Total: Waterberg Municipalities			1 257 360	1 348 635	1 448 114	
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	
Total: Sekhukhune Municipalities			2 363 458	2 541 528	2 735 498	
Total: Limpopo Municipalities			11 846 944	12 721 252	13 672 306	

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
Total	27 298					100%	138 147	165 445

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)
Minimum threshold	Yes	80%		35.0%	1.0%	2.0%		
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%	–	–
Total							1	283 895

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 ¹ (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								
Total	100.0%	100.0%	100.0%	100.0%	100.0%	283 895	–	5 677 892

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

Integrated Urban Development Grant	
	<ul style="list-style-type: none"> • 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) • The second transfer will only be released to municipalities that have spent at least 50 per cent of their first tranche • 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 • 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 • IUDG funds can be used for road maintenance only if projects are planned and prioritised using RRAMS data • Ring-fenced sport infrastructure allocation: <ul style="list-style-type: none"> ○ 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) ○ 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 ○ 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 ○ subsequent transfers funded through the ring-fenced amount will also be subject to approval by DSAC • 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"> ○ be agreed with DCoG ○ set out measurable indicators to improve performance on the gaps in the municipality's performance on IUDG qualification criteria ○ address how the audit action plan will be implemented ○ be adopted by the municipal council • Municipalities implementing a PIP must submit quarterly reports on its progress to DCoG • 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 • To respond to the COVID-19 pandemic: <ul style="list-style-type: none"> ○ municipalities must prioritise the provision of water and sanitation to communities that do not currently have access to water services ○ municipalities may spend 10 per cent of their allocations for the urgent repair and refurbishment of water and sanitation infrastructure to restore functionality ○ 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) ○ 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 • 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 • 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
Allocation criteria	<ul style="list-style-type: none"> • Allocations are focused on municipalities whose circumstances align with the IUDG's criteria, these include: higher urban population densities and high economic activity • The IUDG includes a base component, a performance-based component and a once-off planning component

Infrastructure Skills Development Grant	
Past performance	<p>2020/21 audited financial outcomes</p> <ul style="list-style-type: none"> R143 million was allocated and transferred to 15 municipalities <p>2020/21 service delivery performance</p> <ul style="list-style-type: none"> The grant has created employment and training opportunities Currently 367 graduates are in training Since inception of the grant, 303 graduates have been professionally registered with the relevant statutory councils 263 graduates are professionally registered and absorbed by the municipalities 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)
Projected life	<ul style="list-style-type: none"> This grant continues until 2024/25, subject to review
MTEF allocations	<ul style="list-style-type: none"> 2022/23: R159 million; 2023/24: R160 million and 2024/25: R167 million
Payment schedule	<ul style="list-style-type: none"> Transfers are made in accordance with a payment schedule approved by the National Treasury
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> Issue guidelines and supporting documentation for the implementation of the ISDG Rollout the ISDG in municipalities in compliance with the ISDG framework, guidelines and relevant prescripts Manage, monitor and report on the programme Ensure professional development is aligned to statutory council requirements Monitor the registration progress of graduates with the relevant statutory councils by municipalities Monitor financial and non-financial performance of the ISDG Maintain graduates' database for the ISDG Work with relevant stakeholders on policies, strategies and guidelines to recruit graduates into permanent positions in local government after they have registered as professionals Participate in the review of the municipal capacity support system during 2022 <p>Responsibilities of municipalities</p> <ul style="list-style-type: none"> Comply with the requirements of the 2022 Division of Revenue Act, ISDG guidelines, service level agreement and the requirements of the relevant statutory councils 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 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 Provide the candidate with the requisite workspace, supervisor, tools of profession/trade and logistics to perform the recommended activities within their training plans Continuously review and assess the candidates' work and progress on the road-to-registration and make recommendations for corrective action Ensure that candidates attend professional development activities in accordance with their training plans, progress and the requirements of their respective statutory councils Attend all meetings and workshops convened by the National Treasury relating to this grant Support and supervise graduates on the road-to-registration training 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 Manage the programme and provide progress reports on a monthly and quarterly basis in the standard reporting templates provided by the National Treasury Manage the utilisation of ISDG funds and report to the National Treasury 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 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 Municipalities must submit evidence of the graduates' registration to National Treasury when graduates have registered as professionals
Process for approval of 2023/24 business plans	<ul style="list-style-type: none"> Interested municipalities must submit a three-year business plan by 31 August 2022 for assessment by the National Treasury Participating municipalities must submit revised business plans to the National Treasury by 31 August 2022

Public Transport Network Grant	
	<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"> • Polokwane: 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 • Rustenburg: 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 • Tshwane: 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
Projected life	<ul style="list-style-type: none"> • This grant continues until 2024/25, subject to review
MTEF allocations	<ul style="list-style-type: none"> • 2022/23: R6 billion; 2023/24: R6.7 billion and 2024/25: R7.7 billion
Payment schedule	<ul style="list-style-type: none"> • Transfers are made in accordance with an agreed payment schedule approved by the National Treasury
Responsibilities of the transferring officer and receiving officer	<p>Responsibilities of the national department</p> <ul style="list-style-type: none"> • Disburse PTNG funds and monitor PTNG expenditure • Monitor IPTN implementation progress and operating performance in line with the NLTA and the public transport strategy • Verify reports from municipalities by conducting at least one site visit per annum • Allocate funds based on stated priorities through an allocation mechanism agreed to by the DoT and National Treasury • Review and comment on draft compensation agreements for economic rights • Review and comment on the network model submitted by each municipality • Evaluate the performance of the grant annually • 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 • Finalise the public transport subsidy policy for South Africa • Develop cost norms for ITS and include these in the annual PTNG guidelines and requirements circulated to municipalities by DoT • Submit copies of allocation letters and milestones to the National Treasury • Review the Public Transport Strategy to ensure its requirements enable municipalities to develop fiscally sustainable IPTN systems • 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 • 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 <p>Responsibilities of municipalities</p> <ul style="list-style-type: none"> • 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"> ○ network operational plans, including universal design access plans ○ business and financial plans (including financial modelling, economic evaluation, and operator transition plans) ○ institutional network management plans ○ engineering and architectural preliminary and detailed designs ○ public transport vehicle and technology plans ○ marketing and communication plans • Projects funded by this grant must promote the integration of the public transport networks in a municipality, through: <ul style="list-style-type: none"> ○ physical integration between different services within a single network ○ fare integration between different services ○ marketing integration with unified branding ○ institutional integration between the services ○ spatial integration, in conjunction with other grants directed at the built environment • Provide budget proposals for the PTNG funding that: <ul style="list-style-type: none"> ○ are based on sound operational and financial plans that cover direct vehicle company operating costs from local sources at a minimum

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)	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)	
LIMPOPO												
B	LIM31 Greater Giyani	-	-	2 400	2 400	2 400	2 400	4 055	-	-	6 435	2 400
B	LIM32 Greater Leduka	-	-	2 000	2 000	2 000	2 000	2 139	-	-	4 139	2 000
B	LIM33 Greater Tzaneen	-	-	2 000	2 000	2 000	2 000	8 065	-	-	10 065	2 000
B	LIM34 Ba-Panahoven	-	-	3 100	3 100	3 100	3 100	1 186	-	-	4 286	3 100
B	LIM35 Mairaling	-	-	1 850	1 850	1 850	1 850	1 246	-	-	3 096	1 850
DC33	Mapang District Municipality	-	-	3 000	3 000	3 000	3 000	10 600	-	-	13 600	3 000
	Total: Mapang Municipalities	-	-	14 350	14 350	14 350	14 350	27 271	-	-	41 621	14 350
B	LIM31 Musina	-	-	3 000	3 000	3 000	3 000	1 390	-	-	4 390	3 000
B	LIM33 Thulamela	5 250	5 500	1 650	1 700	1 700	1 700	4 864	-	-	11 764	7 200
B	LIM34 Nkomo	-	-	1 700	1 700	1 700	1 700	2 577	-	-	4 277	1 700
B	LIM35 CollinsChabane	-	-	2 850	2 550	2 550	2 550	1 759	-	-	4 309	2 550
C	DC34 Vhembe District Municipality	-	-	3 000	3 000	3 000	3 000	4 754	-	-	7 754	3 000
	Total: Vhembe Municipalities	5 250	5 500	12 150	12 200	12 200	12 200	16 024	-	-	33 426	17 700
B	LIM31 Blensburg	-	-	2 400	2 400	2 400	2 400	1 950	-	-	4 350	2 400
B	LIM33 Molemole	-	-	2 300	2 300	2 300	2 300	1 407	-	-	3 707	2 300
B	LIM35 Polokwane	6 000	6 000	2 400	2 400	2 400	2 400	11 570	-	-	19 970	8 400
B	LIM35 Lepelle-Sheepi	-	-	2 000	2 000	2 000	2 000	1 380	-	-	3 380	2 000
C	DC35 Capricorn District Municipality	6 000	6 000	10 100	10 100	10 100	10 100	3 247	-	-	20 153	10 100
	Total: Capricorn Municipalities	6 000	6 000	10 100	10 100	10 100	10 100	20 051	-	-	36 153	10 100
B	LIM41 Thebawanhi	-	-	3 100	3 100	3 100	3 100	1 356	-	-	4 356	3 100
B	LIM42 Lephalale	-	-	1 650	1 700	1 700	1 700	1 392	-	-	2 942	1 700
B	LIM46 Bela-Bela	-	-	1 650	1 700	1 700	1 700	1 802	-	-	3 152	1 700
B	LIM47 Mookgweetson	-	-	2 100	2 100	2 100	2 100	1 161	-	-	3 261	2 100
B	LIM48 Mopani-Moskgongong	-	-	2 650	2 650	2 650	2 650	2 041	-	-	4 691	2 650
C	DC36 Waterberg District Municipality	-	-	1 000	1 000	1 000	1 000	-	-	-	1 000	1 000
	Total: Waterberg Municipalities	-	-	12 150	12 250	13 666	13 666	7 352	-	-	19 402	12 250
B	LIM71 Ekhurhweni Municipality	-	-	3 100	3 100	3 100	3 100	1 310	-	-	4 410	3 100
B	LIM72 Erhles-Morewadi	-	-	2 850	2 850	2 850	2 850	1 796	-	-	4 646	2 850
B	LIM73 Matibatsi	-	-	1 720	1 720	1 720	1 720	1 925	-	-	3 645	1 720
B	LIM76 Fetakgomo-Tlokweng	-	-	2 550	2 550	2 550	2 550	1 385	-	-	3 935	2 550
C	DC37 Sekake District Municipality	-	-	2 400	2 400	2 400	2 400	13 010	-	-	18 410	2 400
	Total: Sekake Municipalities	-	-	12 620	12 620	12 620	12 620	19 226	-	-	31 946	12 620
Total: Limpopo Municipalities	-	11 250	11 500	61 370	61 520	62 938	62 938	89 929	-	-	102 549	73 620
MPUMALANGA												
B	MP301 Chief Albert Luthuli	-	-	2 000	2 000	2 000	2 000	2 227	-	-	4 227	2 000
B	MP302 Mokhotlong	-	-	3 000	3 000	3 000	3 000	1 786	-	-	4 786	3 000
B	MP303 Middelburg	-	-	3 100	3 100	3 100	3 100	2 853	-	-	5 953	3 100
B	MP304 Dr F. W. de Waal (Sengweni)	-	-	2 450	2 450	2 450	2 450	1 864	-	-	4 314	2 450
B	MP306 Ekhurhweni	-	-	2 800	2 850	2 850	2 850	1 644	-	-	4 494	2 850
B	MP307 Govan Mbeki	24 500	24 000	2 000	2 100	2 100	2 100	2 629	-	-	29 229	24 500
C	DC30 Gert Sibande District Municipality	13 550	13 107	10 300	10 300	10 300	10 300	2 595	-	-	17 145	10 300
	Total: Gert Sibande Municipalities	38 050	37 107	39 636	39 636	40 200	40 200	17 245	-	-	74 595	41 222
B	MP311 Victor Khanye	-	-	1 850	1 850	1 850	1 850	2 284	-	-	4 134	1 850
B	MP312 Emalahleni	-	-	3 000	3 000	3 000	3 000	6 151	-	-	9 151	3 000
B	MP313 Steve Tshwete	-	-	1 650	1 700	1 700	1 700	4 780	-	-	6 430	1 700
B	MP314 Emakhazeni	-	-	2 900	2 900	2 900	2 900	1 473	-	-	4 373	2 900
B	MP315 Thembisile Hani	-	-	1 720	1 770	1 770	1 770	3 735	-	-	5 455	1 770
B	MP316 Dr J.S. Moroka	-	-	2 450	2 450	2 450	2 450	2 432	-	-	4 882	2 450
C	DC31 Sekake District Municipality	-	-	1 000	1 000	1 000	1 000	2 315	-	-	3 315	1 000
	Total: Sekake Municipalities	-	-	14 570	14 670	14 683	14 683	23 170	-	-	37 740	14 670
B	MP321 Thebo Chene	-	-	3 000	3 000	3 000	3 000	4 621	-	-	7 621	3 000
B	MP324 Middelburg	-	-	1 770	1 770	1 770	1 770	4 621	-	-	6 391	1 770
B	MP325 Middelburg	-	-	2 650	2 650	2 650	2 650	5 519	-	-	7 869	2 650
B	MP326 Chief Mkhobane	-	-	2 650	2 650	2 650	2 650	8 555	-	-	11 205	2 650
C	DC32 Ehlangeni District Municipality	-	-	1 000	1 000	1 000	1 000	2 457	-	-	3 457	1 000
	Total: Ehlangeni Municipalities	-	-	11 070	11 070	11 070	11 070	22 784	-	-	33 854	11 070
Total: Mpumalanga Municipalities	-	38 050	37 107	39 636	44 940	45 090	49 344	63 199	-	-	146 189	88 380

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)		Urban Settlements Development Grant (National and Municipal Financial Year)		Public Transport Network Grant (National and Municipal Financial Year)		SUB-TOTAL: INFRASTRUCTURE (National and Municipal Financial Year)	
		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)
LIMPOPO											
B	LIM351 Greater Giyani	-	-	-	-	-	-	-	-	93138	202473
B	LIM352 Greater Tzaneen	-	-	-	-	-	-	-	-	96465	96465
B	LIM353 Greater Tzaneen	-	-	-	-	-	-	-	-	138064	138064
B	LIM354 Be-Panahlwana	-	-	-	-	-	-	-	-	49681	49681
B	LIM355 Mmabang	-	-	-	-	-	-	-	-	30170	30170
C	DC33 - Mopani District Municipality	-	-	-	-	-	-	-	-	617655	617655
Total Limpopo Municipalities		-	-	-	-	-	-	-	-	1093923	1093923
B	LIM341 Mmabang	-	-	-	-	-	-	-	-	44040	44040
B	LIM343 Thabatha	-	-	-	-	-	-	-	-	143112	143112
B	LIM344 Makhado	-	-	7000	5 000	-	-	-	-	145127	146394
B	LIM345 CollinsChabane	-	-	-	-	-	-	-	-	122717	122717
B	LIM346 Mookgweetsong	-	-	-	-	-	-	-	-	98889	98889
B	LIM347 Mmabang	-	-	-	-	-	-	-	-	100446	100446
B	LIM348 Mmabang	-	-	-	-	-	-	-	-	19392	19392
B	LIM349 Mmabang	-	-	-	-	-	-	-	-	46000	46000
Total Limpopo Municipalities		-	-	7 000	5 000	-	-	-	-	1053081	1112500
B	LIM351 Bhoteng	-	-	-	-	-	-	-	-	84546	75582
B	LIM353 Melenole	-	-	-	-	-	-	-	-	39792	51458
B	LIM354 Ficksburg	426 044	406 823	40 000	45 000	-	-	-	-	92488	92488
B	LIM355 Mmabang	-	-	-	-	-	-	-	-	83540	83540
B	LIM356 Mmabang	-	-	-	-	-	-	-	-	36628	36628
B	LIM357 Mmabang	-	-	-	-	-	-	-	-	383338	384224
Total Limpopo Municipalities		426 044	406 823	40 000	45 000	-	-	-	-	1509386	1 467 462
B	LIM361 Tlokweng	-	-	-	-	-	-	-	-	62373	69134
B	LIM362 Tlokweng	-	-	-	-	-	-	-	-	16000	16000
B	LIM363 Tlokweng	-	-	-	-	-	-	-	-	92140	92140
B	LIM364 Mmabang	-	-	-	-	-	-	-	-	96936	97428
B	LIM365 Mmabang	-	-	-	-	-	-	-	-	234367	234367
B	LIM366 Mmabang	-	-	-	-	-	-	-	-	284426	269 561
B	LIM367 Mmabang	-	-	-	-	-	-	-	-	87725	68079
B	LIM368 Mmabang	-	-	-	-	-	-	-	-	2281	2299
B	LIM369 Mmabang	-	-	-	-	-	-	-	-	2299	2 273
Total Limpopo Municipalities		-	-	-	-	-	-	-	-	562478	608224
MPUMALANGA											
B	MP301 Chief Albert Luthuli	-	-	-	-	-	-	-	-	37921	41066
B	MP302 Mankwago	-	-	-	-	-	-	-	-	79666	76364
B	MP303 Mankwago	-	-	-	-	-	-	-	-	76915	77 430
B	MP304 Dr Phisoa ka Isaka Senzo	-	-	-	-	-	-	-	-	124588	111974
B	MP305 Mankwago	-	-	-	-	-	-	-	-	42943	42 943
B	MP306 Mankwago	-	-	-	-	-	-	-	-	36798	42 084
B	MP307 Grootvlei	-	-	-	-	-	-	-	-	30932	30849
B	MP308 Grootvlei	-	-	-	-	-	-	-	-	2476	2485
B	MP309 Grootvlei	-	-	-	-	-	-	-	-	100280	99399
B	MP310 Venter Kloof	-	-	-	-	-	-	-	-	52976	62399
B	MP311 Venter Kloof	-	-	-	-	-	-	-	-	207775	212029
B	MP312 Ermaloleni	-	-	1 000	10 000	-	-	-	-	270705	192424
B	MP313 Steve Tshwete	76 895	58 924	-	-	-	-	-	-	61904	60 581
B	MP314 Enkhotzeni	-	-	-	-	-	-	-	-	54272	61904
B	MP315 Thembalezi	-	-	-	-	-	-	-	-	182461	178204
B	MP316 Thembalezi	-	-	-	-	-	-	-	-	15000	186 517
B	MP317 Thembalezi	-	-	-	-	-	-	-	-	15000	15000
B	MP318 Thembalezi	-	-	-	-	-	-	-	-	2341	2 427
B	MP319 Thembalezi	-	-	-	-	-	-	-	-	924381	891 140
Total Limpopo Municipalities		76 895	58 924	1 000	10 000	-	-	-	-	924381	891 140
B	MP321 Thiba Chwa	-	-	-	-	-	-	-	-	115907	138248
B	MP324 Nkomaz	-	-	-	-	-	-	-	-	51939	49106
B	MP325 Nkomaz	-	-	-	-	-	-	-	-	46061	46061
B	MP326 City of Mankwago	-	-	1 000	10 000	-	-	-	-	484305	576319
B	MP327 City of Mankwago	-	-	-	-	-	-	-	-	2516	2 525
B	MP328 City of Mankwago	-	-	-	-	-	-	-	-	1617518	1 604 270
B	MP329 City of Mankwago	-	-	-	-	-	-	-	-	2516	2 525
B	MP330 City of Mankwago	-	-	-	-	-	-	-	-	1617518	1 604 270
Total Limpopo Municipalities		76 895	58 924	2 000	20 000	-	-	-	-	3581179	3 582 900
Total Mpumalanga Municipalities		76 895	58 924	6 110	25 000	-	-	-	-	3 582 900	3 582 900

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: INDRBCT	
		2023/24 (R000)	2024/25 (R000)	2023/24 (R000)	2024/25 (R000)	2023/24 (R000)	2024/25 (R000)	2023/24 (R000)	2024/25 (R000)	2023/24 (R000)	2024/25 (R000)	2023/24 (R000)	2024/25 (R000)
LIMPOPO													
B	LM031 Greater Giyani	-	-	17 795	15 111	12 888	-	-	-	-	-	17 795	15 111
B	LM032 Greater Letaba	-	-	7 474	7 730	17 334	-	-	-	-	-	7 474	7 730
B	LM033 Greater Tzaneen	-	-	28 359	15 230	8 994	-	-	-	-	-	28 359	15 230
B	LM034 Bze-Palabswena	-	-	16 597	21 607	42 990	-	-	-	-	-	16 597	21 607
B	LM035 Murrumbidgee	-	-	3 224	8 012	4 186	-	-	-	-	-	3 224	8 012
C	DC33 - Mopani District Municipality	4 192	3 580	-	-	-	587 856	581 895	609 383	609 383	44 362	636 410	664 037
	Total Limpopo Municipalities	4 192	3 580	73 449	67 090	86 392	587 856	581 895	609 383	609 383	44 362	709 859	731 727
B	LM031 Murrumbidgee	-	-	8 232	14 339	9 034	-	-	-	-	-	8 232	14 339
B	LM032 Murrumbidgee	-	-	16 359	5 377	14 562	-	-	-	-	-	16 359	5 377
B	LM033 Murrumbidgee	-	-	12 069	10 103	1 632	-	-	-	-	-	12 069	10 103
B	LM034 Murrumbidgee	-	-	49 979	107 558	103 849	200	200	-	-	-	50 179	107 758
B	LM035 Murrumbidgee	-	-	15 832	12 019	55 064	-	-	-	-	-	15 832	12 019
C	DC34 - City of Murrumbidgee	2 787	2 380	-	-	-	50 000	50 000	-	-	-	2 787	2 380
	Total Murrumbidgee Municipalities	2 787	2 380	94 239	135 057	175 107	50 000	50 000	-	-	-	97 236	117 807
B	LM061 Tzaneen	-	-	254	2 423	212	-	-	-	-	-	254	2 423
B	LM062 Letaba	-	-	13 251	15 766	9 899	-	-	-	-	-	13 251	15 766
B	LM066 Bze-Palabswena	-	-	11 703	7 656	237	-	-	-	-	-	11 703	7 656
B	LM067 Murrumbidgee	-	-	12 239	89 865	35 141	-	-	-	-	-	12 239	89 865
B	LM068 Murrumbidgee	-	-	466	1 955	13 178	-	-	-	-	-	466	1 955
C	DC36 - Waterberg District Municipality	6 323	5 400	-	-	-	-	-	-	-	-	6 323	5 400
	Total Waterberg Municipalities	6 323	5 400	37 913	117 665	58 667	-	-	-	-	-	200 636	441 271
B	LM071 Ephant Murrumbidgee	-	-	9 999	10 491	13 494	-	-	-	-	-	9 999	10 491
B	LM072 Ephant Murrumbidgee	-	-	2 522	14 077	42 337	-	-	-	-	-	2 522	14 077
B	LM073 Ephant Murrumbidgee	-	-	19 700	14 813	14 813	-	-	-	-	-	19 700	14 813
B	LM076 Ephant Murrumbidgee	-	-	92 093	30 394	16 299	-	-	-	-	-	92 093	30 394
C	DC37 - Sabie District Municipality	4 192	3 580	-	-	-	130 000	160 000	160 000	160 000	64 425	185 844	228 065
	Total Sabie District Municipality	4 192	3 580	142 714	64 778	86 687	130 000	160 000	160 000	160 000	64 425	328 658	392 883
	Total Limpopo Municipalities	23 794	20 230	425 740	500 453	353 660	3 400	500	879 856	879 856	271 814	1 532 604	1 777 361
MPUMALANGA													
B	MP001 Chief Albert Luthuli	-	-	11 706	15 773	9 203	-	-	-	-	-	11 706	15 773
B	MP002 Murrumbidgee	-	-	8 232	14 339	9 034	-	-	-	-	-	8 232	14 339
B	MP004 D.P. Pieterse Jnr. Juba Seno	-	-	4 202	23 155	32 843	-	-	-	-	-	4 202	23 155
B	MP005 Letaba	-	-	556	1 021	1 425	-	-	-	-	-	556	1 021
B	MP006 Dipsitso	-	-	3 642	3 908	10 15	-	-	-	-	-	3 642	3 908
B	MP007 Great Murrumbidgee	-	-	15 407	3 726	1 829	-	-	-	-	-	15 407	3 726
C	DC30 - Great Murrumbidgee District Municipality	4 918	4 200	-	-	-	140 000	210 000	210 000	210 000	90 000	324 918	415 497
	Total Great Murrumbidgee District Municipality	4 918	4 200	90 035	101 292	58 540	140 000	210 000	210 000	210 000	90 000	324 918	415 497
B	MP011 View Khanyo	-	-	3 392	17 098	2 302	-	-	-	-	-	3 392	17 098
B	MP012 Enabaken	-	-	2 522	617	1 681	-	-	-	-	-	2 522	617
B	MP013 Steve Tshete	-	-	5 107	7 311	7 461	-	-	-	-	-	5 107	7 311
B	MP015 Thabakwazi Hani	-	-	72 399	60 226	28 696	-	-	-	-	-	72 399	60 226
B	MP016 D.P. Pieterse Jnr. Juba Seno	-	-	15 461	14 556	57 259	-	-	-	-	-	15 461	14 556
C	DC31 - Nkangala District Municipality	2 810	2 400	-	-	-	140 000	210 000	210 000	210 000	50 000	299 188	386 273
	Total Nkangala District Municipality	2 810	2 400	101 278	101 452	90 583	140 000	210 000	210 000	210 000	50 000	299 188	386 273
B	MP021 Thaba Chevu	-	-	2 382	4 105	1 015	-	-	-	-	-	2 382	4 105
B	MP024 Nkomzi	-	-	25 021	23 028	46 198	-	-	-	-	-	25 021	23 028
B	MP025 Bushbuckridge	-	-	74 306	20 056	100	-	-	-	-	-	74 306	20 056
B	MP026 City of Murrumbidgee	-	-	61 352	34 471	106 470	-	-	-	-	-	61 352	34 471
C	DC32 - Ehlangeni District Municipality	2 317	3 600	-	-	-	2 000	2 000	-	-	-	2 317	3 600
	Total Ehlangeni District Municipality	2 317	3 600	162 961	103 143	173 739	2 000	2 000	-	-	-	251 673	138 943
	Total Mpumalanga Municipalities	11 944	10 200	354 374	304 887	322 862	4 800	3 012	411 399	411 399	140 000	875 814	830 888

ANNEXURE W7

EQUITABLE SHARE AND TOTAL ALLOCATIONS TO MUNICIPALITIES

Category	Municipality	EQUITABLE SHARE ¹			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)
LIMPOPO							
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
Total: Mopani Municipalities		2 689 500	2 884 063	3 095 225	4 409 273	4 639 741	4 998 971
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
Total: Vhembe Municipalities		2 918 499	3 139 905	3 381 209	4 141 831	4 442 648	4 754 428
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
Total: Capricorn Municipalities		2 618 127	2 807 121	3 012 260	4 260 895	4 428 320	4 743 447
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
Total: Waterberg Municipalities		1 257 360	1 348 635	1 448 114	2 099 476	2 420 180	2 444 017
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
Total: Sekhukhune Municipalities		2 363 458	2 541 528	2 735 498	3 644 673	3 784 877	4 042 203
Total: Limpopo Municipalities		11 846 944	12 721 252	13 672 306	18 556 148	19 715 766	20 983 066
MPUMALANGA							
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
Total: Gert Sibande Municipalities		2 008 540	2 158 863	2 323 489	3 416 368	3 550 202	3 775 739
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
Total: Nkangala Municipalities		2 349 601	2 534 613	2 738 498	3 610 910	3 694 796	3 908 674
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
Total: Ehlanzeni Municipalities		3 125 496	3 362 452	3 621 092	5 028 541	5 106 835	5 498 598
Total: Mpumalanga Municipalities		7 483 637	8 055 928	8 683 079	12 055 819	12 351 833	13 183 011

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)
EASTERN CAPE						
B	EC109 Kou-Kamma	MIG	Upgrading of Krakeel Sport Field (Ward 2)	8 000	-	-
Total: Sarah Baartman Municipalities				8 000	-	-
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	-	-
Total: Amathole Municipalities				20 000	-	-
B	EC136 Emalahleni	MIG	Upgrading of Indwe Sport Field	10 000	-	-
Total: Chris Hani Municipalities				10 000	-	-
Total: Eastern Cape Municipalities				38 000	-	-
FREE STATE						
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	-	-
Total: Lejweleputswa Municipalities				12 000	-	-
B	FS196 Mantsopa	MIG	Construction of a multi-sport facility in Mahlatswetsa	10 000	-	-
Total: Thabo Mofutsanyana Municipalities				10 000	-	-
Total: Free State Municipalities				22 000	-	-
B	GT484 Merafong City	MIG	Construction of a sport field within Merafong Local Municipality	10 000	-	-
Total: West Rand Municipalities				10 000	-	-
Total: Gauteng Municipalities				10 000	-	-
KWAZULU-NATAL						
B	KZN212 uMdoni	MIG	Upgrading to Umzinto Sport Field (Phase 3)	10 000	-	-
Total: Ugu Municipalities				10 000	-	-
B	KZN266 Ulundi	MIG	Construction of Ezihlabeni Sport Field	10 000	-	-
Total: Zululand Municipalities				10 000	-	-
B	KZN285 Mthonjaneni	MIG	Construction of Kwesezulu Sport Field (Ward 7)	10 000	-	-
Total: King Cetshwayo Municipalities				10 000	-	-
B	KZN292 KwaDukuza	MIG	Construction of Groutville Market Sport Field (Ward 10)	10 000	-	-
Total: iLembe Municipalities				10 000	-	-
Total: KwaZulu-Natal Municipalities				40 000	-	-
LIMPOPO						
B	LIM333 Greater Tzaneen	MIG	Construction of Leretjeng Sport Ground (Ward 11)	11 000	-	-
Total: Mopani Municipalities				11 000	-	-
B	LIM354 Polokwane	IUDG	Construction of a soft-ball stadium in Polokwane	10 000	-	-
Total: Capricorn Municipalities				10 000	-	-
B	LIM362 Lephahale	MIG	Construction of Marapong Sport Centre (Phase 2)	10 000	-	-
Total: Waterberg Municipalities				10 000	-	-
Total: Limpopo Municipalities				31 000	-	-
B	MP316 Dr JS Moroka	MIG	Construction of a sport field within Dr. JS Moroka Local Municipality	10 058	-	-
Total: Nkangala Municipalities				10 058	-	-
Total: Mpumalanga Municipalities				10 058	-	-
NORTHERN CAPE						
B	NC066 Karoo Hoogland	MIG	Upgrading of Willistone Sport Facility	9 000	-	-
Total: Namakwa Municipalities				9 000	-	-
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	-	-
Total: Pixley Ka Seme Municipalities				30 000	-	-
B	NC093 Magareng	MIG	Upgrading of Ikhuseng Sport Facility (Phase 2)	6 500	-	-
Total: Frances Baard Municipalities				6 500	-	-
Total: Northern Cape Municipalities				45 500	-	-

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)
LIMPOPO					
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	-	-
Total: Mopani Municipalities		2 283	27 271	-	-
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	-	-
Total: Vhembe Municipalities		2 344	16 026	-	-
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	-	-
Total: Capricorn Municipalities		2 764	20 054	-	-
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	-	-	-	-
Total: Waterberg Municipalities		852	7 252	-	-
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	-	-
Total: Sekhukhune Municipalities		1 565	19 326	-	-
Total: Limpopo Municipalities		9 808	89 929	-	-
MPUMALANGA					
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	-	-
Total: Gert Sibande Municipalities		1 623	17 245	-	-
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	-	-
Total: Nkangala Municipalities		2 058	23 170	-	-
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	-	-
Total: Ehlanzeni Municipalities		3 280	22 784	-	-
Total: Mpumalanga Municipalities		6 961	63 199	-	-

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)
KWAZULU-NATAL										
RBIG 5b	Mandlaza Bulk Water Supply	C	DC26 Zululand District Municipality	uPhongolo and Nongoma Local Municipalities	15 247	30 000	50 000	-	-	-
	Total: Zululand Municipalities				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	-	-	-
	Total: King Ceshwayo Municipalities				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	-	-	-
	Total: Sisonke Municipalities				-	25 000	50 000	-	-	-
	Total: KwaZulu-Natal Municipalities				228 810	395 312	413 065	-	-	-
LIMPOPO										
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
	Total: Mopani Municipalities				-	-	-	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
	Total: Vhembe Municipalities				-	-	-	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	-	-	-
	Total: Capricorn Municipalities				154 584	120 597	126 013	-	-	-
RM04	Mogalakwena Bulk Water Supply	B	LIM367 Mogalakwena Local Municipality	Mogalakwena Local Municipality	-	-	-	40 000	50 000	-
	Total: Waterberg Municipalities				-	-	-	40 000	50 000	-
RL14	Moutse Bulk Water Supply	C	DC47 Sekhukhune District Municipality	Ephraim Moutse 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
	Total: Sekhukhune Municipalities				-	-	-	130 000	160 000	160 000
	Total: Limpopo Municipalities				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)
NORTH WEST										
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	-	-	-	-	-	-
			Total: Bojanala Platinum Municipalities		-	-	-	135 608	165 225	168 737
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
			Total: Ngaka Modiri Molema Municipalities		-	-	-	64 328	60 000	60 000
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	-	-	-
			Total: Dr Ruth Segomotsi Mompati Municipalities		399 581	487 038	508 911	-	-	-
RS55	Poche/Stream Waste Water Treatment Works upgrade (Tloko) Phase 1 to 3	B	NW405 JJB Marks Local Municipality	JJB Marks Local Municipality	-	-	-	40 000	31 964	40 000
			Total: Dr Kenneth Kaunda Municipalities		-	-	-	40 000	31 964	40 000
			Total: North West Municipalities		399 581	487 038	508 911	239 936	257 189	268 737
WESTERN CAPE										
RS132	Klawer Bulk Water	B	WC011 Matielika Local Municipality	Matielika 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
			Total: West Coast Municipalities		10 000	-	-	15 197	15 153	15 867
RBIG 5b	Tulbagh Bulk Water Supply	B	WC022 Witzenberg Local Municipality	Witzenberg Local Municipality	19 239	-	-	-	-	-
			Total: Cape Winelands Municipalities		19 239	-	-	-	-	-
BFI	Portable Water Security and Remedial Works	B	WC044 George Local Municipality	George Local Municipality	240 648	510 838	274 636	-	-	-
			Total: Overberg Municipalities		240 648	510 838	274 636	-	-	-
			Total: Western Cape Municipalities		240 648	510 838	274 636	15 197	15 153	15 867
National Total					2 521 420	2 892 132	2 762 863	3 455 050	3 607 327	3 769 330

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



2022/23

**REVIEWED ORGANISATIONAL AND
EMPLOYEE PERFORMANCE
MANAGEMENT POLICY**

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GLOSSARY OF TERMS

Term	Definition
Assessment:	The measurement of data by means of a scoring process to assess if targets were reached. The term assessment is used within this policy as synonymous to review and appraisal.
Baseline:	Estimate current level or measure of a situation.
Core Competency Requirements (CCR):	Refer to behaviors and skills that are considered core to achieving the key performance areas and ultimately the strategic objectives and key performance areas of the Municipality. It is the culmination of a specific unique set of skills that provide a structured guide enabling the identification, evaluation and development of behaviors in individual employees. These include the values of the organization.
Dispute:	A disagreement that an employee has elected to resolve in terms of applicable legislation and collective agreements (i.e. the 'formal' dispute resolution procedure).
Employee:	A person employed by a Municipality. This includes all managers defined in Section 57(1) (a) (b) of the Municipal Systems Act, No 32 of 2000, employees in the full-time employment and fixed term contract employees in the employment of the City of Polokwane.
Employee Performance Management:	The human resource management process concerned with ensuring the best performance of individuals in an organization to ensure organizational performance. It involves an understanding of what needs to be achieved and then managing and developing people in a way that enables the achievement of Municipal objectives.
Individual Performance Scorecard:	A Performance Plan/ Scorecard reflects the performance expectations of an incumbent for a specific year and sets out the outcomes and outputs against which performance is expected together with the standard of delivery, reflected as targets.
Key Performance Area (KPA):	A broad area of performance for which the incumbent will be held responsible. It is one of the elements to be reflected in the Performance Scorecard.
Key Performance	Can essentially be described as the performance dimension that is considered key in measuring performance. KPIs refer to programmes,

Term	Definition
Indicator (KPI):	projects or tasks to be undertaken by an employee within a specific time period. It should be defined in respect of each KPA and should be seen as measurable outputs.
Logic Model	A logic model is a tool used to evaluate the effectiveness of a programme/ project. Logic models are usually a graphical depiction of the logical relationships between the resources, activities, outputs and outcomes of a programme/project.
Monitoring and Evaluation	Refers to processes of monitoring a program and evaluating the impact it has on the target population in order to assess the success and gaps in program implementation.
Organizational Performance Management:	Organizational performance management entails the development of priorities aligned to the Municipal strategy inclusive of the development of strategic goals (ultimate outcomes) strategic objectives (intermediate outcomes), strategies/interventions (direct outcomes), projects (outputs), activities/processes (ward plans), performance indicators, baselines and targets. It aims to define and direct performance at an organizational level towards achieving annual targets.
Performance Input:	Resource consumed in business activities and processes, such as money, labour, time, equipment, etc. - measures economy and efficiency.
Performance Management System:	According to S38 of Act 32 of 2000 a Performance Management System must be established by a Municipality to commensurate with its resources, best suited to its circumstances and is in line with the priorities, objectives (outcomes), indicators and targets contained in its Integrated Development Plan (IDP). Its design should direct the behavior of Municipal employees towards achieving the organization's mandate as stipulated in its IDP.
Performance Output:	A description of the level of activity or effort that will be provided over a period of time or by a specific date, including a description of the characteristics and attributes (e.g., timelines) established as standards in the course of conducting the activity or effort.

Term	Definition
Target:	Is a standard to which a KPI must be achieved and should be reflected in terms of measures such as time, quality and quantity.
Panel and 180-Degree Assessment:	Refers to a top-down and bottom-up appraisal and feedback system where the performance of an incumbent is assessed by him/herself and his/her peer/s and/or manager/s.
Performance Agreement:	Explains what the employee's responsibilities are in terms of the performance management system.
Personal Development Plan:	A plan that is developed to show what training and development activities are required for each employee.
Rating:	The classification or ranking of something based on a comparative assessment of the quality and standard of performance.
Results/Outcomes Based Management	Is a management approach by which an organization ensures that its processes, products and services contribute to the achievement of clearly stated articulated results/outcomes in its strategy.
Weighting	An indicator of the relative importance of a metric with respect to the other metrics within the same objective.

SECTION A: ORGANIZATIONAL PERFORMANCE

1. INTRODUCTION

The 2001 Municipal Planning and Performance Management Regulations stipulates that a municipality's Performance Management System (PMS) must entail a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the roles of the different role- players.

In line with the said legal requirement this framework is a policy document that will set out the requirements that the Polokwane Municipality's PMS will need to fulfill, the principles that informed its development and subsequent implementation, the preferred performance model of the Municipality, the process by which the system will work, the delegation of responsibilities for different roles in the process and a plan for the implementation of the system.

2. THE LEGISLATIVE FRAMEWORK FOR PERFORMANCE MANAGEMENT

The major PMS policy instruments is the 1998 White Paper on Local Government supported by the Batho Pele principles, which policies was given legal stature through the adoption of the Municipal Systems Act in 2000 (Act 32 of 2000). The said Act requires all municipalities to:

- Develop a performance management system.
- Set targets and monitor and review the performance of the Municipality based on indicators linked to their Integrated Development Plan (IDP).
- Publish an annual performance report on performance of the Municipality forming part of its annual report as per the Municipal Finance Management Act (MFMA).
- Incorporate and report on a set of general (sometimes also referred to as national) indicators prescribed by the Minister responsible for local government
- Conduct, on a continuous basis, an internal audit of all performance measures
- Have their annual performance report audited by the Auditor-General
- Involve the community in setting indicators and targets and reviewing municipal performance.

The Minister responsible for local government published the Municipal Planning and Performance Management Regulations (2001) in terms of the Municipal Systems Act setting out in detail the requirements for a municipal PMS. The Regulations also contain the general indicators prescribed by the Minister responsible for local government. In 2006 the Minister published a further set of Regulations dealing with Performance Management for Municipal Managers and Managers Directly Accountable to Municipal Managers.

It is also important to note that the MFMA contains various important provisions related to municipal performance management. It requires municipalities to annually adopt a Service Delivery and Budget Implementation Plan (SDBIP) with service delivery targets and performance indicators. Whilst considering and approving the annual budget the Municipality must also set measurable performance targets for each revenue source and vote. The Municipality must lastly compile an annual report, which must include a performance report compiled in terms of the Systems Act. In terms of a circular issued by National Treasury provision is also made for the compilation on an annual basis of departmental SDBIPs.

3. PERFORMANCE MANAGEMENT AND MEASURES AT VARIOUS LEVELS

Performance management can be applied to various levels within any organization. The legislative framework as set out above provides for performance management at various levels in a municipality including organizational (sometimes also referred to as municipal, corporate or strategic) level, departmental (also referred to as services, operational or section/team level) and lastly, individual level.

At organizational level the five-year IDP of a municipality forms the basis for performance management, whilst at operational level the annual SDBIP forms the basis. The IDP is a long-term plan and by its nature the performance measures associated with it will have a long-term focus, measuring whether a municipality is achieving its IDP objectives. A SDBIP (both for the municipality as a whole and that of a department) is more short-term in nature and the measures set in terms of the SDBIP, reviewing the progress made with implementing the current budget and achieving annual service delivery targets.

The measures set for the Municipality at organizational level is captured in an organizational scorecard structured in terms of the preferred performance management model of the Municipality.

By cascading performance measures from organizational to departmental level, both the IDP and the SDBIP, forms the link to individual performance management. This ensures that performance management at the various levels relate to one another which is a requirement of the 2001 Municipal Planning and Performance Regulations. The MFMA specifically requires that the annual performance agreements of managers must be linked to the SDBIP of a municipality and the measurable performance objectives approved with the budget.

4. OBJECTIVES OF THE PERFORMANCE MANAGEMENT SYSTEM

As indicated in the previous chapter the Municipality's PMS is the primary mechanism to monitor, review and improve the implementation of its IDP and to gauge the progress made in achieving the objectives as set out in the IDP.

In doing so, it should fulfill the following functions:

- ***Facilitate increased accountability***

The performance management system should provide a mechanism for ensuring increased accountability between the local community, politicians, the Municipal Council and the municipal management team.

- ***Facilitate learning and improvement***

The PMS should facilitate learning in order to enable the Municipality to improve delivery.

- ***Provide early warning signals***

It is important that the system ensure decision-makers are timeously informed of performance related risks, so that they can facilitate intervention, if necessary.

- ***Facilitate decision-making***

The performance management system should provide appropriate management information that will allow efficient, effective and informed decision-making, particularly on the allocation of resources.

The functions listed above are not exhaustive, but sum arise the intended benefits of the system. These intended functions should be used to evaluate and review the performance management system on a regular basis (see chapter 9).

5. PRINCIPLES GOVERNING THE PMS OF POLOKWANE MUNICIPALITY

The following principles guided the process of developing a performance management system for the Polokwane Municipality:

- *Simplicity* so as the facilitate implementation given any current capacity constraints,
- *Politically acceptable* to all political role players,
- *Administratively managed* in terms of its day-to-day implementation,
- *Implementable* within any current resource constraints,
- *Transparency and accountability* both in terms of developing and implementing the system,
- *Efficient and sustainable* in terms of the ongoing implementation and use of the system,
- *Public participation* in terms of granting citizens their constitutional rig to participate in the process,
- *Integration* of the PMS with the other management processes within the Municipality,
- *Objectivity* based on credible information and lastly,
- *Reliability* of the information provided on the progress in achieving the objectives as set out in its IDP.

6. PREFERRED PERFORMANCE MANAGEMENT MODEL FOR POLOKWANE MUNICIPALITY

A performance management model can be defined as the grouping together of performance indicators, sometimes based on the type of indicator, into logical categories or groups (often called perspectives), as a means to enhance the ability of an organization to manage and analyze its performance. As such a model provides a common framework for what aspects of performance is going to be measured and managed. It further ensures that a balanced set of measures are

employed that are not relying on only one facet of performance and therefore not presenting a holistic assessment of the performance of an organization.

A number of performance models are available and any of them could be applied by the Municipality. The available models include the Municipal Scorecard, Balanced Scorecard and the Key Performance Area Model. The Municipality has chosen the Key Performance model. In the said model all indicators are grouped together as per the National Key Performance Areas as per the Municipal Systems Act that is aligned to Polokwane IDP. The said Model therefore enables the Municipality to assess its performance based on the national and its own local key performance areas. With regards to the national key performance areas the Polokwane Municipality added two of their own namely environmental management and social development as they felt that these two areas were not adequately covered by the national key performance areas.

7. THE PROCESS OF MANAGING PERFORMANCE

The annual process of managing performance at organizational level in the Polokwane Municipality involves the steps as set out in the diagram below:



The following table spells out in more detail the role of all relevant role players in the above steps:

Stakeholders	Performance Planning	Measurement and Analysis	Performance Reporting and Reviews
<i>Citizens and Communities</i>	<ul style="list-style-type: none"> • Be consulted on needs • Develop the long term vision for the area • Influence the identification of priorities • Influence the choice of indicators and setting of targets 		Be given the opportunity to review municipal performance and suggest new indicators and targets
<i>Council</i>	<ul style="list-style-type: none"> • Facilitate the development of a long-term vision. • Develop strategies to achieve vision • Identify priorities • Adopt indicators and set targets 		Review municipal performance annually
<i>Mayoral Committee,</i>	<ul style="list-style-type: none"> • Play the leading role in giving 		Conduct the major reviews of municipal

Stakeholders	Performance Planning	Measurement and Analysis	Performance Reporting and Reviews
<i>Portfolio Committee and the IDP Steering Committee</i>	strategic direction and developing strategies and policies for the organization <ul style="list-style-type: none"> • Manage the development of an IDP • Approve and adopt indicators and set targets • Communicate the plan to other stakeholders 		performance, determining where goals had or had not been met, what the causal reasons were and to adopt response strategies
<i>Municipal Manager and Directors (Senior Managers)</i>	Assist the Executive Committee in <ul style="list-style-type: none"> • providing strategic direction and developing strategies and policies for the organization • Manage the development of the IDP • Ensure that the plan is 	<ul style="list-style-type: none"> • Regularly monitor the implementation of the IDP, identifying risks early • Ensure that regular monitoring (measurement, analysis and reporting) is happening in the organization • Intervene in 	<ul style="list-style-type: none"> • Conduct regular reviews of performance • Ensure that performance reviews at the political level are organized • Ensure the availability of information • Propose response strategies to the Executive

Stakeholders	Performance Planning	Measurement and Analysis	Performance Reporting and Reviews
	integrated <ul style="list-style-type: none"> Identify and propose indicators and targets Communicate the plan to other stakeholders 	performance problems on a daily operational basis	Committee
<i>SBU Managers</i>	<ul style="list-style-type: none"> Develop service plans for integration with other sectors within the strategy of the organization 	<ul style="list-style-type: none"> Measure performance according to agreed indicators, analyze and report regularly Manage implementation and intervene where necessary Inform decision-makers of risks to service delivery timeously 	<ul style="list-style-type: none"> Conduct reviews of service performance against plan before other reviews

The balance of this chapter looks at each of the steps in more detail and how they will unfold in the process of managing performance in the Municipality. Although the steps and what follow relates mainly to performance management at organizational level, the principles and approaches are also applied to performance management at departmental level.

Performance Planning

The performance of Polokwane Municipality is to be managed in terms of its IDP and the process of compiling an IDP and the annual review thereof therefore constitutes the process of planning for performance. It should be noted that the last component of the cycle is that of performance review and the outcome of such a review process must inform the next cycle of IDP compilation/review by focusing the planning processes on those areas in which the Municipality has under-performed.

Performance Monitoring

Performance monitoring is an ongoing process by which the Manager accountable for a specific indicator as set out in the organizational scorecard (and a service delivery target contained in a SDBIP) continuously monitors current performance against targets set. The aim of the monitoring process is to take appropriate and immediate interim (or preliminary) action where the indication is that a target is not going to be met by the time that the formal process of performance measurement, analysis, reporting and review is due

In the instance of Polokwane Municipality organisational performance is monitored on quarterly basis to the Mayoral Committee. Performance monitoring requires that in between the said formal cycle of performance measurement appropriate action be taken should it become evident that a specific performance target is not going to be met. At least on a monthly basis Senior Managers and SBU Managers needs to track performance trends against targets for those indicators that lie within their area of accountability of their respective Departments as a means to early on identify performance related problems and take appropriate remedial action.

Further each SBU Manager must delegate to the direct line official the responsibility to monitor the performance for his/her sector. Such line officials are best placed given their understanding of their sector monitor on a regular basis whether targets are being met currently or will be met in future, what the contributing factors are to the level of performance and what interim remedial action needs to be undertaken.

Performance Measurement

Performance measurement refers to the formal process of collecting and capturing performance data to enable reporting to take place for each key performance indicator and against the target set for such indicator. Polokwane Municipality have automated performance monitoring of the organisational scorecard (SDBIP), SBU Managers are given specific access to the reporting system. The SBU Managers are responsible for reporting on each indicator and the senior managers for the respective directorates are accountable for the overall monitoring of their directorate performance.

The SBU Managers will, when performance measurement is due, have to collect and collate the necessary performance data or information and capture the result against the target for the period concerned on the organizational scorecard and relevant SDBIP scorecard and report the result to the automated performance reporting system.

Performance Analysis

Performance analysis involves the process of making sense of measurements. It requires interpretation of the measurements as conducted in terms of the previous step to determine whether targets have been met and exceeded and to project whether future targets will be met or not. Where targets have not been met performance analysis requires that the reasons therefore should be examined and corrective action recommended. Where targets have been met or exceeded, the key factors that resulted in such success should be documented and shared so as to ensure organizational learning.

In practice the aforementioned entails that SBU Managers and Senior Managers are responsible for each indicator will have to, after capturing the performance data against targets on the organizational or departmental scorecards, analyze the underlying reasons why a target has/has not been met and capture a summary of his/her findings on the scorecard. The SBU Manager will thereafter have to compile a draft recommendation in terms of the corrective action proposed in instances where a target has not been achieved and also capture this on the relevant scorecard. Provision has been made on the reporting format of the organizational and SDBIP scorecards to capture both the 'reason for the performance challenges (in other words the results of the analysis undertaken) and the 'corrective action' proposed.

The organizational and SDBIP scorecards as completed must then be submitted to a formal meeting of the senior management team for further analysis and consideration of the draft recommendations as captured by the relevant Managers. This level of analysis should examine performance across the organization in terms of all its priorities with the aim to reveal and capture whether any broader organizational factors are limiting the ability to meet any performance targets in addition those aspects already captured by the relevant SBU Manager.

The analysis of the organizational and SDBIP scorecards by senior management should also ensure that quality performance reports are submitted to the Mayoral Committee through the Portfolio Committee Governance and Administration; and that adequate response strategies are proposed in cases of poor performance. Only once senior management has considered the scorecards, agreed to the analyses undertaken and captured therein and have reached consensus on the corrective action as proposed, can the organizational and SDBIP scorecards be submitted to the Mayoral Committee for consideration and review.

Performance Reporting and Review

The next two steps in the process of performance management namely that of performance reporting and performance review will be dealt with at the same time. This section is further divided into three sections dealing with the requirements for in-year versus annual reporting and reviews respectively and lastly a summary is provided of the various reporting requirements.

In-year Performance Reporting and Review

The submission of the scorecards to the Mayoral Committee for consideration and review of the performance of the Municipality as a whole is the next step in the process. The first such report is a major milestone in the implementation of PMS and it marks the beginning of what should become a regular event namely using the performance report as a tool to review the Municipality's performance and to make important political and management decisions on how to improve.

The organizational and SDBIP scorecards be submitted to the Mayoral Committee for consideration and review on a quarterly basis. ***The reporting should therefore take place in October (or the period July to end of September - quarter 1 of the financial year), January (for the period October to the end of December - quarter 2), April (for the period January to the end of March - quarter 3) and July (for the period April to the end of June - quarter 4).***

The review in January will coincide with the mid-year performance assessment as per section 72 of the MFMA. The said section determines that the accounting officer must by 25 January of each year assess the performance of the municipality and report to the Council on inter alia its service delivery performance during the first half of the financial year and the service delivery targets and performance indicators as set out in its SDBIP.

Performance review is the process where the management of Polokwane Municipality, after the performance of the municipality have been measured and reported, reviews the results and decide on appropriate action. The Mayoral Committee in reviewing the municipal scorecards submitted to it will have to ensure that targets committed to in the scorecard have been met, where they have not, that satisfactory and sufficient reasons have been provided by senior management and that the corrective action being proposed are sufficient to address the reasons for poor performance. If satisfied with the corrective action as proposed this must be adopted as formal resolutions of Council.

Annual Performance Reporting and Review

On an annual basis a comprehensive report on the performance of Polokwane Municipality needs to be compiled. The requirements for the compilation, consideration and review of such an annual report are set out in chapter 12 of the MFMA. In summary it requires that:

- All municipalities for each financial year compile an annual report
- The annual report be tabled within seven months after end of the financial year
- The annual report immediately after it has been tabled and made public and that the local community be invited to submit representations thereon
- The municipal Council consider the annual report within nine months after the end of the financial year and adopt an oversight report containing the council's comments on the annual report
- The oversight report as adopted be made public
- The annual report as tabled and the Council's oversight report be forwarded to the Auditor-General, the Provincial Treasury and the department responsible for local government in the Province
- The annual report as tabled and the Council's oversight report be submitted to the Provincial legislature.

The oversight report to be adopted provides the opportunity for full Council to review the performance of the Municipality. The requirement that the annual report once tabled and the oversight report be made public similarly provides the mechanism for the general public to review the performance of the Municipality. It is however proposed that in an effort to assist the public in the process and subject to the availability of funding, a user- friendly citizens' report be produced in addition to the annual report for public consumption. The citizens' report should be a simple, easily readable and attractive document that translates the annual report for public consumption.

Annually a public hearing (MPAC hearing on the annual report) that involve the citizens of Polokwane Municipality must be held. The hearing must review the municipal performance over and above the legal requirements of the Municipal Systems Act and the MFMA. Such a campaign could involve all or any combination of the following methodologies:

- Various forms of media including radio, newspapers and billboards should be used to convey the annual report.
- The public should be invited to submit comments on the annual report via telephone, fax and email.
- Public hearings could be held in a variety of locations to obtain input of the annual report.
- Making use of existing structures such as ward and/or development committees to disseminate the annual report and invite comments.
- Hosting a number of public meetings and road shows where the annual report could be discussed and input invited.
- Posting the annual report on the council website and inviting input

Lastly, the performance report of Polokwane Municipality is only one element of the annual report and to ensure that the outcome thereof timeously inform the next cycle of performance planning in terms of an IDP compilation/review process, the annual performance report be compiled and completed as soon after the end of a financial year as possible but ideally not later than two months after financial-year end.

Summary of Various Performance Reporting Requirements

The following table, derived from both the legislative framework for performance management and this PMS Policy, summarizes for ease of reference and understanding the various performance reporting deadlines as it applies to Polokwane Municipality:

Report	Frequency	Submitted for consideration and/or review to	Remarks
SDBIPs	Quarterly	Mayoral Committee	See MFMA Circular 13 of National Treasury for further information
Monthly budget statements	Monthly	Executive Mayor (in consultation with Mayoral Committee)	See sections 71 and 54 of the MFMA
Organizational Scorecard (Quarterly Institutional Performance Report)	Quarterly	Mayoral Committee	This PMS Policy (see section 7.5.1 above)
Performance report	Annually	Council	See section 46 of the Municipal Systems Act as amended. Said report to form part of the annual report (see 7 below)
Annual report	Annually	Council	See chapter 12 of the MFMA

8. THE AUDITING OF PERFORMANCE MEASURES

The role of Internal Audit In -terms of Performance Management

The MFMA requires that Polokwane Municipality must establish Internal Audit section which service could be outsourced depending on its resources and specific requirements. Section 45 of the Municipal Systems Act stipulates that the results of the Municipality's performance measures

must be audited by the said internal audit section as part of the internal auditing process and annually by the Auditor-General.

The Municipal Planning and Performance Management Regulations of 2001 stipulates that Internal Audit section must on a continuous basis audit all performance and the auditing must include an assessment of the following:

- (i) The *functionality* of the municipality's performance management system.
- (ii) Whether the municipality's performance management system *complies* with the Act.
- (iii) The extent to which the municipality's performance measurements are *reliable* in measuring the performance of municipalities by making indicators.

Each of the aforementioned aspects will now be looked at briefly.

- **Functionality**

To function could be defined as a proper or expected activity or duty or to perform or operate as expected (Chambers Handy Dictionary). This could also be applied to the operation of any system such a PMS. The internal Audit section must therefore on a regular basis audit whether the PMS of Polokwane Municipality is functioning as developed and described in this Policy.

- **Compliance**

To comply can be defined as to act in the way that someone else has commanded or wished (Chambers Handy Dictionary). In this respect it is clear that the legislature wishes to ensure that the Polokwane Municipality's PMS complies strictly with the requirements of the Systems Act, Regulations and the MFMA. This compliance check would require that the Municipality's Internal Audit Unit, at least on an annual basis, verifies that the Municipality's PMS complies with the said legal requirements.

- **Reliability**

To rely could be defined as to trust or depend (upon) with confidence. Reliability in the context of PMS refers to the extent to which any performance measures reported upon could be seen as being reliable, e.g. if the performance target was to build 500 houses and it is reported

that the target has been met or exceeded, it must be established whether the information is factually correct or only an estimation or even worse, purposeful misrepresentation. Undertaking a reliability audit will entail the continuous verification of performance measures and targets reported upon. This will require that Polokwane Municipality place a proper information management system (electronically or otherwise) so that the internal audit section is able to access information regularly and to verify its correctness.

The Polokwane Municipality's Internal Auditors must submit quarterly reports on the audits undertaken to the Municipal Manager and the Audit Committee.

Audit Committee

The MFMA and the Municipal Planning and Performance Management Regulations require that the municipal council establish an audit committee consisting of a minimum of three members, where the majority of members are not employees of Polokwane municipality. No Councilor may be a member of an audit committee. Council shall also appoint a chairperson who is not an employee.

The Regulations gives municipalities the option to establish a separate performance audit committee whereas the MFMA provides only for a single audit committee. The operation of this audit committee when dealing with performance management is governed by section 14 (2-3) of the Regulations which require that the audit committee must:

- review the quarterly reports submitted to it by the internal audit unit.
- review the municipality's PMS and make recommendations in this regard to the Council of the Municipality.
- at least twice during a financial year submit an audit report to the municipal Council.

In order to fulfill their function a performance audit committee may, according to the MFMA and the Regulations,

- Communicate directly with the council, municipal manager or the internal; and external auditors of the municipality concerned;
- Access any municipal records containing information that is needed to perform its duties or exercise its powers;

- Request any relevant person to attend any of its meetings, and, if necessary, to provide information requested by the committee; and
- Investigate any matter it deems necessary for the performance of its duties and the exercise of its powers.

The council of Polokwane Municipality has an Audit Committee, which performs the audit function of performance. The audit committee has been established in terms of the MFMA and is in line with the provisions of the Local Government: Planning and Performance Regulations of 2001.

Performance Investigations

The Audit Committee should also be able to commission in-depth performance investigations where there is either continued poor performance, a lack of reliability in the information being provided or on a random ad-hoc basis. The performance investigations should assess:

- The reliability of reported information
- The extent of performance gaps from targets
- The reasons for performance gaps
- Corrective action and improvement strategies

While the Internal Audit unit may be used to conduct these investigations, it is preferable that external service providers, who are experts in the area to be investigated, should be used. Clear terms of reference will need to be adopted by the Council for each such investigation.

9. GENERAL ISSUES RELATING TO PERFORMANCE MANAGEMENT

The following is some general issues related to performance management that needs to be taken into consideration in implementing the PMS of Polokwane Municipality:

Annual Review of the Performance Management System

One of the functions of the audit committee is to on at least an annual basis, review the PMS of the Municipality. It is envisaged that after the full cycle of the annual review and reporting is complete and the audit committee has met as required; the Internal Audit unit will compile a

comprehensive assessment/review report on whether the Municipality's PMS meets the system objectives and principles as set out in this Policy and whether the system complies with the Systems Act, PMS Regulations and the MFMA. This report then needs to be considered by the audit committee and any recommendations on amendments or improvements to be made to the PMS, submitted to Council for consideration.

The Municipal Systems Act requires the Municipality also annually evaluate its PMS. The review undertaken by the audit committee and its recommendations could serve as input into this wider municipal review of the PMS and it is proposed that after the full cycle of the annual review is complete; the Municipal Manager will initiate an evaluation report, taking into account the input provided by departments. The report will then be discussed by the Executive Management and finally submitted to the Committees for discussion and approval.

Integrating PMS with the Council's Existing Management Cycle

International best practice indicates that PMS stand the best chance to succeed if it is integrated with the current management cycle of the Municipality. The purpose of such a cycle would be to guide the integration of important processes such as the strategic planning or development process in terms of the IDP methodology, the annual budget process and the formal process of evaluating and assessing Council's performance in terms of the approved PMS.

Institutional Arrangements

The implementation of the PMS in terms of this Policy would require co-ordination and it is recommended that at organizational level this be the task of the Manager PMS responsible for the PMS function in the municipality. This doesn't mean that it is the responsibility of the PMS Manager to measure, analyze and report on performance but only to ensure that this happens and that material collated and available for analyses and review as per this Policy on behalf of the Municipal Manager.

At an individual level the responsibility for co-ordination, administration and record keeping should be the responsibility of the Manager responsible for human resource management.

The Municipality also needs to ensure that its internal audit section is capacitated to deal with the additional responsibilities it has in terms of performance management over and above its traditional financial audit responsibilities.

10. STANDARD OPERATING PROCEDURE

Policies and procedures describe the generalized view of a job without getting into the major specifics, and often remain the same within a department or across the municipality as a whole. These often govern who does what on the job. Standard operating procedures get down to specifics of how a task is to be accomplished. SOPs work to fulfill policy and procedures.

SOPs look more toward standardized ways to get work done, while policies and procedures allow more room for a worker to improvise. Because of this, policies and procedures create more likelihood of a standardized product or service, but SOPs insure that a product or service comes out the same way every time. In order for Polokwane Municipality to ensure that performance management is standard, a Performance Management Standard Operating Procedure must be developed and implemented across all the directorates. The SOP will be signed off by the accounting officer and will be reviewed on regularly basis and also when there a material changes in the performance management environment of the municipality.

11. TECHNICAL INDICATOR DESCRIPTION MANUAL

Polokwane Municipality must develop the Technical Indicator Description Manual for each indicator that appears in the institutional/municipal scored as captured in the Top-Layer Service Delivery and Implementation Plan. The purpose of the Technical Indicator Description Manual is to explain how the collection, calculation and interpretation of the data of each indicator is to be done. The Technical Indicator Description Manual must be aligned to the Top-Layer SDBIP and must have same indicator reference number and should reflect the financial year that the indicators are applicable to be measured.

The table below reflects the format of the Technical Indicator Description Manual:

Indicator Number/SDB IP Number	Indicator Title	Short Definition	Purpose of the Indicator	Source/collection of data	Method of calculation	Data limitation	Type of Indicator	Reporting Cycle	Indicator Responsible Person/Directorate
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12. INFORMATION TECHNOLOGY TOOLS FOR PERFORMANCE MANAGEMENT (AUTOMATED PERFORMANCE MANAGEMENT SYSTEM)

Technology is being used in almost every organization to accomplish specific tasks. Technology has changed the way we work and it simplifies the way employees accomplish specific tasks at work. Every year new technology is integrated in different workplaces with a great aim of improving working processes, systems and procedures. Recently, there are noticeable developments in the performance management environment in the form of automation. Polokwane Municipality took advantage of the IT development in the PMS environment. The municipality has automated PMS in 2016 from manual. Performance monitoring, measuring and evaluation is now done using automation. Automation is able to capture performance information, store performance information, review performance information and generate performance reports. Currently, Polokwane Municipality is utilizing the Lebelela Performance Management System supplied by the Institute for Performance Management company. The system description is provided and supplied by the service provider. The Lebelela Performance Management System complies the Polokwane Municipality's IT Policies relating to IT Systems.

13. CONCLUSION

In conclusion it must be emphasized that there are no definitive solutions to managing municipal performance. The process of implementing a performance management system must be seen as a learning process, where the Municipality must continuously improve the way the system works to fulfill the objectives of the system and address the emerging challenges from a constantly changing environment.

SECTION B: INDIVIDUAL PERFORMANCE

14. PREAMBLE

The implementation of an Organizational Performance Management System necessitates the inclusion of an Employee Performance Management System, so as to ensure that strategic goals (ultimate outcomes) and strategic objectives (intermediate outcomes) of the organization are interpreted and delivered by employees.

The Organizational and Employee Performance Management Policy is applicable to all employees of the City of Polokwane. The legislative environment requires the filtering down of the Performance Management System to employee levels lower than the Municipal Manager and Managers directly accountable to the Municipal Manager. Legislation does not, however, prescribe performance management practices at lower levels. In terms of section 67 of the Municipal Systems Act no 32 of 2000, a municipality, in accordance with applicable law and subject to any applicable collective agreement, must develop and adopt appropriate systems and procedures to ensure fair, efficient, effective and transparent personnel administration, including (d) the monitoring, measuring and evaluating of performance of staff.

Varied responsibilities and contractual arrangements with individual employees' present obstacles to promoting a unified performance management culture. For this reason the Policy aims to align all performance management practices. Where required, distinction is made between the application of the Policy for Top Management and other Municipal employees. The PMS Policy integrates various legislative and also unique Municipal Management requirements, inclusive of:

- ❖ Labour Relations Act, No 66 of 1995.
- ❖ The Constitution, Act No 108 of 1996.
- ❖ White Paper on New Employment Policy in the Public Sector, 1997.
- ❖ Local Government: Municipal Structures Act No 117 of 1998.

- ❖ Local Government: Municipal Systems Act 32 of 2000; Local Government: Municipal Systems Amendment Act 2003 and Local Government Municipal Systems Amendment Bill, 2010.
- ❖ Municipal Planning and Performance Management Regulations and Guidelines, Notice 7146 of 2001.
- ❖ Local Government: Municipal Finance Management Act No 53 of 2003 and MFMA Regulation 493 of 2007.
- ❖ Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, Regulation 805 of 2006.
- ❖ Government Wide Monitoring and Evaluation Framework.
- ❖ 12 Outcomes of Government with specific emphasis on Outcome 8 and 9.
- ❖ Performance and Delivery Agreements.

15. PURPOSE

The Municipal Systems Act, 32 of 2000 and the Performance Management Regulations of 2001 and 2006 stipulate that Municipalities should develop Performance Management Systems to confirm the intention, implementation, monitoring and review of its Integrated Development Plan's priorities. Alignment between organizational and employee performance management is imperative to ensure the above.

- The purpose of the City of Polokwane Organizational and Employee Performance Management Policy is to regulate the effective implementation of the performance management requirements for employees of the Municipality based on legislative requirements.
- It provides for a mechanism by which management shall give direction regarding the achievement of organizational goals (ultimate outcomes) and objectives (intermediate outcomes).
- It is derived from the Performance Management Framework (2011) of the City of Polokwane – aimed at incorporating organizational and employee performance management. The Policy thus outlines how Polokwane Municipality responds to the requirement of Chapter 6 of the Municipal Systems Act.

16. THE EXPECTED OUTCOME OF THE POLICY

The expected outcome of the application of the Organizational and Employee Performance Management Policy is that:

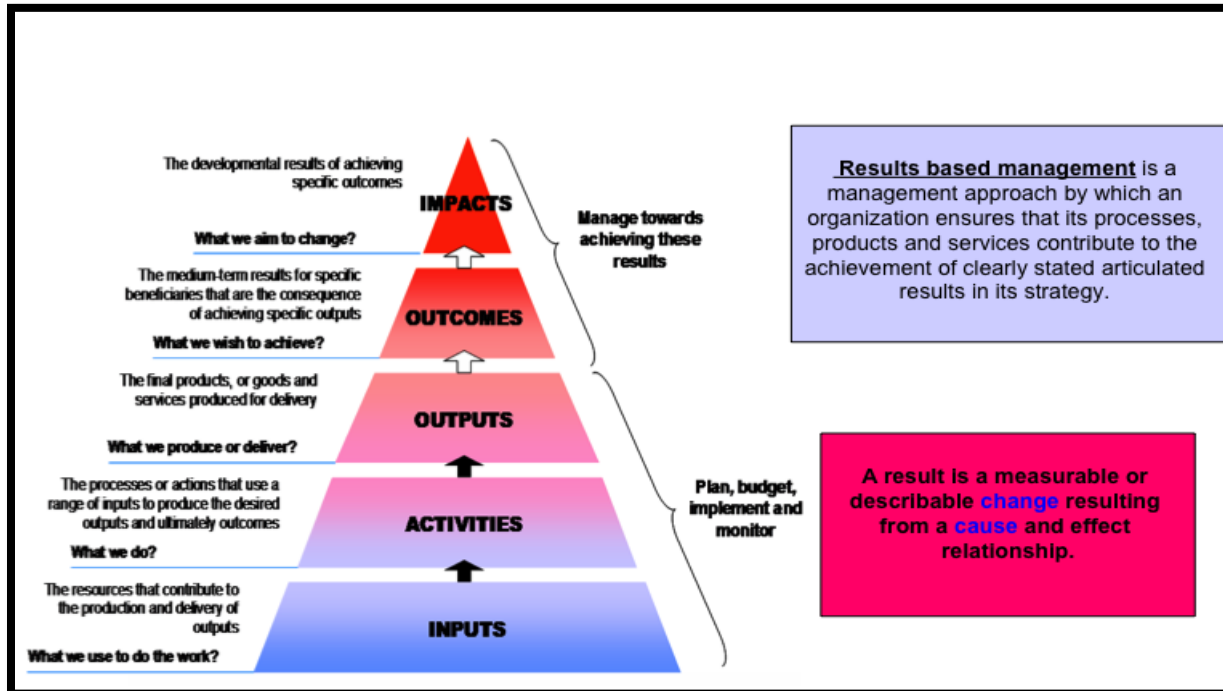
- ✓ The Integrated Development Plan (IDP) will be interpreted in the Organizational, Departmental, Strategic Business Unit Scorecards;
- ✓ Employees of the Municipality will collectively execute their obligation towards the community as expressed in the Integrated Development Plan (IDP) and Organizational, Departmental and Strategic Business Unit Scorecards resulting in the development of Individual Performance Plans/Scorecards annually as interpreted in the Service Delivery Budget Implementation Plan (SDBIP) and Lower Service Delivery Budget Implementation Plan (LSDBIP); and
- ✓ Employees will gain an understanding of how they can contribute towards the attainment of the vision, mission, priorities, strategic goals (ultimate outcomes) and objectives (intermediate outcomes), key performance areas and key performance indicators of the Municipality.

With the above in mind the Policy focuses on describing in broad terms:

- ✓ How employee performance management activities should be planned
- ✓ How cascading to all levels will promote accountability and improved individual employee performance
- ✓ How to collect process and report on performance information.
- ✓ How employees must be actively involved in the management of their own performance in an accountable manner
- ✓ How incentives and rewards should be structured
- ✓ How to take practical steps to improve on performance on the basis of information obtained

City of Polokwane has adopted Results/Outcomes Based Management as their planning methodology aligned to Government Wide Monitoring and Evaluation Framework. The methodology utilizes the logic model to articulate the results to be achieved. The model promotes cascading of performance at all levels. See Figure 1 below:

Figure 1: The Logic Model



17. SCOPE OF APPLICATION

This policy is applicable to all employees of Polokwane Municipality. More specifically, this policy shall be applicable to following categories of employees:

- ✓ Employees referred to in the Municipal Systems Act as Section 57 Employees i.e. the Municipal Manager and the managers reporting directly to the Municipal Manager;
- ✓ Employees who are permanent employees of the Municipality and fall within the ambit of the Local Government Collective Bargaining Council; and
- ✓ Employees who are employed by the Municipality on fixed term contracts and fall outside of the Local Government Collective Bargaining Council.

18. OBLIGATIONS OF THE EMPLOYER

The employer shall:

- ✓ Create an enabling environment to facilitate effective performance by the employee.
- ✓ Provide access to skills development and capacity building opportunities.
- ✓ Work collaboratively with the Employee to solve problems and generate solutions to common problems that may impact on the performance of the employee.
- ✓ On the request of the employee delegate such powers reasonably required by the Employee to enable him/her to meet the performance objectives and targets established in terms of this agreement.

19. DEFINITION OF EMPLOYEE PERFORMANCE MANAGEMENT

Employee Performance Management may be defined as the process of creating a work environment in which employees are enabled to perform to the best of their abilities, so as to ensure the achievement of organizational goals (ultimate outcomes) and objectives (intermediate outcomes). It is a continuous process of clarifying job responsibilities, priorities and performance expectations to ensure optimum performance. It is one of the key processes that, when effectively carried out, helps employees understand their contribution towards organizational performance achievements.

Employee performance management therefore culminates in a methodology of cascading and integration between organizational, departmental, business unit and employee performance. It includes clarifying expectations, setting outputs and targets, providing feedback and evaluating results. Employee performance management involves a planned process that provides the opportunity for both the manager/supervisor and employee to identify, focus on and review the intended contributions towards the achievement of the mission and strategic goals (ultimate outcomes) of the organization. It establishes a shared understanding about what is to be achieved and how it is to be achieved. It is an approach to manage people to increase the probability of achieving success.

20. OBJECTIVES OF THE ORGANISATIONAL AND EMPLOYEE PERFORMANCE MANAGEMENT SYSTEM

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

More specifically, the Organizational and Employee Performance Management System focuses on:

- ✓ Ensuring compliance with legislative requirements in terms of performance management.
- ✓ Translating Municipal strategies into individual performance priorities.
- ✓ Aid in the assessment of employee performance against objectives whilst considering the utilization of resources.
- ✓ Allowing employees to become more actively involved in achieving organizational goals (ultimate outcomes) and be accountable for their own performance by instilling a performance-oriented culture.
- ✓ Drive organizational values, culture and desired leadership behavior through rewarding these elements.
- ✓ Promote a clear work ethic, customer orientation and a culture of professionalism, accountability and delivery.
- ✓ Build human capital at strategic and operational levels throughout the City of Polokwane in line with the mission of the Municipality.

21. PRINCIPLES OF THE ORGANISATIONAL AND EMPLOYEE PERFORMANCE MANAGEMENT SYSTEM

The Performance Management System is founded on the following sound and proven principles:

- ✓ Simplicity
- ✓ Legislative Acceptance
- ✓ Implement ability
- ✓ Transparency and accountability
- ✓ Efficiency and sustainability
- ✓ Community participation
- ✓ Integration
- ✓ Objectivity

22. KEY ROLE-PLAYERS

Various political and administrative structures impact on employee performance. A brief description of the roles of these structures is provided below.

Table 1: Key Role-Players in the Employee Performance Management Process

Role Player	Role
Executive Mayor	The Executive Mayor may assign the management of performance (organizational and employee) to the Municipal Manager. The Mayor is responsible for dispute resolution regarding performance management matters (nature of performance agreement and performance evaluation) of the Municipal Manager and Managers directly accountable to the Municipal Manager.
Municipal Manager	It is the responsibility of the Municipal Manager to ensure the effective and efficient design, development and implementation of an Organizational and Employee Performance Management System. The Municipal Manager will accept overall accountability for service delivery of the agreed performance indicators as stipulated in the IDP and SDBIP of the organization, and will be accountable to the Executive Mayor at agreed intervals. In addition, the Municipal Manager is responsible for ensuring proper monitoring, assessment and review of the Organizational and Employee Performance Management System. The Municipal Manager will delegate responsibility and accountability to Directors and Managers.

Role Player	Role
Directors	<p>Directors are responsible for the effective coordination of employee performance by developing objectives and indicators with employees in such a way that continuous improvement is encouraged. They should enter into the Performance Plans with employees and the delegation process shall be cascaded down to all levels within each Department.</p> <p>Directors are further responsible for using the performance management process to monitor and coach employees; including providing continuous feedback and assessment. Based on assessments, managers are responsible for managing poor performance and recognize and reward good performance.</p>
Individual Employees	<p>Roles and responsibilities of individual employees within the performance management framework include:</p> <ul style="list-style-type: none"> ✓ Taking responsibility for the standard of his/her own performance by improving output quality ✓ Developing and implementing action plans so that set objectives can be achieved ✓ Asking their manager for information, help or advice to assist them in meeting set targets ✓ Making suggestions on how they can improve their performance ✓ Keeping their manager informed about any problems that will negatively affect the achievement of set targets ✓ Keeping their manager informed about how well they are doing in relation to their objectives
Human Resources	<p>The Human Resource Department is to provide guidelines, advice and instruments and will manage quality control of employee performance management efforts. They are also responsible for informing the Municipal Manager on required procedures and structures.</p>
Strategic Planning, Monitoring & Evaluation	<p>The Strategic Planning, Monitoring & Evaluation oversees and provides guidance on the development and implementation of the Municipal Organizational and Employee Performance Management System.</p>

Role Player	Role
	<p>Strategic Planning, Monitoring & Evaluation is the custodian of Performance Management on behalf of Senior Management and has to work closely with the Human Resources Unit which must:</p> <ul style="list-style-type: none"> ✓ Conducting follow-up and evaluation studies within the Municipality including attitude surveys to assess the effectiveness of the Employee Performance Management System ✓ Testing staff morale ✓ Ensuring change management is instilled ✓ Based on the findings, make recommendations to senior management to improve the overall Performance Management System <p>Strategic Planning, Monitoring & Evaluation will further ensure cohesion and alignment between its activities and that of other role-players involved in the employee performance management process and will work closely with the Human Resources Unit.</p>
<p>Assessment/ Evaluation Panel and Moderator</p>	<p>Assessment/Evaluation panels are involved in the assessment of employees' performance. Section 27(4)(d) of Regulation 805 provides details on the Assessment/Evaluation panels to conduct the assessment of the Municipal Manager and Managers directly accountable to the Municipal Manager.</p> <p>Assessment/Evaluation panels comprising of the manager of an employee, a peer and employees reporting to the employee, are to be created in cases where employees on other management levels are assessed.</p> <p>A 180° assessment process is to be followed for all other employees, implying the involvement of the employee and his/her direct manager in the assessment process.</p> <p>The Assessment/Evaluation Panel is chaired by the Moderator who is responsible for moderating the assessment process. The Moderator is also responsible for resolving any disagreements that may arise between managers and incumbents. Together with the rest of the Assessment/Evaluation Panel,</p>

Role Player	Role
	<p>moderators are responsible for recommending appropriate rewards and incentive schemes for excellent performance.</p>
<p>Internal Audit</p>	<p>Internal Audit is responsible for conducting an independent evaluation of performance assessments. To this effect Internal Audit members may sit in during a number of employee assessments as an observing member to validate the information included in employee Portfolio of Evidence (PoE). Due to the scope of assessments to be conducted, the Internal Audit may not be able to attend all employee assessments, but should attend a dedicated number per level.</p> <p>The Internal Audit is responsible for reviewing performance evidence and quality assurance. They should also actively participate in the final review sessions and approval of incentives with the Performance Audit and Remuneration Committee.</p>
<p>Performance Audit and Remuneration Committee</p>	<p>The aim of the Performance Audit and Remuneration Committee is to evaluate and conduct an overall audit of all performance appraisals that were conducted within the Municipality.</p> <p>This includes reviewing the appraisals per manager, level and division to ensure cohesion and the application of similar standards throughout the performance appraisal process.</p> <p>The Performance Audit and Remuneration Committee is a critical body to ensure that confidence can be created in the effectiveness and equity of the Organizational and Employee Performance Management System. This committee is responsible to:</p> <ul style="list-style-type: none"> ✓ Ensure that all legislative and regulatory requirements regarding performance management are fulfilled ✓ Review and ensure the application of organizational performance management policy and strategies aligned to employee strategies and policies ✓ Review the performance of the organization as a whole

Role Player	Role
	<ul style="list-style-type: none"> ✓ Review the performance of the Municipal Manager and direct reports to provide validity to the review process ✓ Review and ensure the application of organizational remuneration policies and strategies ✓ Ensure the payment of fair, competitive and appropriately structured remuneration ✓ Have oversight over the remuneration policies and practices of the organization ✓ Review the findings of the Internal Audit Committee based on documentation made available by this Committee ✓ Approve recommendations of performance bonuses as stipulated by Assessment/Evaluation Panels for the Municipal Manager and Managers directly accountable to the Municipal Manager and to give those through to Council for approval ✓ Review and recommend financial and formal non-financial performance incentives to other employees and provide a report on the matter to the Executive Management for review and approval ✓ Review the performance reward scheme of the Municipality on an annual basis
Audit and Performance Audit Committee	Provide Independent audit on legal compliance. Audit of municipal performance and communicate directly with the Council, Municipal Manager as well as internal and external auditors
Municipal Public Accounts Committee (MPAC)	The role is to provide oversight over the activities of Council as the Municipal Council is vested with both legislative and executive authority. Oversight and accountability helps to ensure that the executive implements programmes and plans in a way consistent with policy, legislation and the dictates of the Constitution.

23. ORGANISATIONAL VS EMPLOYEE PERFORMANCE MANAGEMENT SYSTEM

Human Resources are necessary to ensure that effective services are provided within Municipalities. The organization is therefore in need of effective human resource management practices that can ensure the appropriate deployment, support and accountability of Municipal employees.

Within the Municipal organizational structure the SDBIP and LSDBIP give effect to the annual implementation of the IDP and budget of the Municipality. In developing a credible SDBIP and LSDBIP the Municipality has adopted the Logical Model. During the IDP Strategies Phase, the Municipality develops Organizational, Departmental and Business Units Scorecards which are translated into the SDBIP and LSDBIP. These planning documents provide the bridge between community needs and what must be delivered by Council and Administration through individual performance that must support the vision, mission, goals and objectives of the organization.

In the context of the above, effective employee performance management requires the alignment of employee activities to organizational strategies. The focus should be on results (inputs, activities, outputs) as the preferred approach to employee performance management, as it enables employee efforts to be linked to organizational goals and objectives.

Organizational performance management is divided into four phases, namely:

- ✓ planning/review,
- ✓ monitoring,
- ✓ reporting and
- ✓ Evaluation.

For employee performance management to be aligned to organizational performance management and the process plan, the same phases apply. The application of these phases in line with organizational performance management phases is displayed in the below table.

A cyclical process is followed to ensure effective and efficient employee performance management. A summary of these phases is provided below.

Table 2: Employee Performance Management Phases

Phases	Explanation
Planning/Review:	<p>It encompasses the compilation of Performance Agreements inclusive of Performance and Personal Development Plans.</p> <p>Employee Performance Plans inclusive of the Performance Scorecard should relate back to Municipal goals (Ultimate Outcomes) and objectives (Intermediate Outcomes). These planning documents should be used to design the Performance Plan (Performance Scorecard) of Municipal employees. For each individual employee their individual Performance Plans are informed by the priorities and targets set for their managers and their own tasks and accountabilities. This process allows for cascading strategies down to the level of each individual Employee Performance Plan.</p>
Monitoring and Assessment:	<p>This phase relates to the assessment of performance and periodic review of progress to achieve set targets. Employee performance monitoring encompasses a continuous review of the levels and standards of activities performed by an employee.</p> <p>The process of assessment is used to measure performance via data through scoring to determine if targets were met. Performance is therefore assessed against the achievement or non-achievement of targets. Assessment of performance requires employees and managers to look at inputs (resources, financial perspective), activities/processes (functions, service standards perspective), outputs (results, service delivery perspective) and outcomes (impact, customer satisfaction, and growth, quality of life) to determine the impact that an employee made towards the achievement of Municipal service delivery.</p> <p>During the assessment process an overall rating is calculated by using the applicable assessment-rating calculator. The rating is used to</p>

Phases	Explanation
	determine future actions, i.e. under-performance may result in additional coaching/training or disciplinary action, whilst exemplary performance may result in incentives as a reward for excellence.
Reporting and Coaching:	<p>Reporting on findings of the assessment process occurs in this phase. Based on findings, a coaching and/or disciplinary action plan is to be put in place to ensure improvement of performance – where necessary.</p> <p>Coaching/mentoring can be used to change behavior or actions so as to ensure that targets are achieved against set standards. Coaching may be conducted to help an employee to meet or exceed the standards of expected performance. Coaching is a crucial part of the continuous tracking and improving of performance, and provides guidance, feedback and reinforcement of the key results and competencies expected of an employee.</p>
Evaluation and Reward:	<p>Evaluation of the employee performance management process is essential to ensure the validity and reliability of the performance management process. In other words, the purpose of evaluation is to critically evaluate past actions, build on areas of value, eliminate non value adding processes, and use the information gained to make informed decisions to realign employee and organizational goals and objectives. Without continuous evaluation there can be no improvement and development.</p> <p>Annual performance evaluations also involve the provision of rewards in cases where performance exceeded expectations.</p>

Activities within the Employee Performance Management Programme have been divided to collate with the organizational performance management phases. Detail on how these activities are to be executed to ensure effective and efficient employee performance management are provided in more detail throughout the rest of this Policy document.

24. PLANNING AND REVIEW

The planning phase is the first in the performance management cycle and occurs in June of each year. This is a consultative process during which an employee and his/her manager jointly draft the performance agreement/plan based on the goals (ultimate outcomes) and objectives (intermediate outcomes) set out in the IDP and SDBIP of the Municipality.

The process of planning relates to the establishment of performance contracts, performance agreements and performance plans to be used to measure the performance of individual employees. These documents should be linked to the Organizational, Departmental and Business Units Scorecards, IDP, SDBIP and LSDBIP of the Municipality based on the employee level.

25. PERFORMANCE CONTRACTS

Regulation 805 of 2006 states that the Performance Contract of the Municipal Manager and Managers directly accountable to the Municipal Manager is fixed for a specific term of employment not exceeding a period ending two years after the election of the next Council of the Municipality. The Contract must provide for a commencement date as well as a termination date. The Contract should make provision for the cancellation of the contract in case of non-performance compliance or due to medical incapacity.

All contracts are subject to the terms of conditions stipulated in Section 55 of the Municipal Systems Act (2000) as well as all related stipulations within the Municipal Finance Management Act (MFMA) (2003). In addition to the above, employment in terms of the Employment Contract is subject to:

- ✓ The signing of a separate Performance Agreement within ninety (90) calendar days after assumption of duty and annually within one month after the commencement of the new financial year.
- ✓ The submission of original or certified copies of academic and professional qualifications and proof of previous employment.
- ✓ The signing of the code of conduct as stipulated in Schedule 2 of the Municipal Systems Act.

- ✓ The disclosure of all financial interest on the date of assumption of duty and annually within one month after commencement of the financial year (June).

The signing of Performance Contracts is not applicable to other employees in the employment of the City of Polokwane.

26. PERFORMANCE AGREEMENTS

Applicable to the Municipal Manager and Managers directly accountable to the Municipal Manager, Chapter 3 of Regulation 805 provides specific detail on the Performance Agreements for Municipal Managers and Managers directly accountable to Municipal Managers. In addition the Municipal Systems Act (MSA), Section 57 (1)(b) and (2)(a) states that Performance Agreements of the applicable managers are concluded annually and within one month after the beginning of the new financial year.

According to Sections 23(2) and 25(1) (2) of Regulation 805, the Performance Agreement must include performance objectives and targets appropriate to their respective area of responsibility and aligned to the SDBIP. Performance Agreements are to be used as the basis for assessing whether the employee has met the performance expectations applicable to his/her job. The Performance Agreement should therefore include detail on monitoring and measurement requirements against set targeted outputs. Performance assessments should specify objectives and targets defined and agreed upon, and be used as the basis for assessing whether the Municipal Manager or Manager directly accountable to the Municipal Manager has met the performance expectation applicable to his/her job. Annexure to the Performance Agreement should include a Performance Plan as well as a Personal Development Plan.

The contents of the Performance Agreement of the Municipal Manager and Managers directly accountable to the Municipal Manager must be made available to the public in accordance with Section 75 of the MFMA and Section 57 of the MSA. The respective Employment Contract and the Performance Agreement must be submitted by the Municipal Manager to the MEC (Section 4(c) of Regulation 805) responsible for Local Government in the relevant Province as well as the National Minister responsible for Local Government within fourteen (14) days after concluding the Employment Contract and the Performance Agreement.

27. PERFORMANCE PLANS

An effective and efficient Organizational and Employee Performance Management System requires the development and agreement of similar documents and actions as those of the Municipal Manager and Managers directly accountable to the Municipal Manager with the main difference relating to the signing of a Performance Contract and Performance Agreement as legislatively required. A Performance Plan must therefore be completed for each Municipal employee.

The aim of a Performance Plan is to set out specific accountabilities that the Municipal employee will be responsible for. In the case of the Municipal Manager and Managers directly accountable to the Municipal Manager the Performance Plan forms an annexure to the Performance Agreement. In the case of other employees within the Municipality a similar Performance Plan is to be compiled so as to ensure cascading of Municipal goals (ultimate outcomes) and objectives (intermediate outcomes) to individual employee levels. The Performance Plan must be conducted within a reasonable time after an employee has been appointed and thereafter within one month after the beginning of the financial year of the Municipality.

The Performance Plan of the Municipal Manager forms the basis of Performance Plans for the next reporting level. The Performance Plans of respective managers are to be used to compile Performance Plans of employees reporting to them. Objectives and targets must be identified, discussed and agreed with each individual employee.

The criteria upon which the performance of the Municipal Manager and Managers directly accountable to the Municipal Manager should be assessed consist of two components carrying a weighting of 80:20. Eighty percent (80%) is to be allocated to the Key Performance Areas (KPAs) and twenty percent (20%) to the Core Competency Requirements (CCRs) including Municipal Values. Each area of assessment must be weighted and contribute a specific part to the total score.

Similar components are used to assess the performance of other employees. In the case of other employees, the weighting should be adapted to 70:30 for employees up to level seven and 60:40 for levels eight and lower where the allocated weighting for KPAs is 70%/60% and CCRs

30%/40%. This criterion split is determined by the core focus of an employee’s job in relation to the delivery on performance objectives.

28. PERFORMANCE SCORECARD AS PART OF THE PERFORMANCE PLAN

The development of a scorecard included in the Performance Plan is required to set specific accountabilities and standards upon which performance is to be executed and assessed. Information included in the scorecard of the Performance Plan should align to organizational goals (ultimate outcomes), objectives (intermediate outcomes), indicators and targets.

An example of such a scorecard is provided below.

Table 3: Performance Plan / Scorecard Example

Performance Scorecard								
Employee Name: Employee Number:								
Job Title: Directorate/Department:								
Manager: Date (Financial Year):								
Position Purpose:								
Achievement of KPA's – 80%/70%/60% of total Score								
KPA	Weight	KPI	Weight	Baseline	Target	Evidence	Rating	Notes
	100		100					
Achievement of CCRs – 20%/30%/40% of total Score								
Description					Weighting		Total	Notes
					100			
Employee Signature:					Manager Signature:		Date:	
By signing this Performance Scorecard the manager and employee indicates their full understanding of, and agreement with the contents of this scorecard.								

The identification of KPAs and associated KPIs to be incorporated in the scorecard of the Performance Plan is a joint process between the employee and his/her manager. The dual identification of KPAs and KPIs are required to ensure alignment between organizational and employee performance management. Each employee’s KPAs and KPIs must reflect critical organizational targets that fall within their manager’s span of control and responsibility. Each

employee must assume responsibility for those organizational KPAs and KPIs which fall within his/her span of control.

Once identified, it is the responsibility of each employee to draft his/her initial scorecard. This responsibility is assigned to each employee to ensure that they feel empowered by the Performance Management System as they are in control of their own performance plan and expectations. Employees will therefore buy into, agree with and understand the content of the Performance Plan. To be effective Performance Plans must be simple and manageable.

KPAs of an employee should be categorized from most to least important, based on those that have the most strategic importance in each year's annual performance cycle. Those KPAs that are most critical from a strategic perspective must be singled out. Of all the KPAs on the scorecard only between two and four should be seen as strategically important and should be identified as such. Higher weightings should be assigned to these.

KPAs must thus be prioritized from most to least important with the highest weighting allocated to the most important KPAs. During the allocation of weighting the sum of all KPAs with associated KPIs on each individual Performance Scorecard must be 100 points. It is recommended that the minimum weighting per KPA be 10 and the maximum 50. The purpose of the weighting is to show employees what the key focus areas are in the work that they must complete.

To ensure that KPAs and KPIs result in a clear understanding of what is required of each employee, the scorecard included in the Performance plan must provide information related to the following:

- ✓ Specify how much work must be completed within a certain period of time
- ✓ Describe how well the work must be done, specifying the accuracy, precision, appearance or effectiveness of the work
- ✓ Determine by when or within what period the work is to be completed
- ✓ Address the outcome (direct, intermediate, ultimate) to be obtained
- ✓ Describe the requirements, policy, procedure or rule for accomplishing the work

To achieve the above, it is recommended that KPIs be formulated according to the SMART Principles:

- Specific:** Must be stated clearly and unambiguously
- Measurable:** Must be quantifiable and measurable
Must specify a standard of output required
Must be valid and reliable and measure what is intended to be measured
- Achievable:** Should be challenging but realistic so as to motivate an employee
Shall be simple and easy to communicate to the relevant employee
- Relevant:** Should be aligned to the overall goals and objectives of the Municipality and the Directorate/Department
Should reflect the employee's position, the responsibility attached to the position and the extent of their experience
- Timeous:** Must be linked to time frames

Every employee should know what exactly constitutes a 100% (fully effective) performance, clearly specifying quantifiable measures. In order to measure performance, it is important that baselines be allocated to KPAs and KPIs in the scorecard. Baselines are previous measurements of achievements against KPAs or KPIs and provide an opportunity to track whether employee performance has improved over time. Whereas the baseline could be the first measure that was taken of the KPA or KPI, the employee and manager could agree on a different measure if the initial measure was found to be less effective than intended.

Measurement of performance also requires the setting of targets that indicate the standard which each KPI must comply with. The target date stipulates the time frame in which the KPI must be achieved. Targets may be derived from baselines and should be informed by long-term and annual business plans. The various performance targets and standards agreed upon should be made clear.

During the year evidence must be collected as proof of employee performance. Such evidence should be collected and presented in the form of a Portfolio of Evidence (PoE). This PoE is required to ensure fair review of employee performance and eliminate allegations of management bias. Evidence to be submitted is agreed upon at the same time that the KPAs, KPIs and targets are set.

In the case of the Municipal Manager and Managers directly accountable to the Municipal Manager, evidence should be confirmed by an independent third party. In terms of other employees, a set of standards must be compiled, that submitted evidence should comply with.

Such standards may include that evidence:

- ✓ Unambiguously reflects the achievement/non-achievement of a KPI
- ✓ Clearly reflects the facts
- ✓ Be concise and to the point

In terms of the CCRs, it should make up 20% of the total score in the case of the Municipal Manager and Managers directly accountable to the Municipal Manager, or 30%/40% of other employee scores. CCRs that are deemed to be most critical for the employee's specific job should be selected and agreed upon between the employee and his/her manager. Selected CCRs must be chosen with due regard to the proficiency level of each employee including whether the employee is living the values of the Municipality.

Below is a table indicating the Core Competency Requirements for the Municipal Manager and Managers directly accountable to the Municipal Manager. The weightings allocated to each competency will be specified in the individual's Performance Agreement. The table below indicates the three competencies considered to be compulsory for the Municipal Manager.

Table 4: Core Competency Requirements for the Municipal Manager and Managers directly accountable to the Municipal Manager

Core competency requirements for Municipal Manager and Managers Directly Accountable to the Municipal Manager		
Core Managerial and Occupational Competencies:	Indicate Choice	Weight
Core Managerial Competencies:		
Strategic Capabilities and Leadership		
Programme and Project Management		
Financial Management	Compulsory	
Change Management		
Knowledge Management		
Service Delivery Innovation		
Problem Solving and Analysis		
People Management and Empowerment	Compulsory	

Client Orientation and Customer Focus	Compulsory	
Communication		
Living the Values of the Municipality		
Core Occupational Competencies:		
Competence in Self -Management		
Interpretation of and implementation within the legislative and national policy frameworks		
Knowledge of developmental local government		
Knowledge of Performance Management and Reporting		
Knowledge of global and South African specific political, social and economic contexts		
Competence in policy conceptualisation, analysis and implementation		
Knowledge of more than one functional municipal field/ discipline		
Skills in mediation		
Skills in Governance		
Competence as required by other national line sector departments		
Exceptional and dynamic creativity to improve the functioning of the municipality		
Total		100%

According to the SALGA Performance Management Policy and Procedure three competencies are of particular importance and should be included in the Performance Plan of every employee.

These are:

- ✓ Customer service
- ✓ Service delivery
- ✓ Teamwork competencies

Once the scorecard is completed, the manager and employee should sign off the Performance Plan, inclusive of the Performance Scorecard. This signing signifies an understanding of the performance expectations and an agreement of the work to be done towards the achievement of performance expectations. Only signed off performance agreements/plans may be assessed. In term of the finalization of Performance Plans, the final alignment of the process for employees other than the Municipal Manager and Managers directly accountable to the Municipal Manager should be the end of July.

29. PERSONAL DEVELOPMENT PLANS

Regulation 805 of 2006 clearly indicates that a Personal Development Plan must be developed for the Municipal Manager and Managers directly accountable to the Municipal Manager and must serve as an Annexure to the annual Performance Agreement. In line with this requirement and to ensure alignment within the Employee Performance Management System, a Personal Development Plan must also be developed for each employee in the employment of the Municipality and be attached to the Performance Plan of each employee.

The Skills Development Act, No 97 of 1998 requires of each employer to submit the Annual Workplace Skills plan (WSP). This necessitates the development of employee personal development plans to identify and address developmental gaps. The identification of outcome-based competencies that must be implemented to complement IDP implementation should guide the individuals to determine specific training or skills needed for effective project implementation. These skills should be catered for via formal and informal training, coaching and mentoring. Identified training and development areas must comply with skills identified in the skills audit conducted, and aligned to the areas of training and development required by each individual employee. Personal Development Plans are to be submitted for incorporation into the Skills Development Plan of the Municipality to be submitted to the Department of Labour.

Individual learning plans will systematize the Municipality's approach to training and development by ensuring that all employees' training is carefully planned. In addition to the above, Personal Development Plans should be used to:

- ✓ Provide a structure for assessing the skill needs of employees against organizational Priorities
- ✓ Assist managers and employees at all Municipal levels to identify competencies needed for current positions
- ✓ Help employees to plan and achieve their career goals
- ✓ Increase motivation of employees and their commitment to the organization

An example of a Personal Development Plan is provided.

Table 5: Personal Development Plan

Personal Development Plan								
Employee Name:			Employee Number:					
Job Title:			Directorate/Department:					
Manager:			Date (Financial Year):					
Skills Gap	Skills Outcome Expected	Suggested Development/ Training Activities	Mode of Delivery	Suggested Time Frames	Opportunity for Application	Feedback on Outcomes achieved and Date	End of Period Sign off of Review and Assessment	Further Development activities required
Employee Signature:			Manager Signature:			Date:		
To Personal File:			To HR:					

Personal Development Plans must be completed at the commencement of the new financial year and submitted for sign off with the Performance Agreement/Performance Plans. All Development Plans will be formulated and finalized with the guidance and assistance of the Human Resource Department to ensure that all training and development activities are aligned and supportive of the Workplace Skills Plan.

30. MID-YEAR REVIEW

The adjustment process focuses specifically on the review of the Annual Budget and SDBIP. The adjustment takes place after the mid-year review and approval of adjustments by Council. Once adjusted, the Performance Plans of the Municipal Manager, Managers accountable to the Municipal Manager and all other employees should be reviewed and adapted according to the KPA and KPI changes made to the SDBIP and budget. This adjustment is required to ensure that employee Performance Plans remain aligned with the objectives and targets set for the Municipality.

Any amendments must be reflected on the amended Performance Plan. Employees will be assessed during the fourth quarter on the amended Plan. Records of the amended scorecards must be signed off and saved centrally.

31. PERFORMANCE MONITORING AND ASSESSMENT

Monitoring is the key to any successful Performance Management System because it provides information that can be compared to initial targets so as to determine the current performance state. Monitoring on a regular basis helps to ensure that the goals and targets set in the planning phase are pursued. Monitoring takes place throughout the year and implies consistently measuring performance and providing on-going feedback to employees on their progress toward reaching their targets. This implies that data on performance outputs is to be gathered and assessed to determine current performance and areas of excellence/improvement required.

32. DATA MANAGEMENT AND PORTFOLIO OF EVIDENCE DEVELOPMENT

The purpose of data management within the monitoring phase is to manage and supply data to be used during the assessment process of an employee's performance. Relevant data must be stored in such a way that it is secure but also easily retrievable. When collecting data, the following should be taken into consideration:

- ✓ Determine the data to be collected for each performance element, the source of the data and whether to collect all the data or just a sample (already clearly defined in the Performance Plan of each employee);
- ✓ Determine when to collect the data (frequency); and
- ✓ Review existing data and create feedback tables/graphs where necessary or applicable.

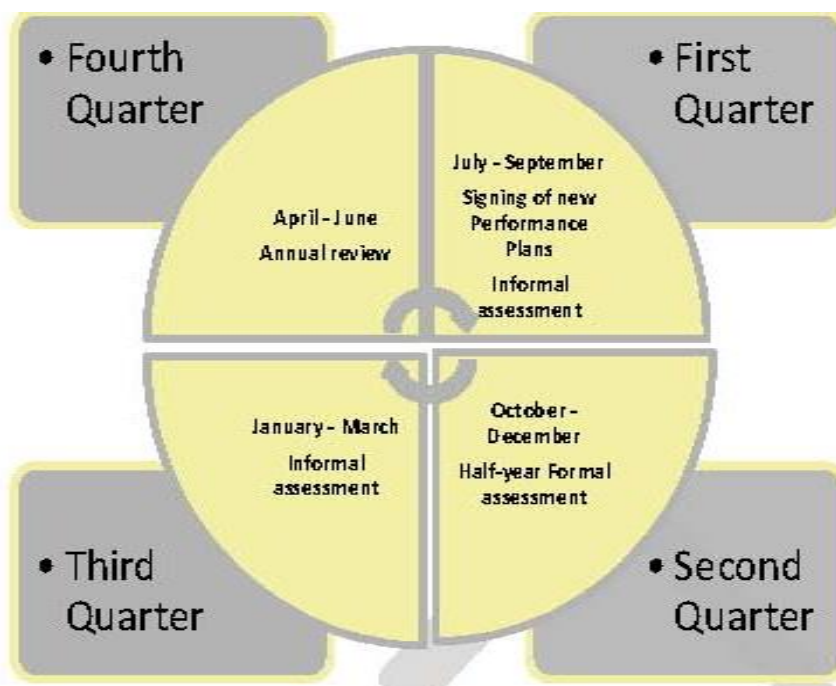
Data stored for future retrieval and use should include financial data, project data, process data and human resource data. All data should ultimately be presented in an integrated form to provide proof of employee performance. A Portfolio of Evidence (PoE) per employee should be compiled, based on available data to indicate the performance of that employee against set indicators or measurable activities. PoE's should be validated to ensure its accuracy. The PoE's of the

Municipal Manager and Managers directly accountable to the Municipal Manager and all other employees PoE's should be validated by Internal Audit.

33. SCHEDULE PERFORMANCE ASSESSMENTS

According to Section 28 of Regulation 805 the performance of employees must be reviewed during specific periods, with the understanding that reviews in the first and third quarter may be verbal if performance is satisfactory. The performance assessments conducted during the second and fourth quarters should be formal. The following diagram provides a summary of performance schedules within the City of Polokwane:

Figure 2: Performance Schedules



The second quarter formal assessment will be conducted to assess the relevance of the objectives as well as the employee's performance against the objectives and KPAs. The second-quarter performance score shall be used accumulatively to determine the link to financial and non-financial rewards at the end of the financial year. A formal final review shall be conducted after the end of the financial year. The performance scores of both formal assessments will be used to determine the link to rewards.

Assessments in the first and third quarter may be verbal if the performance is satisfactory. Records must be kept of the mid-year and annual assessment meetings. Such records may be used:

- ✓ To refer to agreed action plans
- ✓ In the management of poor performance process
- ✓ For easy reference in respect to changes/amendments to Performance Plans

34. PERFORMANCE ASSESSMENTS

Assessment is the measurement of data through a scoring process to determine if targets were met. Performance is assessed against the achievement or non-achievement of targets. Assessment involves assessing whether targets and standards have been met. Performance assessment must give a true reflection of the achievement of results as outlined in the Performance Plan.

Based on the contracted standards of performance and relative weightings, performance assessment entails:

- ✓ A description of the contracted standards and an agreement on actual results achieved
- ✓ Rating of performance and allocation of values, e.g. points
- ✓ Agreement on the weighted scores achieved
- ✓ Acceptance of assessment and signature
- ✓ Agreement on appropriate reward recognition or the remedial process required to achieve targets

Performance assessment is done against the KPAs and CCRs in terms of the extent to which the employee displays the desired results as indicated in his/her Performance Plan. At the assessment KPAs and CCRS are rated by means of 5-point rating scale, encompassing the following:

Table 6: Rating Indications

Rating	Description	% Score
1	Unacceptable performance where performance does not meet the standard expected for the job	0 – 66
2	Performance not fully effective and below standard as required for key areas of the job	67 – 99
3	Fully effective performance where performance meets the standards expected in all areas of the job	100 – 132
4	Performance significantly above expectation and higher than the standard expected in the job	133 – 166
5	Outstanding performance where performance far exceeds the standard expected of an employee at that specific level	167

For the purposes of assessing the performance of the Municipal Manager and Managers directly accountable to the Municipal Manager an assessment process is to be implemented. An Assessment/Evaluation Panel consisting of the following people should assess the performance of the Municipal Manager:

- ✓ Executive Mayor
- ✓ Chairperson of the Audit Committee
- ✓ Member of the Mayoral or Executive Committee
- ✓ Mayor and/or Municipal Manager from another Municipality
- ✓ Ward Committee Member

For the purposes of assessing the performance of the Managers directly accountable to the Municipal Manager, an Assessment/Evaluation Panel consisting of the following people must be established:

- ✓ Municipal Manager
- ✓ Chairperson of the Audit Committee
- ✓ Member of the Mayoral or Executive Committee
- ✓ Municipal Manager from another Municipality

In terms of Regulation 805 of 2006 these Assessment/Evaluation Panels will evaluate the annual performance of the Municipal Manager and Managers directly accountable to the Municipal Manager and determine the annual performance bonus or remedial action required. The performance bonus percentage will be calculated on a sliding scale described under the Reward and Incentives Section of this Policy.

For incumbents in any other managerial/supervisory level, the 360° assessment process should be applied. An assessment panel existing of the manager of the incumbent, peer and sub-ordinate should be established.

When setting up the assessment meeting, both manager and employee must agree on the date and time of the meeting. In preparation for the meeting the employee and manager must conduct the following:

- ✓ Collect evidence on progress to date against each KPI and associated targets
- ✓ Decide independently if KPIs were achieved and if performance is on target
- ✓ Use the five-point rating scale to assess outputs
- ✓ Obtain feedback on the extent to which the employee displayed CCR allocated in his/her Performance Plan

During the assessment meeting the moderator/manager and employee should discuss the preliminary ratings assigned to each KPA, respective KPI and CCR. A consultative process should be followed during this discussion to provide the employee with the opportunity to influence or understand given ratings. Any evidence to substantiate ratings should be provided. This evidence should form the basis of the agreed final rating. An assessment rating process and calculation of scores using the applicable assessment weighting/rating calculator should be used to arrive at the overall score for the performance of each employee. Final scores will be rounded off on normal principles, e.g. 95.5% will be rounded off to 96 and 95.4% to 95%. The same principle is to be followed in calculating the final audited score.

If, during the assessment meeting it was found that certain areas received an unacceptable or below acceptable score, those areas should be discussed in detail. Additional or alternative plans should be identified and put in place to correct such performance.

In instances where there is a disagreement between ratings, the rating of the manager is final. An employee can lodge a grievance with Human Resources in instances where agreement on ratings could not be reached.

In any performance management process deviations will occur. Such deviations may be as a result of an employee unable to achieve a particular KPA/KPI due to reasons outside his/her control. Such deviations must be submitted to the manager of the employee clearly stating the KPA/KPI affected and an explanation along with supported evidence for non-achievement. If the manager agrees with the deviation, the KPI will not be rated. The manager and employee must identify action plans to be implemented by the employee over the performance year in attempting to achieve the affected KPA/KPI.

A principle decision must be taken on the weightings of the two formal assessment scores. Two options are available:

- ✓ The first is that the first assessment score (after the second quarter) contributes 40% towards the final score and the final assessment score 60% (after the fourth quarter). This will provide an incumbent with an opportunity to improve performance and be credited for it.
- ✓ The second option is that the combined scores achieved during formal assessments are to be calculated separately and the average thereof will determine the annual performance score of an employee.

35. REPORTING AND COACHING

Reports on findings are to be compiled and submitted to the Performance Audit and Remuneration Committee. Based on findings a process of coaching/training is to be implemented to improve performance in instances where ratings were below standard.

- **Reporting**

Once the assessment process is concluded a report on the findings for each employee is to be compiled. Reports should be compiled on the performance assessments, scores allocated and

final ratings. This is required so as to ensure that the Municipality keeps record of all performance assessments. This information is to be used:

- ✓ To manage poor performance
- ✓ As an easy reference in terms of any suggested changes for follow-up performance assessments

After conducting the performance assessments for respective managers, the moderator prepares a summary report detailing the results of the reviews. The manager responsible for Human Resources of the Municipality must provide secretariat services to the Assessment/Evaluation panels. The report on performance of the Municipal Manager and Managers directly accountable to the Municipal Manager should be submitted to the Executive Mayor one month after assessment and thereafter to Council to provide feedback on top management performance in relation to Municipal organizational performance achievements.

With relation to other employee's reports should be signed by both the manager and employee and a copy thereof submitted to the Human Resource Department to keep on file.

- **Moderating the Assessment Process**

In terms of employees other than the Municipal Manager and Managers directly accountable to the Municipal Manager, the Head of Department assesses the results of all the performance reviews conducted in his/her Department and considers the following:

- ✓ Are the performance scores given by a certain manager all high or all low? Are the objectives too easy/difficult or are the performance indicators too vague, thus allowing for subjective measures?
- ✓ If a manager is scoring his/her employees high, then it should follow that he/she has achieved his/her objectives. It does not make sense for a manager not to achieve his/her objectives when his/her employees have all achieved theirs. This is an indication that something has gone wrong in the planning or monitoring phase of the performance management process.

- ✓ A comparison on achievements between the different departments can be drawn to ensure all are assessed in line with organizational achievements.

A final report is compiled on Departmental assessments and submitted to Human Resources. In events where discrepancies were identified, corrective measures should be proposed and implemented through consultation with respective parties.

- **Coaching and Training**

Regular interaction, guidance and possible coaching/mentoring in certain instances are imperative and form part of an employee support strategy. Based on the findings of the assessment process the manager of an employee should identify areas of improvement and set up coaching/mentoring and/or training sessions to improve unacceptable or below acceptable performance. Coaching/mentoring can be used to change behavior or actions so as to ensure that targets are achieved against set standards. Coaching/mentoring may be conducted to help the employee to meet or exceed the standards of expected performance. Coaching/mentoring is a crucial part of the continuous tracking and improving of performance. Coaching/mentoring provides guidance and reinforcement of the key results and competencies expected of an employee. All discussions held within the coaching sessions should be documented and signed off by all parties involved.

In terms of training, the development of new knowledge and skills may be required to improve the performance of an employee. The Municipality is committed to ensuring that employees will grow and develop. Whereas line managers are ultimately accountable for ensuring the implementation of training and development initiatives, employees must assume accountability for driving their own development together with their managers. Managers should ensure that training needs identified during the assessment are in line with areas identified in the Personal Development Plan of an employee.

In addition to formal training, employees should be encouraged to use other developmental activities to improve skills and knowledge in areas of under-performance. Such activities may include on-the-job training, mentoring, reading, self-study, secondments and involvements in specific projects.

How well a Municipality operates is based upon the performance of its employees; the better the performance of employees the more success the Municipality will obtain in achieving its strategic goals and objectives. Continuous development of employees will create an environment in which individuals, who are already performing well, will improve their performance and become more effective and efficient. The main purpose of improving good performance is to ensure growth of employees within the Municipal environment.

For this reason, it is also necessary to provide coaching and development opportunities to employees who perform well, so as to keep employees constantly evolving to meet the ever increasing organizational needs. This includes teaching new skills and implementing new procedures to improve the work process. It also means assigning new responsibilities to employees who appear to have outgrown their current duties.

36. MANAGE POOR PERFORMANCE

If it was found during the assessment that the performance was unacceptable and that targets agreed on in the performance agreement were not met, the employer should provide systematic remedial or developmental support to assist the employee to improve his/her performance. Managing poor performance should be a continuous process starting with the Performance Plan and following through to the performance reviews.

The fact that an employee's work does not comply with the performance standards attached to the identified work, does not necessarily mean that the employee refuses to comply with the performance standards. Poor work performance is not the same as misconduct — it does not mean that the employee concerned refuses to comply with the performance standard. Usually, poor work performance is related to the fact that, for whatever reason, an employee cannot perform his or her work to the expected standard.

The improvement of under-performance is the most important focus of the Performance Management Process. In order to do this, it is important that the causal and contributory reasons for poor performance are analyzed. Poor performance may arise out of one or more of the following:

- ✓ Inappropriate organizational structure
- ✓ Lack of skills and capacity
- ✓ Absence of appropriate strategy

Poor performance must be dealt with through the following principles:

- ✓ Standards for achievement are known and communicated with the respective employee
- ✓ Assisting the individual in the form of training guidance; etc. required to render the satisfactory service, together with fair opportunity to improve
- ✓ Where poor performance persists, give notice to the employee to attend a meeting with management where the employee will be provided with the opportunity to satisfy management of the measures being taken to improve performance
- ✓ Where there is a dispute or difference as to the performance of an employee under the signed Performance Plan, parties will confer with a view to resolve the dispute or indifference

Cases of persistent poor performance identified during assessments must be managed in accordance with the requirements of the Labour Relations Act, No 66 of 1995.

With regard to the management of unacceptable performance of the Municipal Manager and Managers directly accountable to the Municipal Manager Regulation 805 states that the employer shall:

- ✓ Provide systematic remedial or developmental support to assist the individual to improve his or her performance
- ✓ If performance does not improve after appropriate performance counseling, the necessary guidance and support and reasonable time has been allowed for improvement, the Employer may consider steps to terminate the contract of employment of the individual on grounds of incapacity to carry out his/her duties.

37. EVALUATION AND REWARD

During the evaluation phase questions should be asked whether processes followed were fair and objective. Within this phase the evaluation conducted is of a summative nature and relates

to the analysis of performance data: to examine the ratings based on provided evidence and features. The evaluation process does not encompass the actual assessment as this has already taken place. It rather reviews and extracts learning from the completion of the assessment process, to determine the progress made or obstacles experienced in achieving employee performance management.

Final results will be audited and approved by the Performance Audit and Remuneration Committee.

- **Rewards and Incentives**

However, before an evaluation can be conducted as to the validity and objectivity of the process, rewards and incentives for performance should be established. During the assessment process various Assessment/Evaluation panels and/or respective managers can make recommendations on rewards or incentives to be given to employees that perform above the required standard.

The Performance Audit and Remuneration Committee must evaluate such proposals and make recommendations to be approved. In the case of the Municipal Manager and Managers directly accountable to the Municipal Manager, Council will provide the final approval.

- **Financial Rewards**

In terms of a performance bonus, Section 32 of Regulation 805 states that a performance bonus for the Municipal Manager and Managers directly accountable to the Municipal Manager ranges from 5% to 14% of the all-inclusive remuneration package to be paid in recognition of outstanding performance.

The percentage of bonus to be paid out should be determined on the overall rating, calculated by using the assessment-rating calculator. The sliding scale to determine such performance bonuses is given below:

Table 7: Assessment Bonus Sliding Scale

% Rating Over Performance	% Bonus
130 - 133.8	5%
133.9 – 137.6	6%
137.7 – 141.4	7%
141.5 - 145.2	8%
145.3 – 149	9%
150 – 153.4	10%
153.5 – 156.8	11%
156.9 – 160.2	12%
160.2 – 163.6	13%
163.7 – 167	14%

In terms of other employees, the employees receive the thirteenth (13th) cheque. Any bonus to be paid out for outstanding performance will be in addition to the current thirteenth cheque. The City of Polokwane may reward incentives to employees through:

- ✓ Any non-monetary reward
- ✓ A non-pensionable cash award

The objectives of an incentive scheme are to:

- ✓ Introduce an objective and fair Organizational and Employee Performance Management System that would be useful to ensure that the Municipality’s services are results-oriented
- ✓ Instill and sustain a performance culture and to encourage employees to live the values of the Municipality
- ✓ Promote and establish a work contract between employee and manager
- ✓ Remedy poor performance and reward good performance

In order to encourage permanent employees to perform well, it is recommended that some form of financial reward system be introduced. It is important to note that a performance reward scheme does not currently form part of the conditions of employment for employees. If implemented it will

be operative at the discretion of the Municipality, and the Municipality reserves the right to amend or withdraw the scheme at any stage.

A variety of options are available for consideration. For example

✓ **Option 1: Providing an Additional Percentage of the Employee's Package as Performance Bonus**

In this instance the employee will receive a performance bonus of the same as suggested for contractual employees of the cost-to-company package of the employee - based on its affordability to the Municipality.

✓ **Option 2: Provide a Bonus based on Performance Achieved**

The performance bonus percentages will be calculated on a sliding scale as follows, which is calculated on the equivalent to one month's salary of the person - based on its affordability to the Municipality:

Table 8: Option 2: Bonus Award

Final Score	Reward
167 – 150	80%
133 – 149	70%

• **Non-Financial Rewards**

In instances where finances are not available to award employees financially for outstanding performance, the Municipality may introduce a non-financial reward scheme. Non-financial rewards will:

- ✓ Be provided based on exceeding and outstanding employee performance
- ✓ Aim to recognize and motivate performance beyond the requirements of the employee's job

- ✓ Be awarded throughout the financial year at the discretion of managers as close to the instance of exceptional performance as possible

Non-financial rewards may be informal or formal. Informal non-financial rewards are spontaneous, not cost rewards aimed at recognizing a piece of work. Formal non-financial rewards represent formal recognition of a specific achievement. Examples of such rewards are provided below:

Table 9: Non-Financial Reward Opportunities

Formal Non-Financial Rewards	Informal Non-Financial Rewards
<ul style="list-style-type: none"> ✓ Employee is granted between 1-3 days extra leave ✓ Able to attend conferences relevant to the work that cost between 1-3 days leave for that employee ✓ Providing the employee with a work tool that will enhance his/her performance on condition that the tool does not cost more than 1-3 days of leave for that employee ✓ A branded gift such as a pen ✓ Clothing Voucher ✓ Ticket to an event ✓ Sabbatical leave not exceeding 1-3 days of leave 	<ul style="list-style-type: none"> ✓ Physical gestures ✓ Verbal praise ✓ Letter of commendation ✓ Offering mentoring or coaching ✓ Allowing the employee to attend meetings not usually attended by the person ✓ Increased responsibility ✓ Choice of assignments ✓ Opportunity for special training ✓ Time off after working long hours ✓ Trophy ✓ Certificate

All formal non-financial rewards must be signed off by a member of the Executive Management Team. The Performance Audit and Remuneration Committee will review all formal non-financial rewards awarded within the Municipality on a half-year basis and provide feedback to the Executive Management Team on the way in which the process is managed. The Executive Mayor's Excellence Awards are to be championed by the Executive Mayor with support by the Executive Management Team.

38. APPEALS AND DISPUTES

Should Individuals not agree with the contents of their performance agreement after the Performance Planning discussion or with the final scores being allocated to them after the assessment sessions, they may elect to follow the approved Municipality's grievance procedure.

Any dispute about the outcome of the employee's performance assessment must be mediated by:

- ✓ In the case of the Municipal Manager, the MEC for Local Government in the Province within thirty (30) days of receipt of a formal dispute from the employee, or any other person designated by the MEC.
- ✓ In the case of Managers directly accountable to the Municipal Manager, a member of the Municipal Council, provided that such member was not part of the Assessment/Evaluation panel provided for in sub-regulation 27(4)(e), within thirty (30) days of receipt of a formal dispute from the employee; whose decision shall be final and binding on both parties.
- ✓ In the case of the next management level, the employee may meet with the Municipal Manager, and if so chosen a representative of Human Resources and the Labour Union with a view to resolve the issue. The discussion and outcome thereof is to be recorded. The decision is to be made within thirty (30) days of the issue being raised, or as soon thereafter as possible, and will be final.
- ✓ In the case of other employees the next level of management together with a Human Resources and Labour Union representative, provided that such members were not part of the assessment, within thirty (30) days of receipt of a formal dispute from the employee; whose decision shall be final and binding on all parties.

39. EXIT/TERMINATION/CANCELLATION CLAUSE

Relating specifically to the Municipal Manager and Managers directly accountable to the Municipal Manager, there are many reasons which may give rise to termination/cancellation of employment contracts.

The employment contract may be terminated:

- ✓ Automatically on expiry of the term referred to in the contract, subject to any extension or renewal
- ✓ At the employee's initiative if the employee gives the employer two (2) months' notice of termination in writing
- ✓ At the employer's initiative if the employer terminates the employee's appointment for reasons relating to misconduct, serious persistent breach of provisions of his/her contract, incapacity, being absent from employment without approval for a period exceeding thirty (30) days, unacceptable performance of the operational requirements of the Municipality or for any other reason recognized by law as sufficient, one calendar months' notice of termination in writing.

The termination/cancellation of contracts of employment may be classified under two categories:

- ✓ Blameworthiness of the contracted employee – In this case the incumbent shall forfeit the balance of his/her term of office as a penalty
- ✓ Non-blameworthiness of the contracted employee – In this case the incumbent shall have his/her contracted term fully paid out as a separation package

In both instances the above clause must be incorporated into the original employee contract of an incumbent.

40. THE PERFORMANCE AUDIT AND REMUNERATION COMMITTEE EVALUATION

The Performance Audit and Remuneration Committee fulfill an oversight role in terms of employee performance management within the Municipality. The establishment of such a body is required in terms of Section 45 of the MSA whereby the Municipality is required to implement mechanisms, systems and processes for auditing the results of performance measurements as part of the internal auditing process. In the City of Polokwane this function is fulfilled by the Audit Committee (See Performance Management Framework, Section B). It is recommended that the Performance Audit and Remuneration Committee be established to consider the primary role on remuneration for PMS.

The results of the formal year-end review are to be audited to ensure that all evidence is authorized and relevant, and to make recommendations on the improvement of the system. The

audit is conducted internally by the Performance Audit and Remuneration Committee. An external auditor may be appointed to verify results with the provision that skills transfer is done with a view to enhance internal capacity building in the case of members sitting on this Committee.

41. TIMING OF APPLICATION

The policy document is applicable to all employees in the City of Polokwane. However, given the complexities and challenges associated with the implementation of this policy, specifically related to change management within the Municipality, it is recommended that the policy only be initially rolled out up to level 3 employees in a phase approach. The anticipated first phase of the implementation, which will be for the Level 1 employees (SBU Managers) will be the 2020/21 financial year. It must be noted that section 67 of the Local Government: Municipal Systems Act requires municipalities to develop mechanism to monitor performance of all staff, however it went further to state that subject to the applicable collective agreement. The interpretation of section 67 means that there must be a collective agreement signed by all employee representative parties to the cascading of performance below the senior managers. Polokwane Municipality will have to satisfy all the requirements of the section 67 provisions when it implements the first phase of cascading.

After successful implementation of employee performance management up to level 3, it is envisaged that the system will be rolled out in a staggered approach over a period of time to all other employees:

- ✓ Levels 4-7
- ✓ Levels 8-12
- ✓ Levels 13-20

The Municipality will thus have to introduce an electronic PMS system to manage this process successfully. This staggering is proposed so as to ensure sufficient time and resources are available to train and coach managers/supervisors to effectively implement the performance management process. It will also provide for sufficient time and resources to monitor, manage, evaluate and where applicable, adapt the system. More detail on this cascading is provided in the change management plan of the Municipality.

The successful implementation of the Employee Performance Management System is determined by the following:

- ✓ A strong link between organizational and employee performance
- ✓ Employee performance measures that correspond with organizational strategy
- ✓ Strong commitment, clear communication and management support on a continuous basis
- ✓ Sufficient funding to be allocated in the budget of the Municipality
- ✓ High involvement and participation of employees and all relevant stakeholders

42. PRINCIPLES OF GOOD ASSESSMENT

The following principles should apply to ensure successful assessment:

- ✓ Create a supportive environment by stating clearly the purpose of the discussion
- ✓ Discuss key areas of responsibility and give examples of specific results – allow the employee first input, based on the self-appraisal
- ✓ Discuss what could have been done better; identify concerns and listen to the employee's explanations
- ✓ Ask the employee for help in resolving problems; focus on future performance and be sure the employee takes responsibility for improvement
- ✓ Make sure that the employee has an understanding of future expectations regarding performance
- ✓ Give positive recognition for performance that reinforces the strategic goals (ultimate outcomes) and objectives (intermediate outcomes) of the Municipality
- ✓ Discuss the employee's interests and potential new responsibilities and roles in achieving new objectives while maintaining on-going responsibilities
- ✓ Conclude on a positive note, emphasizing the benefits of the dialogue



POLOKWANE

MUNICIPALITY

DRAFT ASSET MANAGEMENT POLICY

2022/2023

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DRAFT

1. OBJECTIVE

- 1.1. To ensure the effective and efficient control of the municipality's assets through:
- 1.1.1 proper recording of assets from authorisation to acquisition and to subsequent disposal;
 - 1.1.2 providing for safeguarding procedures, and
 - 1.1.3 setting proper guidelines as to authorised utilisation and prescribing for proper maintenance.
- 1.2. To assist officials in understanding their legal and managerial responsibilities with regard to assets.

2. BACKGROUND

- 2.1. The proper utilisation and management of its assets is one of the prime mechanisms by which a municipality can fulfil the constitutional objects for:
- Delivery of sustainable services;
 - Promotion of social and economic development;
 - Promoting a safe and healthy environment and,
 - Providing for the basic needs to the community.
- 2.2. The municipality has a legal and moral obligation to ensure it implements policies to provide for the effective and efficient usage of its assets over the useful life thereof.
- 2.3. The asset management policy deals with the municipal rules required to ensure the enforcement of appropriate stewardship of assets.
- 2.4. Stewardship has three components being the:
- 2.4.1. Management, utilisation and control by municipal officials;
 - 2.4.2. Financial administration by the Chief Financial Officer, and
 - 2.4.3. Physical administration by the Manager: Asset Management.
- 2.5. Statutory provisions exist to protect public property against arbitrary and inappropriate management or disposal by a municipality.
- 2.6. Accounting standards are set to ensure the appropriate financial treatment for property, plant or equipment. The requirements of these accounting standards include:

- 2.6.1. The compilation of asset registers recording all assets controlled by the municipality;
- 2.6.2. Accounting treatment for the acquisition, disposal, recording and depreciation of property, plant or equipment, and
- 2.6.3. The standards to which these financial records must be maintained.

3. DEFINITIONS

“Accounting Standards Board”	was established by the Public Finance Management Act to set standards of Generally Recognized Accounting Practice (GRAP) as required by the Constitution of the Republic of South Africa.
“Assets”	are resources controlled by the municipality as the result of past events and from which future economic benefits or future service potential are expected to flow to the municipality and for the purpose of this policy refers to property, plant and equipment but excludes Investment Properties.
“Asset categories”	are the asset categories as per the Polokwane Asset Register.
“Amortisation”	is the systematic allocation of the depreciable amount of an intangible asset over its useful life.
“Basic Municipal Services”	means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment.
“Biological Assets”	
“Capitalisation”	is the recognition of expenditure as an Asset in the Financial Asset Register.
“Carrying amount”	is the amount at which an asset is included in the Statement of Financial Position after deducting any accumulated depreciation and accumulated impairment thereon.
“Control items”	are items of assets that are not significant enough for financial recognition but are valuable enough to warrant special safeguarding.
“Cost”	is the amount of cash or cash equivalents paid or the fair value of the other consideration given or received to acquire an asset at the time of its acquisition or construction.
“Cost of acquisition”	is all the costs incurred in bringing an asset item to the required condition and location for its intended use.
Current replacement cost	
“Depreciation”	” is the systematic allocation of the depreciable amount of an asset over its useful life.
“Depreciable amount”	is the cost of an asset, or other amount substituted for cost in the financial statements, less its residual value.

“Director”	is the “head of each Directorate” that has the functional accountability for and control of the physical management of a particular set of assets in order to achieve the municipality’s strategic objectives relevant to that directorate. The execution of this responsibility will require the relevant asset manager to control the acquisition, utilisation, management and disposal of this set of assets to optimise the achievement of these objectives.
“Fair value”	is the amount for which an asset could be exchanged between knowledgeable willing parties in an arm’s length transaction.
“Financial asset register”	is the control register recording the financial and other key details for all municipal assets recognized in accordance with this policy.
Finance lease	
“Heritage Assets”	are assets defined as culturally significant resources. Examples are works of art, historical buildings, and statues.
“Impairment loss” of a cash-generating asset	is the amount by which the carrying amount of an asset exceeds its recoverable amount.
“Impairment loss” of a non cash generating asset	
“Infrastructure assets”	are defined as any assets that are part of a network of similar assets. Examples are roads, water reticulation schemes, sewerage purification and trunk mains.
“Investment properties”	are defined as properties that are acquired for economic and capital gains.
“Other assets”	are defined as assets utilized in normal operations. Examples are plant and equipment, motor vehicles and furniture.
“Prescribe”	means as prescribed by the Minister of Finance by regulation.
“Property, plant or equipment” (PPE)	Means tangible assets that: (a) are held by a municipality for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and (b) are expected to have a useful life extending for more than one financial year.
“Recoverable amount”	is the amount that the municipality expects to recover from the future use of an asset, including its residual value on disposal.
“Remaining useful life”	
“Residual value”	is the net amount that the municipality expects to obtain for an asset at the end of its useful life after deducting the expected costs of disposal.

<p>“Useful life”</p>	<p>is either:</p> <p>(a) the estimated period of time over which the future economic benefits or future service potential embodied in an asset are expected to be consumed by the municipality,</p> <p>or</p> <p>(b) the estimated total service potential expressed in terms of production or similar units that is expected to be obtained from the asset by the municipality.</p>
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4. STATUTORY AND REGULATORY FRAMEWORK

4.1. This policy must comply with all relevant legislative requirements including:

- The Constitution of the Republic of South Africa, 1996
- Municipal Structures Act, 1998
- Municipal Systems Act, 2000
- Division of Revenue Act (enacted annually)
- Municipal Finance Management Act No 56 of 2003
- Local Government: Municipal Asset Transfer Regulations, 2008

4.2. Also, this policy must comply with the standards specified by the Accounting Standards Board. The relevant currently recognized accounting standards include:

- GRAP 12 Inventory
- GRAP 13 Leases
- GRAP 16 Investment property
- GRAP 17 Property, plant or equipment
- GRAP 21 Impairment of non cash generating assets
- GRAP 26 Impairment of cash generating assets
- GRAP 100 Non-current assets held for sale and discontinued operations
- GRAP 31 Intangible assets
- GRAP 103 Heritage assets
- GRAP 110 - Living and Non Living Resources

4.3. This policy does not overrule the requirement to comply with other policies such as Supply Chain Management or Budget policies.

5. RESPONSIBILITIES AND ACCOUNTABILITIES

5.1. The Municipal Manager is responsible for the management of the assets of the municipality, including the safeguarding and the maintenance of those assets.

5.2. The Municipal Manager must take all reasonable steps to ensure that:

- the municipality has and maintains a management, accounting and information system that accounts for the assets of the municipality;
- the municipality complies with standards of GRAP;
- the municipality has and maintains a system of internal control of assets, including an asset register, and
- the CFO and Directors comply with this policy.

5.3. The Chief Financial Officer is responsible to ensure that the assets are properly recorded and safeguarded.

5.3.1. The Chief Financial Officer must take all reasonable steps to ensure that:

- appropriate systems of financial management and internal controls are established and carried out diligently;
- the financial and other resources of the municipality are utilized effectively, efficiently, economically and transparently;
- any unauthorized, irregular or fruitless or wasteful expenditure, and losses resulting from criminal or negligent conduct, are prevented;
- the systems, processes and registers required to substantiate the financial values of the municipality's assets are maintained to standards sufficient to satisfy the requirements of all statutes;
- financial processes are established and maintained to ensure the municipality's financial resources are optimally utilized through appropriate asset plans, budgeting, purchasing, maintenance and disposal decisions;
- the Municipal Manager is appropriately advised on the exercise of powers and duties pertaining to the financial administration of assets, and
- the Directors are appropriately advised on the exercise of their powers and duties pertaining to the financial administration of assets.

5.3.2. The Chief Financial Officer may delegate or otherwise assign responsibility for performing these functions but will remain accountable for ensuring these activities are performed.

5.4. The Directors must take all reasonable steps to ensure that:

- appropriate systems of physical management and controls are established and carried out for assets in their areas of responsibility;

- the municipal resources assigned to them are utilized effectively, efficiently, economically and transparently;
- the assets under their control are appropriately safeguarded and maintained to the extent necessary and that risk management systems are in place and applied;
- any unauthorized, irregular or fruitless or wasteful expenditure, and losses resulting from criminal or negligent conduct, are prevented;
- they are able to justify that their asset plans, budgets, purchasing, maintenance and disposal decisions optimally achieve the municipality's strategic objectives;
- the purchase of assets complies with all municipal policies and procedures;
- all movable and immovable assets are duly processed and identified when it is received into his/her stewardship;
- all movable and immovable assets received into his/her stewardship are appropriately safeguarded for inappropriate use or loss. This will include control over the physical access to these assets and regular asset counts to ensure any losses have not occurred. Any known losses should be immediately reported to the Chief Financial Officer, and
- assets are appropriately utilized for the purpose for which the municipality acquired them for.

The Director may delegate or otherwise assign responsibility for performing these functions but will remain accountable for ensuring these activities are performed.

5.5 Safe-guarding of assets.

Directors shall be directly responsible for the physical safe-guarding of any asset controlled or used by the directorate in question.

In exercising this responsibility, Directors shall adhere to the stipulations of this policy as well as any other written directives issued by the Municipal Manager to the directorate in question, or generally to all directorates, in regard to the control of or safe-guarding of the municipality's assets.

6. FINANCIAL MANAGEMENT

6.1 Approval to acquire assets

Funds can only be spent on a capital project if:

- the funds have been appropriated in the capital budget, and the future annual operations and maintenance needs have been calculated and have been budgeted for in the operations budget;
- the project, including the total cost and funding sources, has been approved by Council;

- the Chief Financial Officer confirms that funding is available for that specific project, and
- the Supply Chain Management prescripts/procedures have been adhered to.

6.2 Funding period of capital projects

The acquisition of assets will not be funded over a period longer than its useful life.

6.3 Disposal of assets

- The municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of an asset needed to provide the minimum level of basic municipal services, unless such asset is obsolete or surplus to requirements or beyond a state of good repair or being replaced and provided that the delivery of the minimum level of basic municipal services must not be compromised as a result of the disposal of the asset.
- The decision that a specific asset is not needed to provide the minimum level of basic municipal services, may not be reversed by the municipality after that asset had been sold, transferred or otherwise disposed of.
- The disposal of an item of property, plant or equipment must be fair, equitable, transparent, competitive and cost effective and comply with municipal supply chain management regulation and policy.
- The transfer of assets to another municipality, municipal entity, national directorate or provincial directorate is excluded from these provisions, provided such transfer is being done in accordance with a prescribed regulatory framework.
- Directors shall report in writing to the Chief Financial Officer on all assets controlled or used by the directorate concerned, which such Director wishes to alienate by public auction or public tender. The Chief Financial Officer shall thereafter consolidate the requests received from the various directorates, and shall promptly report such consolidated information to the Council or the Municipal Manager of the municipality, as the case may be, recommending the process of alienation to be adopted.
- Once the assets are alienated, the Chief Financial Officer shall de-recognise the asset from the asset register.
- All gains and losses realized on the alienation of assets shall be accounted for according to GRAP requirement.

6.4 Loss, Theft, or destruction assets

Directors shall ensure that any incident of loss, theft, or destruction, of any asset controlled or used by the directorate in question is promptly reported in writing to the Chief Financial Officer and community safety in cases of suspected theft or malicious damage also to the South African Police Service.

Municipality reserve the right to recover carrying value of assets in case of proven negligent from the liable official.

7. INTERNAL CONTROLS

7.1 Financial asset registers

7.1.1 The Chief Financial Officer will establish and maintain the asset register containing key information on each item of asset that satisfies the recognition criteria.

7.1.2 Contents of the financial asset register:

- The asset register shall be maintained in the format determined by the Chief Financial Officer, which shall comply with the requirements of GRAP.

7.1.3 Internal Controls over the financial asset registers:

- Controls around the asset registers should be sufficient to provide Directors with complete accurate and valid information.
- These controls will include the physical management and recording of all acquisitions, transfers, losses and disposals of assets.

7.2 General management of assets

7.2.1 The Chief Financial Officer will undertake annual asset verification.

7.2.2 A Director must advise the Chief Financial Officer, in writing, of capital work-in-progress (WIP) at the end of the financial year.

7.2.3 A Director must advise the Chief Financial Officer, promptly in writing whenever capital work-in-progress is completed, for inclusion in the asset register

7.2.4 A Director must notify the Chief Financial Officer about any new acquisition of asset in writing for inclusion in the asset register

7.2.5 Every Directorate must keep a maintenance record for any repairs and maintenance done.

7.3 Transfers of assets

- Asset transfers must be done in writing

7.4 Verification of assets

- The Municipality shall perform full asset verification at the end of each **financial year**.

7.5 Insurance of assets

- The Municipality shall ensure that insurable assets are comprehensively insured.

8. CLASSIFICATION & COMPONENTS

8.1 Classification of assets

- Any asset recognized as an asset under this policy will be classified according to categories as per the Polokwane Asset Register
- All fixed assets should be classified under the following headings in the Asset Register:
 - Property, plant and equipment (which is broken down into groups of assets of a similar nature or function in the municipality's operations, that is shown as a single class for the purposes of disclosure in the financial statements);
 - Intangible Assets;
 - Heritage Assets;
 - Investment Properties
 - Finance Leased Assets;
 - Biological Assets
 - Living and Non Living Resources

8.2 Class of immovable assets

- PPE asset hierarchy

An asset hierarchy is adopted for PPE which enables separate accounting of parts (or components) of the asset that are considered significant to the municipality from a financial point of view, and for other reasons determined by the municipality, including risk management (in other words, taking into account the criticality of components) and alignment with the strategy adopted by the municipality in asset renewal (for example the extent of replacement or rehabilitation at the end of life). In addition, the municipality may aggregate relatively insignificant items to be considered as one asset. The structure of the hierarchy recognises the functional relationship of assets and components.

- Servitudes

Where municipalities establish servitudes as part of the registration of a township, the associated rights are granted in statute and are specifically excluded from the standard on intangible assets. Such servitudes cannot be sold, transferred, rented or exchanged freely and are not separable from the municipality. Consequently, such servitudes are not recognised in the asset register.

However, servitudes that are created through acquisition (including by way of expropriation or agreement) are recognised as an intangible asset at cost. The municipality may include the cost of the servitude in the cost of the PPE if it is essential to the construction or operation of the asset.

- *Non-current assets held for sale*

A non-current asset (or disposal group) is considered to be “held for sale” if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. An immovable asset classified as a “non-current asset held for sale” shall be reclassified as a current asset, and will therefore be taken off the Asset Register. This provision does not apply to immovable assets that are abandoned.

To be classified as “held for sale”, the asset must be available for immediate sale (i.e. to be completed within a year) in its present condition, and it must be highly probable that the sale will take place (management must be committed to a plan to sell the asset and an active programme to locate a buyer must have been initiated). Sale transactions include exchanges of immovable assets for other non-current assets when the exchange has commercial substance. If the municipality acquires an immovable asset exclusively for the purpose of selling it, it shall be classified as a

“non-current asset held for sale” at its acquisition date only if all the above requirements are met.

An extension of the period required to complete the sale does not preclude an asset from being classified as held for sale if the delay is caused by events or circumstances beyond the municipality’s control and there is sufficient evidence that the municipality remains committed to its plan to sell the asset. However, if

the municipality has classified an asset as held for sale, but the criteria are no longer met, the municipality shall cease to classify the asset as held for sale.

If the criteria are only met after the reporting date, the municipality shall not classify the immovable asset as held for sale in those financial statements when issued. However, when those criteria are met after the reporting date but before the authorisation date for the financial statements to be issued, the municipality shall disclose a description of the immovable asset; a description of the facts and circumstances of the sale, or leading to the expected disposal, and the expected manner and timing of disposal; and if applicable, the segment in which the asset (or disposal group) is presented.

o **Property, plant and equipment:**

- Land
- Buildings (not held as investment assets)
- Biological Assets
- Community assets (resources contributing to the general well-being of the community)
- Infrastructure assets (assets which are part of a network of similar assets)
- Intangible assets
- Heritage assets (culturally significant resources)
- Other assets (ordinary operational resources, consisting of Furniture, Equipment and Vehicles)
- Finance lease assets
- Library books
- Living and Non Living Resources

o **Investment property**

- investment assets (resources held for capital or operational gain); or
- land held with undetermined use

- The Chief Financial Officer may agree to subdivide these classifications further as the classification complies with GRAP Standard.

8.3 Unbundling of Assets

- Assets will be componentized or unbundled in line with the requirement of GRAP standard

9. ACCOUNTING FOR ASSETS

9.1 Recognition of assets

- An item of property, plant or equipment will be recognized as an asset when:
 - o *it is probable that future economic benefits or potential service delivery associated with the asset will flow to the municipality,*
 - o *the cost of the asset to the municipality can be measured reliably,*
 - o *the municipality has control over the asset,*
 - o *the costs are above the recognition threshold, and*
 - o *the asset is expected to be used during more than one financial year.*

9.2 Initial measurement

- □ An item of property, plant or equipment that qualifies for recognition as an asset should be initially measured at its “cost of acquisition”.
- □ This “cost of acquisition” usually include the following:
 - o *Purchase costs (less any discounts given)*
 - o *Delivery costs*
 - o *Installation costs*
 - o *Professional fees for architects and engineers*
 - o *Import duties*
 - o *Non-refundable taxes*
 - o *Site development costs*
 - o *Contractor fees*

9.3 Subsequent Measurement

9.3.1 Definitions and rules

Options

Accounting standards allow measurement after recognition of assets as follows:

- Immovable PPE heritage assets and intangible assets: on either a cost or revaluation model; and
- Investment Property: either cost model or the fair value model.

Different models can be applied, providing the treatment is consistent per asset class.

Cost model

When the cost model is adopted, the asset is carried after recognition at its cost less any accumulated depreciation and any accumulated impairment losses.

Revaluation model

When the revaluation model is adopted an immovable asset is carried after recognition at a re-valued amount, being its fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are made with sufficient regularity to ensure that the carrying amount does not differ materially from that which would be determined using fair value at the reporting date. When revaluations are conducted, the entire class of assets should be re-valued. The appraisal of the fair value of assets is normally undertaken by a member of the valuation profession, who holds a recognised and relevant professional qualifications and appropriate knowledge and experience in valuation of the respective assets.

Any change to an asset's carrying amount as a result of revaluation, is credited (or deducted from any surplus from previous revaluations if the re-valued amount decreased from the previous re-valued amount) in the Revaluation Reserve.

When an immovable asset is revalued, any accumulated depreciation at the date of the revaluation is treated in one of the following ways:

- Restated proportionately with the change in the gross carrying amount of the asset after revaluation equals its revalued amount. This method is often used when an asset is revalued by means of applying an index to its depreciated replacement cost.
- Eliminated against the gross carrying amount of the asset and the net amount restated to the revalued amount of the asset.

The revaluation surplus is transferred to the Accumulated Surpluses/ (Deficits) Account on de-recognition of an asset. An amount equal to the difference between the new (enhanced) depreciation expense and the depreciation expenses determined in respect of such immovable asset before the revaluation in question may be transferred from the Revaluation Reserve to the municipality's Accumulated Surplus/Deficit Account. An adjustment of the aggregate transfer is made at the end of each financial year.

If the carrying amount based on the revaluation is less than the carrying value of the immovable asset recorded in the fixed asset register, the carrying value of such asset is adjusted by increasing the accumulated depreciation of the immovable asset in question by an amount sufficient to adjust the carrying value to the value based on the revaluation. Such additional depreciation expenses form a charge, in the first instance, against the balance in any Revaluation Reserve previously created for such asset, and to the extent that such balance is insufficient to bear the charge concerned, an immediate additional charge against the department or vote controlling or using the asset in question.

Investment property

When the fair value model is adopted, all investment property should be measured at its fair value except when the fair value cannot be determined reliably on a continuing basis. The gain or loss from the change in fair value of investment property shall be included in the surplus or deficit for the period in which it arises. The fair value of the investment property shall reflect market conditions at the reporting date. Investment property shall be valued on an annual basis. All fair value adjustments shall be included in the surplus or deficit for the financial year.

Statutory inspections

The cost of a statutory inspection that is required for the municipality to continue to operate immovable PPE is recognised at the time the cost is incurred, and any previous statutory inspection cost is de-recognised.

Expenses to be capitalised

Expenses incurred in the enhancement of PPE (in the form of improved or increased services or benefits flowing from the use of such asset), or in the material extension of the useful operating life of immovable assets are capitalised. Such expenses are recognised once the municipality has beneficial use of the asset (be it new, upgraded, and/or renewed) – prior to this, the expenses are recorded as work-in-progress. Expenses incurred in the maintenance or repair (reinstatement) of PPE that ensures that the useful operating life of the asset is attained, are considered as operating expenses and are not capitalised, irrespective of the quantum of the expenses concerned.

Spares

The location of capital spares shall be amended once they are placed in service, and reclassified to the applicable PPE asset sub-category.

9.3.2 Policy Statement

Measurement after recognition shall be on the following basis: -

- Immoveable PPE: revaluation model.
- Heritage assets: cost model.
- Investment property: fair value model.
- Intangible assets: revaluation model.
- Movable Assets: Cost Model

9.3.3 Frequency of Revaluation

Where the valuation model is adopted, an official revaluation will be aligned with the timeframe associated with the Municipal Valuation Roll which is currently determined, through legislation, to be four (4) financial years.

During the financial years between valuation periods, annual assessments of the relevance of asset values will be performed, and where necessitated, valuation adjustments will be made to ensure compliance with the principles of the valuation model.

9.4 Donations or exchanges

Where an item of property plant or equipment is acquired at no cost, or for a nominal cost, it will be initially measured at its fair value as at the date of acquisition and included in the asset register.

9.5 Depreciation

- All fixed assets, except land and heritage assets, shall be depreciated.
- The depreciable amount of an item of property, plant or equipment should be allocated on a systematic basis over its useful life.
- The depreciation method used should reflect the pattern in which economic benefits or potential service provisions are consumed by the municipality.
- The depreciation charge for each period will be recognized as an expense against the budget of the relevant Director unless it is included in the carrying amount of another asset.
- The depreciation method used shall reflect the pattern in which the assets future economic benefits or service potential are expected to be consumed by the municipality.
- A variety of depreciation methods can be used to allocate the depreciable amount of an asset on a systematic basis over its useful life. These methods include the straight-line method, the diminishing balance method and the units of production method.

Straight-line depreciation results in a constant charge over the useful life if the asset's residual value does not change. The diminishing balance method results in a decreasing charge over the useful life. The units of production method result in a charge based on the expected use or output. The entity selects the method that most closely reflects the expected pattern of consumption of the future economic benefits or service potential embodied in the asset. That method is applied consistently from period to period unless there is a change in the expected pattern of consumption of those future economic benefits or service potential.

- The depreciation method will be the straight-line method.
- Depreciation shall be calculated from the day the fixed asset is available for use (GRAP 17).
- The Chief Financial Officer, shall ensure that reasonable budgetary provision is made annually for the depreciation of all applicable fixed assets controlled or used by the directorate in question or expected to be so controlled or used during the ensuing financial year.

- The procedures to be followed in accounting and budgeting for the amortisation of intangible assets shall be identical to those applying to the depreciation of other fixed assets.

9.6 Initial determination of useful life

- Directors need to determine the useful life of a particular item or class of asset through the development of a strategic asset management plan. The determination of useful life should be developed as part of any pre-acquisition planning that would consider, inter alia, the following factors:
 - o The program that will optimise the expected long term costs of owning that asset,
 - o Economic obsolescence because it is too expensive to maintain,
 - o Functional obsolescence because it no longer meets the municipality's needs,
 - o Technological obsolescence,
 - o Social obsolescence due to changing demographics, and
 - o Legal obsolescence due to statutory constraints.
- The useful lives adopted by the Municipality, which serves as a guide to the minimum useful lives of an asset at initial recognition, is included in the Asset Hierarchy, attached as Annexure A to this policy.

9.7 Review of useful life

- Only the Chief Financial Officer may amend the useful operating life assigned to any fixed asset, and when any material amendment occurs, the Chief Financial Officer shall inform the council of the municipality of such amendment.
- The Chief Financial Officer shall amend the useful operating life assigned to any fixed asset if it becomes known that such asset has been materially impaired or improperly maintained to such an extent that its useful operating life will not be attained, or any other event has occurred which materially affects the pattern in which the asset's economic benefits or service potential will be consumed.
- The useful life of an item of property, plant or equipment should be reviewed annually and if these revised expectations are significantly different from previous estimates, then the depreciation charge for the current and future periods should be adjusted and the additional depreciation expenses shall be debited to the directorate or vote controlling or using the fixed asset in question.

9.8 Review of depreciation method

- The depreciation method applicable to property, plant or equipment should be reviewed annually, and if there has been a significant change in the expected pattern of economic benefits or potential service delivery from those assets, the method should be changed to reflect the changed pattern.
- When such a change in depreciation method is necessary the change should be accounted for as a change in accounting and the depreciation charge for the current and future periods should be adjusted.

9.9 Subsequent expenditure on property plant or equipment

- Subsequent expenditure relating to an item of property, plant or equipment that meets the definition of an asset should be added to the carrying amount of the asset when such expenditure will increase the useful life of the asset or increase the efficiency of the asset or reduce the cost of operating the asset, resulting in financial or service delivery benefits.
- All other expenditure should be recognized as an expense in the period in which it occurred.
- Before allowing the capitalization of subsequent expenditure, the Chief Financial Officer must be satisfied that this expenditure will significantly:
 - o increases the life of that asset beyond that stated in the asset register, or
 - o increase the quality of service provided by that asset beyond the existing level of service, or
 - o increases the quantity of services that asset can provide, or
 - o reduce the future assessed costs of maintaining that asset.
- Expenditure that is proposed to be capitalized must also conform to recognition criteria for assets and should also be appropriately included in the approved capital budget.

9.10 Impairment of assets

The accounting treatment relating to impairment losses is outlined as follows in **GRAP 21 & 26:**

The carrying amount (Book value) of an item or a group of identical items of property, plant and equipment should be reviewed periodically in order to assess whether or not the recoverable amount has declined below the carrying amount.

Recoverable amount is the amount that the municipality expects to recover from the future use of an asset, including its residual value on disposal. When such a decline has occurred, the carrying amount should be reduced to the recoverable amount. The amount of the reduction should be recognised as an expense immediately.

The recoverable amount of individual assets, or groups of identical assets, is determined separately and the carrying amount reduced to recoverable amount on an individual asset, or group of identical assets, basis. However, there may be circumstances when it may not be possible to assess the recoverable amount of an asset on this basis, for example when all of the plant and equipment in a sewerage purification work is used for the same purpose. In such circumstances, the carrying amount of each of the related assets is reduced in proportion to the overall decline in

recoverable amount of the smallest grouping of assets for which it is possible to make an assessment of recoverable amount.

The following may be indicators that an item of PPE has become impaired:

- The asset has been damaged.
- The asset has become technologically obsolete.
- The asset remains idle for a considerable period either prior to it being put into use or during its useful life.
- Land is purchased at market value and is to be utilized for subsidized housing developments, where the subsidy is less than the purchase price.
- **Net Selling price** of the land which is the amount obtainable from the sale of the market in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.
- **Value in use** of the land which is the present value of the estimated future net cash inflows expected from the continuing use of the asset and from its disposal at the end of its useful life.

The following steps will have to be performed regularly during the year to account for impairment losses:

- Directorates will identify and inform Budget & Treasury Office Directorate - Asset Control of assets that:
 - Are in a state of damage at year end.
 - Are technologically obsolete at year end. This can be facilitated if Directorates require Finance Directorate - Asset Control, to supply them with a Fixed Asset Register print-out pertaining to major assets showing the remaining useful lives of assets. The Directorates can then assess and indicate cases where the assessed remaining useful life is shorter than the remaining useful life on the printout.
 - Have remained idle for a considerable period either prior to them being put into use at year end or during their useful life.
 - Are subject to impairment losses because the subsidies to be received in exchange for assets are less than the carrying amounts. An example of this is

Land that is purchased at market value and is to be utilized for subsidized housing developments.
- The recoverable amounts of these assets need to be calculated by calculating the Net Selling Price per asset as defined above.
- The impairment loss per asset needs to be calculated as the difference between the Net selling price and the book value of the asset.

- The impairment loss needs to be accounted for by identifying the relevant funding source.
- The carrying amount of an asset should be reviewed annually to assess whether or not the recoverable amount has declined below the carrying amount.
- When such a decline has occurred, the carrying amount should be reduced to the recoverable amount.
- The amount of the reduction should be recognized as an Impairment expense immediately, unless it reverses a previous revaluation in which case it should be charged to the Revaluation Reserve.
- For assets providing economic benefits, the recoverable amount is the net present value of future ownership.
- For assets providing future service delivery, the recoverable amount is the remaining proportional to its useful life, service capacity or quality of service that is not intended to be restored by normal maintenance programs.

9.11 Subsequent increase in recoverable amount

- A subsequent increase in the recoverable amount of an asset, previously written down due to a decline in the carrying amount, should be written back when the circumstances and events that led to the write-down or write-off cease to exist and there is persuasive evidence that the new circumstances and events will persist for the foreseeable future.
- The amount written back should be reduced by the amount that would have been recognized as depreciation had the write-down or write-off not occurred.

9.12 Accounting treatment on Disposal

- An item of property, plant or equipment should be eliminated from the Statement of Financial Position, on disposal or when the asset is permanently withdrawn from use and no future economic benefits or potential service delivery is expected from its disposal.
- Gains or losses arising from the retirement or disposal of an item of property, plant or equipment should be determined as the difference between the actual or estimated net disposal proceeds and the carrying amount of the asset, and should be recognized as revenue or expense in the Statement of Financial Performance.
- All gains realised on the alienation of fixed assets shall be appropriated annually to the municipality's Capital Replacement Reserve (except in the cases outlined below),

and all losses on the alienation of fixed assets shall remain as expenses on the Statement of Financial Performance of the directorate or vote concerned. If, however, both gains and losses arise in any one financial year in respect of the

alienation of the fixed assets of any directorate or vote, only the net gain (if any) on the alienation of such fixed assets shall be appropriated.

9.13 Reinstatement, maintenance and other expenses

Only expenses incurred in the enhancement of a fixed asset (in the form of improved or increased services or benefits flowing from the use of such asset) or in the material extension of the useful operating life of a fixed asset shall be capitalised.

Expenses incurred in the maintenance or reinstatement of a fixed asset shall be considered as operating expenses incurred in ensuring that the useful operating life of the asset concerned is attained, and shall not be capitalised, irrespective of the quantum of the expenses concerned.

Expenses which are reasonably ancillary to the bringing into operation of a fixed asset may be capitalised as part of such fixed asset. Such expenses may include but need not be limited to, transportation costs, installation cost etc.

The following matrix will assist in distinguishing capital expenditure from maintenance expenditure: -

Capital Expenditure	Maintenance
<ul style="list-style-type: none"> • Acquiring a new asset • Replacing an existing asset • Enhancing an existing asset so that its use/capacity is expanded • Further developing an existing asset so that its original useful life is extended 	<ul style="list-style-type: none"> • Restoring an asset so that it can continue to be used for its intended purpose and designed capacity • Maintaining an asset so that it can be used for the period for which it was initially intended.

9.14 Assets held under leases

Finance leases are leases, which in effect transfer all risks and rewards associated with the ownership of an asset from the lessor to the lessee. Assets held under finance leases are capitalized by the municipality and reflected as such in the FAR. It will be capitalized at its leased value at commencement of the lease, which will be the price stated in the lease agreement. The asset is then depreciated over its expected useful life.

Operating leases are those leases which do not fall within the scope of the above definition. Operating lease rentals are expensed as they become due. Assets held under operating leases are not accounted for in the asset registers of the municipality.

9.15 Investment property

Investment assets shall be accounted for in terms of GRAP 16 and shall not be classified as property, plant and equipment for purposes of preparing the municipality's statement of position.

Investment assets shall comprise land or buildings (or parts of buildings) or both held by the municipality, as owner or as lessee under a finance lease, to earn rental revenues or for capital appreciation or both.

Investment assets shall be recorded in the fixed assets register in the same manner as other fixed assets, but a separate section of the fixed assets register shall be maintained for this purpose.

The municipality has adopted the fair value model in respect of Investment Properties

Fair value

Investment assets shall not be depreciated, but shall be annually valued on balance sheet date to determine their fair (market) value. Investment assets shall be recorded in the Statement of Financial Performance at such fair value.

Adjustments to the previous year's recorded fair value shall be accounted for as either gains (revenues) or losses (expenses) in the accounting records of the directorate or service controlling the assets concerned.

If the council of the municipality resolves to construct or develop a property for future use as an investment property, such property shall in every respect be accounted for as an ordinary fixed asset until it is ready for its intended use –where-after it shall be re-classified as an investment asset.

9.16 Fixed assets treated as inventory

Any land or buildings owned or acquired by the municipality with the intention of selling such property in the ordinary course of business, or any land or buildings owned or acquired by the municipality with the intention of developing such property for the purpose of selling it in the ordinary course of business, shall be accounted for as inventory, and not included in either property, plant and equipment or investment property in the municipality's statement of position.

Such inventories shall, however, be recorded in the fixed assets register in the same manner as other fixed assets, as capital spares, but a separate section of the fixed assets register shall be maintained for this purpose.

9.17 Recognition of heritage assets in the fixed asset register

If no original costs or fair values are available in the case of one or more or all heritage assets, the Chief Financial Officer may, if it is believed that the determination of a fair value for the assets in question will be a laborious or expensive undertaking, record

such asset or assets in the fixed asset register without an indication of the costs or fair value concerned.

For Statement of Financial Performance purposes, the existence of such heritage assets shall be disclosed by means of an appropriate note.

9.18 Other write-offs of fixed assets

The only reasons for writing off fixed assets, other than the alienation of such fixed assets, shall be the loss, theft, and destruction or material impairment of the fixed asset in question.

In every instance where a not fully depreciated fixed asset is written off, the Chief Financial Officer shall immediately debit to such directorate or vote, as additional depreciation expenses, the full carrying value of the asset concerned.

9.19 General maintenance of fixed assets

Every Director shall be directly responsible for ensuring that all assets are properly maintained and in a manner which will ensure that such assets attain their useful operating lives.

10 FINANCIAL DISCLOSURE

Assets must be disclosed, in respect of each class of property, plant and equipment, in accordance with Generally Recognized Accounting Practice.

EFFECTIVE DATE	
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**DRAFT BORROWING POLICY
2022/2023**

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POLOKWANE MUNICIPALITY – **BORROWING POLICY**

PURPOSE

To establish a borrowing framework policy for the Municipality and set out the objectives, policies, statutory requirements and guidelines for the borrowing of funds.

OBJECTIVES OF POLICY

The objectives of this Policy are to: -

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

SCOPE OF THE POLICY

The primary goal in the borrowing of funds is to ensure that the funds are obtained at the lowest possible interest rates at minimum risk, within the parameters of authorized borrowings.

3.1 Risk Management

The need to manage interest rate risk, credit risk exposure and to maintain debt within specified limits is the foremost objective of the borrowing policy. To attain this objective, diversification is required to ensure that the Chief Financial Officer prudently manages interest rate and credit risk exposure.

3.2 Cost of Borrowings

The borrowings should be structured to obtain the lowest possible interest rate, on the most advantageous terms and conditions, taking cognisance of borrowing risk constraints, infrastructure needs and the borrowing limits determined by Legislation.

3.3 Prudence

Borrowings shall be made with care, skill, prudence and diligence.

POLOKWANE MUNICIPALITY – **BORROWING POLICY**

LEGISLATIVE FRAMEWORK AND DELEGATION OF AUTHORITY

The relevant Legislation in terms of which borrowing decisions are governed is the Local Government Municipal Finance Management Act, No. 56 of 2003.

TYPES OF LOANS AND FINANCING

4.1 Annuity loans

Annuity loans are straight forward and uncomplicated. The loan amount, interest rate and repayment period offered by the Financial Institution are fixed. The calculation of the instalment payable on an annuity/fixed redemption basis is simple and straight forward. Normally with an annuity loan, the instalment of the loan will be repaid in equal six monthly instalments over the term of the loan. The capital portion of the instalment will increase over the duration of the loan, and conversely, the interest charged will decrease over the loan period. Where the interest rate offered by the Financial Institution is on a variable basis, an interest rate swap (IRS) should be taken out. An IRS agreement will need to be signed with the party agreeing to accept the variable rate and in turn, offer the fixed rate to the Municipality. An Interest Rate Swap Agreement must comply with the terms set out by the International Swap Dealers Association (ISDA). The fixing of debt repayments is an important consideration in meeting the financial requirements of the Municipality, that of annually producing a balanced budget. There are from time to time various options offered by Financial Institutions which need to be treated on their merits and which could invariably result in slightly lower interest rates being offered.

4.2 Bullet payment redemption

In this instance, the total capital is usually repaid at the end of the term and interest on the total amount borrowed is paid annually or semi-annually. The interest rate can be fixed and the interest payable is known for the duration of the loan. Cash has to be set aside to repay the capital at the end of the term.

The lender could require security in the form of an investment (sinking fund).

4.3 Bonds

A Bond is an instrument used by Government and Parastatals such as Telkom, Eskom, Transnet, Corporates and Municipalities to raise loan capital on the open market. Bond holders have the right to interest, usually paid on a semi-annual basis, and the repayment of the capital amount reflected on the stock certificate held on maturity date. The coupon, maturity, principal value and market value are intrinsic features of a Bond. The most critical variable factor in determining Bond rates is the expected long term trend in inflation, in order to provide a return that equals inflation plus a risk premium. The higher the risk attached to a borrower, the higher will be the risk premium investors will demand. During its tenure the Bond will trade on the Bond market at prevailing interest levels. The price of a Bond trading at any given time on the market is a function of prevailing interest rates. Bond prices move inversely to movements in interest rates.

4.4 Use of Internal Funds

The Municipality from time to time, will use certain of its surplus funds to fund its Capital programme. The utilisation of surplus funds enables the Municipality to reduce its reliance on external debt financing, thereby allowing it to borrow only funds from external sources when favourable market conditions prevail. The use of internal funds impacts negatively on surplus cash for return of interest and should be within limits to reduce the impact on fixed cost coverage, currently at a ratio of 1,2 : 1.

5. OTHER CONSIDERATIONS

The Municipality has by the judicious use of surplus funds and external long term debt implemented its Integrated Development Plan which has facilitated the much needed service delivery program.

POLOKWANE MUNICIPALITY – **BORROWING POLICY**

5.1 Factors to be considered when borrowing:

- the type and extent of benefits to be obtained from the borrowing;
- the length of time the benefits will be received;
- the beneficiaries of the acquisition or development;
- the impact of interest and redemption payments on both current and forecasted property tax and services revenue;
- the current and future capacity of the property tax base and rendering of services to pay for borrowings and the rate of growth of the property tax base and services;
- likely movements in interest rates for variable rate borrowings;
- other current and projected sources of funds;
- competing demands for funds;
- timing of money market interest rate movements and the long term rates on the interest rate curve.

The Municipality will, in general, seek to minimise its dependence on borrowings in order to minimise future revenue committed to debt servicing and redemption charges. The Municipality may only borrow funds, in terms of the Municipal Finance Management Act, for the purpose of acquiring assets, improving facilities or infrastructure to provide service delivery.

Polokwane Municipality may incur long term debt only for the purpose of Capital expenditure on infrastructure, property, plant or equipment to be used for the purpose of achieving the objects of Local Government as set out in section 152 of the Constitution.

The use of external loans should be limited to financing infrastructure where a return can be realised from tariffs to service the debt, or major infrastructure exceeding R10 million for a single project, with long term benefits to the community as a whole, where indirect revenue streams are evident.

The current gearing for external loans (total outstanding debt to operating revenue, including recurrent grants) should not exceed 60% at 30 June 2013. To reduce the reliance on external long term borrowing, this percentage must reduce by 1% each year till a level of 50% or less is attained by 30 June 2023.

5.2 REFINANCING DEBT

Section 46 of the Municipal Finance Management Act provides that the Polokwane Municipality may refinance existing long term debt, if such refinancing is in accordance with the prescribed framework. The Municipality may borrow money for the purpose of refinancing existing long term debt, provided the existing long term debt was lawfully incurred and the refinancing will not extend the term of the debt beyond the useful life of the infrastructure, property, plant or equipment for which the money was originally borrowed. Cognisance must be taken of any early repayment penalty clauses in the initial loan agreement, as part of the financial feasibility assessment. No loans will be prematurely redeemed unless there is a financial benefit to the Municipality.

5.3 DEBT REPAYMENT PERIOD

Whilst the period for which loan debt may be received will vary from time to time according to the needs of the various Lenders, presently the typical debt repayment period for loans is fifteen years, though not closely matching the underlying asset lives serviced by the loans. Cognisance is taken of the useful lives of the underlying assets to be financed by the debt, and, moreover, careful consideration is taken of the interest rates on the interest yield curve. Should it be established that it is cost effective to borrow the funds on a shorter duration (as opposed to the life of the asset) as indicated by the interest yield curve, the loan will be negotiated to optimise the most favourable and cost effective benefit to the Municipality.

5.4 SECURITY

The Municipal Finance Management Act provides that the Municipality may provide security for any of its debt obligations, including the giving of a lien, pledging, mortgaging or ceding an asset, or giving any other form of collateral. It may cede as security any category of revenue or rights of future revenue. Some Lenders may require the Municipality to agree to restrictions on debt that the Municipality may incur in future until the secured debt is settled.

5.5 OVERDRAFT

Polokwane Municipality has a Bank overdraft facility.

5.6 SHORT TERM DEBT

The Municipal Finance Management Act provides that the Municipality may incur short term debt only when necessary to bridge shortfalls within a financial year during which the debt is incurred, in expectation of specific and realistic anticipated income to be received within that financial year; or capital needs within a financial year, to be repaid from specific funds to be received from enforceable allocations or long term debt commitments. The municipal council may approve an individual transaction or a credit facility for a line of credit or overdraft facility.

The Municipality must pay off short term debt within the same financial year and may not renew or refinance its short term debt if it will have the effect of extending the short term debt into a new financial year.

5.7 DISCLOSURE

The Municipality must, when interacting with a prospective Lender or when preparing documentation for consideration by a prospective Investor, disclose all relevant information that may be requested or that may be material to the decision of the prospective Lender or Investor. Reasonable care must be taken to ensure the accuracy of any information disclosed. Whilst this is a standard and acceptable business practice, it is also in compliance with section 49 of the Municipal Finance Management Act.

5.8 GUARANTEES

The Municipal Finance Management Act provides that the Municipality may not guarantee any debt of any entity unless the entity is a Municipal entity under its sole ownership control. The debt must be reflected in the approved business plan of the entity. The guarantee must be authorised by the Municipality. This must be done in the

same manner and subject to the same conditions applicable to any other borrowings. Neither the National nor Provincial Government may guarantee the debt of any Municipality.

5.9 APPROVAL OF LOANS BY THE MUNICIPALITY

Section 46 of the Municipal Finance Management Act stipulates that the Municipality may incur long-term debt only if a resolution of the Council, signed by the mayor, has approved the debt agreement and the Accounting Officer has signed the agreement or other document which acknowledges the debt. At least 21 days prior to the meeting of the Council at which approval for the debt is to be considered, the Municipality must make public an information statement setting out particulars of the proposed debt, including the amount of the proposed debt, the purposes for which the debt is to be incurred and particulars of any security to be provided. The Public, the National Treasury and Provincial Treasury must be invited to submit written comments or representations to the council in respect of the proposed debt.

A copy of the information statement submitted to Council at least 21 days prior to the meeting to approve the loan agreement must contain particulars of –

- the essential repayment terms, including the anticipated debt repayment schedule; and
- the anticipated total cost in connection with such debt over the repayment period.

5.10 PROVISION FOR REDEMPTION OF LOANS

Polokwane Municipality may borrow from Institutions and set up sinking funds to facilitate loan repayments, especially when the repayment is to be met by a bullet payment on the maturity date of the loan. These sinking funds may also be invested directly with the Lender's Bank. The maturity date and accumulated value of such investment must coincide with the maturity date and amount of the intended loan that is to be repaid.

5.11 NON-REPAYMENT OR NON-SERVICING OF LOAN

Polokwane Municipality must honour all its loan obligations timeously. Failure to effect prompt payment will adversely affect the raising of future loans at favourable costs of borrowing.

Failure to pay any loan instalment, even by one day, and even if only through administrative oversight, will have severe repercussions, and may jeopardise the Municipality's credit rating.

In addition to the timeous payment of the loans, the Municipality must adhere to the covenants stipulated in the loan agreements.

6. PROHIBITED BORROWING PRACTICES

Polokwane Municipality shall not borrow for investment purposes, with the sole purpose of investing to earn a return. The cost of debt is almost always more expensive than the return that the Municipality can derive by investing in permitted investments.

Foreign Borrowing is permitted in terms of section 47 of the Municipal Finance Management Act, whereby the debt must be denominated in Rand and is not indexed to, or affected by, fluctuations in the value of the Rand against any foreign currency.

7. NATIONAL TREASURY AND OTHER REPORTING AND MONITORING REQUIREMENTS

The Municipality submits returns to National Treasury quarterly and annually, as well as submissions to Council. It is mainly coordinated by the Financial Services Department.

8. MUNICIPAL REGULATIONS ON DEBT DISCLOSURE

The Municipal Regulations on Debt Disclosure has been promulgated (Government Gazette no. 29966, 15 June 2007) and has been effective from 01 July 2007 for a municipality or municipal entity. Refer to Annexure A2, Municipal Finance Management Act : Municipal Regulations on Debt Disclosure.

The implementation of the regulations will help to strengthen the level of confidence in municipal fiscal affairs and enable the capital markets to effectively participate by providing access to a range of competitive funding instruments for the provision of municipal infrastructure and other capital development in accordance with section 46 of the Municipal Finance Management Act.

9. REVIEW OF POLICY

This policy shall be implemented as at 1 July 2022 and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.



**DRAFT
BUDGET AND
VIREMENT
POLICY**

2022/2023

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1. DEFINITIONS

1.1 "Accounting Officer"- means a person appointed in terms of section 82(l) (a) or (b) of the Municipal Structures Act; Municipal Manager;

1.2 "Allocation", means-

(a) a municipality's share of the local government's equitable share referred to in section 214(l) (a) of the Constitution;

(b) an allocation of money to a municipality in terms of section 214(1) (c) of the Constitution;

(c) an allocation of money to a municipality in terms of a provincial budget; or

(d) any other allocation of money to a municipality by an organ of state, including by another municipality, otherwise than in compliance with a commercial or other business transaction;

1.3 "Annual Division of Revenue Act" means the Act of Parliament, which must be enacted annually in terms of section 214 (1) of the Constitution;

1.4 "Approved budget," means an annual budget-

(a) approved by a municipal council, or

(b) includes such an annual budget as revised by an adjustments budget in terms of section 28 of the MFMA;

1.5 "Basic Municipal Service" means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment;

1.6 "Budget-related Policy" means a policy of a municipality affecting or affected by the annual budget of the municipality, including-

(a) the tariffs policy, which the municipality must adopt in terms of section 74 of the Municipal Systems Act;

(b) the rates policy which the municipality must adopt in terms of legislation regulating municipal property rates; or

(c) the credit control and debt collection policy, which the municipality must adopt in terms of section 96 of the Municipal Systems Act;

1.7 "Budget transfer" means transfer of funding within a function / vote.

1.8 "Budget Year" means the financial year of the municipality for which an annual budget is to be approved in terms of section 16(1) of the MFMA;

1.9 "Chief Financial Officer" means a person designated in terms of section 80(2) (a) of the MFMA;

1.10 "Councillor" means a member of a municipal council;

1.11 "creditor", means a person to whom money is owed by the municipality;

1.12 "current year" means the financial year, which has already commenced, but not yet ended;

1.13 "delegation", in relation to a duty, includes an instruction or request to perform or to assist in performing the duty;

1.14 "financial recovery plan" means a plan prepared in terms of section 141 of the MFMA

1.15 "financial statements", means statements consisting of at least-

(a) a statement of financial position;

(b) a statement of financial performance;

(c) a cash-flow statement;

(d) any other statements that may be prescribed; and

(e) any notes to these statements;

1.16 "financial year" means a twelve months' period commencing on 1 July and ending on 30 June each year

1.17 "financing agreement" includes any loan agreement, lease, and instalment purchase contract or hire purchase arrangement under which a municipality undertakes to repay a long-term debt over a period of time;

1.18 "investment", in relation to funds of a municipality, means-

(a) the placing on deposit of funds of a municipality with a financial institution; or

(b) the acquisition of assets with funds of a municipality not immediately required, with the primary aim of preserving those funds;

1.19 "lender", means a person who provides debt finance to a municipality;

1.20 Line Item” an appropriation that is itemized on a separate line in a budget adopted with the idea of greater control over expenditures

1.21 "local community" has the meaning assigned to it in section 1 of the Municipal Systems Act;

1.22 "Municipal Structures Act" means the Local Government: Municipal Structures Act, 1998(Act No. 117 of 1998);

1.23 "Municipal Systems Act" means the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000);

1.24 "long-term debt" means debt repayable over a period exceeding one year;

1.25 "Mayor" means the councillor elected as the Mayor of the municipality in terms of section 55 of the Municipal Structures Act;

1.26 "Municipal council" or "council" means the council of a municipality referred to in section 18 of the Municipal Structures Act;

1.27 "Municipal debt instrument" means any note, bond, debenture or other evidence of

indebtedness issued by a municipality, including dematerialised or electronic evidence of indebtedness intended to be used in trade;

1.28 "Municipal entity" has the meaning assigned to it in section 1 of the Municipal Systems

Act (refer to the MSA for definition);

1.29 "municipality"-

(a) when referred to as a corporate body, means a municipality as described in section 2 of the Municipal Systems Act; or

(b) when referred to as a geographic area, means a municipal area determined in terms of the Local Government: Municipal Demarcation Act, 1998 (Act No. 27 of 1998);

1.30 "Municipal service" has the meaning assigned to it in section 1 of the Municipal Systems Act (refer to the MSA for definition);

1.31 "Municipal tariff" means a tariff for services which a municipality may set for the provision of a service to the local community, and includes a surcharge on such tariff;

1.32 "Municipal tax" means property rates or other taxes, levies or duties that a municipality may impose;

1.33 "National Treasury" means the National Treasury established by section 5 of the Public Finance Management Act;

1.34 "official", means-

(a) an employee of a municipality or municipal entity;

(b) a person seconded to a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity; or

(c) a person contracted by a municipality or municipal entity to work as a member of the staff of the municipality or municipal entity otherwise than as an employee;

1.35 "overspending"-

(a) means causing the operational or capital expenditure incurred by the municipality during a financial year to exceed the total amount appropriated in that year's budget for its operational or capital expenditure, as the case may be;

(b) in relation to a vote, means causing expenditure under the vote to exceed the amount appropriated for that vote; or

(c) in relation to expenditure under section 26 of the MFMA, means causing expenditure under that section to exceed the limits allowed in subsection (5) of this section;

1.36 "Past Financial Year" means the financial year preceding the current year;

1.37 "Ring Fenced" an exclusive combination of line items grouped for specific purposes for instance salaries and wages

1.38 "quarter" means any of the following periods in a financial year:

(a) 1 July to 30 September;

(b) 1 October to 31 December;

(c) 1 January to 31 March; or

(d) 1 April to 30 June;

1.39 "Service Delivery and Budget Implementation Plan" means a detailed plan approved by the Mayor of a municipality in terms of section 53(l)(c)(ii) of the MFMA for implementing the municipality's delivery of municipal services and its annual budget, and which must indicate-

(a) projections for each

month of- (i) revenue to be

collected, by source; and

(ii) operational and capital expenditure, by vote;

(b) service delivery targets and performance indicators for each quarter; and

(c) any other matters that may be prescribed, and includes any revisions of such plan by the Mayor in terms of section 54(l) (c) of the MFMA;

1.40 "short-term debt" means debt repayable over a period not exceeding one year;

1.41 "Standards of generally recognised accounting practice," means an accounting practice complying with standards applicable to municipalities or municipal entities as determined by the Accounting Standards Board

1.42 "Unauthorised expenditure", means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3) of the MFMA, and includes- (a) overspending of the total amount appropriated in the municipality's approved budget;

(b) overspending of the total amount appropriated for a vote in the approved budget;

(c) expenditure from a vote unrelated to the department or functional area covered by the vote;

(d) expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;

(e) spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of allocation otherwise than in accordance with any conditions of the allocation; or

(f) a grant by the municipality otherwise than in accordance with the MFMA;

1.43 "virement" means transfer of funds between functions / votes

1.44 "vote" means-

(a) one of the main segments into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and

(b) which specifies the total amount that is appropriated for the purposes of the Department or functional area concerned

2. INTRODUCTION

Municipal Budgets, Subsection (16), states that the council of a municipality must for each financial year approve an annual budget for the municipality before the commencement of that financial year. According to subsection (2) of the Act concerned, in order to comply with subsection (1), the Mayor of the municipality must table the annual budget at a council meeting at least 90 days before the start of the budget year. This policy must be read, analysed, explained, interpreted, implemented and understood against this legislative background. The budget plays a critical role in an attempt to realise diverse community needs. Central to this, the formulation of a municipality budget must take into account the government's macro-economic and fiscal policy fundamentals. In brief, the conceptualisation and the operationalisation of the budget must be located within the national government's policy framework

3. OBJECTIVES OF POLICY

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

4. BUDGETING PRINCIPLES

- a) The municipality shall not budget for a deficit and should also ensure that revenue projections
in the budget are realistic taking into account actual collection levels.

- b) Expenses may only be incurred in terms of the approved annual budget (or adjustments budget) and within the limits of the amounts appropriated for each vote in the approved budget.
- c) The MTREF budget shall at all times be within the framework of the Municipal Integrated Development Plan

5. BUDGET PREPARATION PROCESS

5.1. Formulation of the budget

- a) The Accounting Officer with the assistance of the Chief Financial Officer and the Heads responsible for IDP and Performance Management shall draft the Schedule of key deadlines for the budget and allied processes for the municipality and its municipal entities for the ensuing financial year.
- b) The schedule of key deadlines shall indicate the processes relative to the review of the IDP as well as the preparation of the medium-term revenue and expenditure framework budget and the revision of the annual budget. Such target dates shall follow the prescriptions of the Municipal Finance Management Act as well as the guidelines set by National Treasury.
- c) The mayor shall table the IDP process plan as well as the budget timetable to Council by 31 August each year for approval (10 months before the start of the next budget year).
- d) Strategic workshop shall be convened in September/October with senior managers to determine the IDP priorities which will form the basis for the preparation of the MTREF budget taking into account the financial and political pressures facing the municipality.
- e) The Mayor shall table the draft IDP and MTREF budget to council by 31 March (90 days before the start of the new budget year) together with the draft resolutions and budget related policies (policies on tariff

setting, credit control, debt collection, indigents, investment and cash management, borrowings, etc).

- f) The Chief Financial Officer and senior managers undertake the technical preparation of the budget.
- g) The budget must be in the format prescribed by National Treasury and must be divided into capital and operating budget.
- h) The budget must reflect the realistically expected revenues by major source for the budget year concerned.
- i) The budget must also contain the information related to the two financial years following the financial year to which the budget relates, as well as the actual revenues and expenses for the prior year, and the estimated revenues and expenses for the current year.

5.2 Public participation process

Immediately after the draft annual budget has been tabled, the municipality must convene regional and public hearings on the draft budget in April and invite the public, stakeholder organizations, to make representations and to submit comments in response to the draft budget.

5.3 Approval of the budget

- a) Per legislation, Council shall consider the next medium term expenditure framework budget for approval not later than 31st May (at least 30 days before the start of the budget year).
- b) The annual budget must be approved before the start of the financial year.
- c) Should the municipality fail to approve the budget before the start of the budget year, the mayor must inform the MEC for Finance that the budget has not been approved.
- d) The budget tabled at Council for approval shall include, inter alia the following draft resolutions:
 - i. draft resolutions approving the budget and levying property rates, other taxes and tariffs for the financial year concerned;

- ii. draft resolutions approving measurable performance objectives for each budget vote, taking into account the municipality's IDP;
- iii. draft resolutions approving any proposed amendments to the IDP;
- iv. draft resolutions approving any proposed amendments to the budget_ related policies;
- v. draft resolutions approving the contents of the annual budget and supporting documents in terms of Section 17 of the MFMA

5.4 Publication of the budget

- a) Immediately after the budget is tabled the Accounting Officer (AO) must make public the budget and its supporting documents and invite the local community to submit representations in connection with the budget.
- b) Therefore, the Senior Manager Budgets on behalf of the AO must place the budget and other budget related documentation onto the municipal website so that it is accessible to the public as well and submit within 14 days both printed and electronic formats to the National Treasury, the Provincial Treasury and any other prescribed Organs of State affected by the Budget.

5.5 Service Delivery and Budget Implementation Plan (SDBIP)

- a) The Mayor must approve the Service Delivery and Budget Implementation Plan not later than 28 days after the approval of the Budget by Council.
- b) The SDBIP shall include the following components:
 - i. Monthly projections of revenue to be collected for each source
 - ii. Monthly projections of expenditure (operating and capital) and revenue for each vote
 - iii. Quarterly projections of service delivery targets and performance indicators for each vote
 - iv. Ward information for expenditure and service delivery

- v. Detailed capital works plan broken down by ward over three years

6. CAPITAL BUDGET

- a) The capital budget refers to the allocations made to specific infrastructural projects and the purchase of equipment and other forms of assets having a lifespan of more than one year and a cost value of more than R10000
- b) Vehicle replacement shall be done in terms of Council's vehicle replacement policy. The budget for vehicles shall distinguish between replacement and new vehicles. No globular amounts shall be budgeted for vehicle acquisition.
- c) A Municipality may spend money on a capital project only if the money for the project has been appropriated in the capital budget.
- d) The envisaged sources of funding for the capital budget must be properly considered and the Council must be satisfied that this funding is available and has not been committed for other purposes.
- e) Before approving a capital project, the Council must consider the following aspects;
 - i. the projected cost of the project over all the ensuing financial years until the project becomes operational,
 - ii. future operational costs and any revenues, which may arise in respect of such project, including the likely future impact on operating budget (i.e. on property rates and service tariffs).
- f) Before approving the capital budget, the council shall consider the following:
 - i. the impact on the present and future operating budgets of the municipality
 - ii. relation to finance charges to be incurred on external loans,
 - iii. depreciation of fixed assets,
 - iv. maintenance of fixed assets, and
 - v. any other ordinary operational expenses associated with any item on such capital budget.
 - vi. Council shall approve the annual or adjustment capital budget only if it has been properly balanced and fully funded.

Basis of Calculation

c) The zero-based method is used in preparing the annual capital budget, except in cases where a contractual commitment has been made that would span over more than one financial year.

b) The annual capital budget shall be based on realistically anticipated revenue, which should be equal to the anticipated capital expenditure in order to result in a balanced budget.

7. OPERATING BUDGET

a) The municipality shall budget in each annual and adjustments budget for the contribution to:

- i. provision for accrued leave entitlements equal to 100% of the accrued leave
- ii. entitlement of officials as at 30 June of each financial year,
- iii. provision for bad debts in accordance with its rates and tariffs policies
- iv. provision for the obsolescence and deterioration of stock in accordance with its stores management policy.
- v. Depreciation and finance charges shall be charged to or apportioned only between the departments or votes to which the projects relate.
- vi. At least a minimum of 5% of the operating budget component of each annual and adjustments budget shall be set aside for maintenance.
- vii. When considering the draft annual budget, council shall consider the impact which the proposed increases in rates and service tariffs will have on the monthly municipal accounts of households.
- viii. The impact of such increases shall be assessed on the basis of a fair sample of randomly selected accounts.

b) The operating budget shall reflect the impact of the capital component on:

- i. depreciation charges

- ii. repairs and maintenance expenses
 - iii. interest payable on external borrowings
 - iv. other operating expenses.
- c) The chief financial officer shall ensure that the cost of indecency relief is separately reflected
- in the appropriate votes.

8. FUNDING OF CAPITAL AND OPERATION BUDGET

The budget may be financed only from:

8.1 Own Financing Sources (Basic Capital Budget)

The Council shall establish a Capital Replacement Reserve (CRR) for the purpose of financing capital projects and the acquisition of capital assets.

Such reserve shall be established from the following:

- a) unappropriated cash-backed surpluses to the extent that such surpluses are not required for operational purposes.
- b) further amounts appropriated as contributions in each annual or adjustments budget; and
- c) net gains on the sale of fixed assets in terms of the fixed asset management and accounting policy.

8.2 Other Finance Sources (Ad Hoc Capital Budget)

The Ad- Hoc capital budget shall be financed from external sources such as the following:

- a) Grants and subsidies as allocated in the annual Division of Revenue Act.

- b) Grants and subsidies as allocated by Provincial government.
- c) External Loans
- d) Private Contributions
- e) Contributions from the Capital Development Fund (developer's contributions) and,
- f) Any other financing source secured by the local authority.

9. UNSPENT FUNDS/ ROLL OVER

- a) The appropriation of funds in an annual or adjustments budget will lapse to the extent that they are unspent by the end of the relevant budget year, but except for funds relating to capital expenditure.
- b) Only unspent grants (if the conditions for such grant funding allows that) or loan funded capital budget may be rolled over to the next budget year
- c) Conditions of the grant fund shall be taken into account in applying for such rollover of funds
- d) Application for rollover of funds shall be forwarded to the budget office by the 15 June each year in order to be by Council by August in terms of legislation
- e) No funding for projects funded from the Capital Replacement Reserve shall be rolled over to the next budget year except in cases where a commitment has been made 90 days (30 March each year) prior the end of that particular financial year.
- f) No unspent operating budget shall be rolled over to the next budget year

10. VIREMENT BUDGET/ TRANSFERS

Virement is the process of transferring budgeted funds from one line-item number to another, with the approval of the relevant Director and CFO, to

enable budget managers to amend budgets in the light of experience or to reflect anticipated changes. (Section 28 (2) (c) MFMA)

9.1 Financial Responsibilities

Strict budgetary control must be maintained throughout the financial year in order that potential overspends and / or income under-recovery within individual vote departments are identified at the earliest possible opportunity. (Chapter 4 of the MFMA)

The Chief Financial Officer has a statutory duty to ensure that adequate policies and procedures are in place to ensure an effective system of financial control. The budget virement process is one of these controls. (Section 27(4) MFMA)

It is the responsibility of each manager or head of a department or activity to which funds are allotted to plan and conduct assigned operations so as not to expend more funds than budgeted for. In addition, they have the responsibility to identify and report any irregular or fruitless and wasteful expenditure in terms of the MFMA sections 78 and 32.

10.2 Virement Restrictions

- a) No funds may be transferred between votes (Directorates) without approval in the adjustment budgets.
- b) Virements resulting in adjustments to the approved SDBIP need to be submitted with an adjustments budget to the Council with altered outputs and measurements for approval.
- c) No virement may commit the Municipality to increase recurrent expenditure, which commits the Council's resources in the following financial year, without the prior approval

of the Mayoral Committee. This refers to expenditures such as entering into agreements

into lease or rental agreements such as vehicles, photo copiers or fax machines

- d) No virement may be made where it would result in unauthorised expenditure.
- e) If the virement relates to an increase in the work force establishment, then the Council's existing recruitment policies and procedures will apply.
- f) Virements are not allowed in respect of ring-fenced allocations.
- g) Virements are not allowed on the following items: - Finance Charges, Depreciation, Debt Impairment, Contributions, Grant Expenditure and Income Foregone, Insurance and VAT
- h) Virements must be between projects of similar major funding sources (e.g. CRR ↔ CRR)
- i) Virement amounts may not be rolled over to subsequent years, or create expectations

on following budgets. (Section 30 MFMA)

- j) Virements are not allowed between Expenditure and Income.
- k) Virements are not allowed between capital and operational budgets without approval in the adjustment budgets.
- l) Virements towards personnel expenditure and vice versa will not be permitted.
- m) No budget may be moved to or from a vote, programme or project etc. that will exceed 20%

of that vote

- i. This refers to virement within a directorate that must not exceed 20% of that

department's total approved budget of the following Sub-votes – Other

Materials, Contracted Services and Other Expenditure

- n) Any virement in excess of 20% should be approved by Council, however this threshold shall not apply in case of emergency
- o) No virement may be made where it would result in over expenditure (MFMA Section 32);
- p) Virement should only be allowed within a *m*SCOA function and its sub functions¹, except for the following cases:

1. A Project extending over/ incorporating more than one *m*SCOA function or sub function, then savings in the budgetary allocation in a function or sub-function may be applied across the functions and/ or sub-functions directly linked to the same Project and Funding Source;
2. Where the Finance and Administrative function or sub function is directly linked to another Function or sub function, then savings in the linked function/ sub-function may be applied in the Finance and Administrative function or vice versa². Therefore virement between Rates Services and Trading Services and across Trading Service are not allowed;
3. Virements should not result in adding 'new' projects to the Capital Budget;

10.3 Virement Procedure

- a) All virement proposals must be completed on the appropriate documentation and forwarded to the Budget Office for verification and implementation.
- b) All virements must be approved by the Vote holder and/or relevant Manager in the case of a departmental budget transfer, and by the relevant Director in the case of a

All the virement on Capital budget must be approved by the Municipal Manager

10. Capital Budget Virement within a GFS Classification must be approved by the relevant manager and Director, the Municipal Manager and Chief Financial Officer.
11. A virement form must be completed for all Budget Transfers.
12. All documentation must be in order and approved before any expenditure can be committed or incurred.

11. ADJUSTMENT BUDGET

- a) Each adjustments budget shall reflect realistic excess, however nominal, of current revenues over expenses.

- b) The chief financial officer shall ensure that the adjustments budgets comply with the requirements of the National Treasury reflect the budget priorities determined by the Mayor, are aligned with the IDP, and comply with all budget-related policies, and shall make recommendations to the executive mayor on the revision of the IDP and the budget-related policies where these are indicated.
- c) Council may revise its annual budget by means of an adjustments budget at most three times a year or as regulated.
- d) The Accounting Officer must promptly adjust its budgeted revenues and expenses if a material under-collection of revenues arises or is apparent.
- e) The Accounting Officer shall appropriate additional revenues, which have become available but only to revise or accelerate spending programmes already budgeted for or any areas of critical importance identified by Council in compliance with Item 2 of Section 10.
- f) The Council shall in such adjustments budget, and within the prescribed framework, confirm unforeseen and unavoidable expenses on the recommendation of the Mayor.
- g) The Council should also authorise the spending of funds unspent at the end of the previous financial year, where such under-spending could not reasonably have been foreseen at the time the annual budget was approved by the Council.
- h) Only the Mayor shall table an adjustments budget, and adjustments budget shall be done at most three times a year after the end of each quarter and be submitted to Council in the following months:
 - i. In October – to adjust funding rolled over from the previous financial year as well as to include additional funding that has become available from external sources,
 - ii. February – to take into account recommendations from the mid-year budget and performance report tabled to Council in January that affect the annual budget.
 - iii. May – final budget adjustment to adjust current year’s budget in cases where there is an indication that there will be rolling over of funding to the next financial year
- i) An adjustments budget shall contain the following aspects;

- i. An explanation of how the adjustments affect the approved annual budget;
 - ii. Appropriate motivations for material adjustments; and
 - iii. An explanation of the impact of any increased spending on the current and future annual budgets.
 - iv. Any inappropriate surplus from previous financial years, even if fully cash backed shall not be used to balance any adjustments budget but shall be appropriated to the municipality's capital replacement reserve.
- j) Municipal taxes and tariffs may not be increased during a financial year except if required in terms of a financial recovery plan.

12. BUDGET IMPLEMENTATION

12.1 MONITORING

- a) The accounting officer with the assistance of the chief financial officer and other senior managers is responsible for the implementation of the budget, and must take reasonable steps to ensure that:
- i. Funds are spent in accordance with the budget;
 - ii. Expenses are reduced if expected revenues are less than projected; and
 - iii. Revenues and expenses are properly monitored.
- b) The Accounting officer with the assistance of the chief financial officer must prepare any adjustments budget when such budget is necessary and submit it to the Mayor for consideration and tabling to Council.
- c) The Accounting officer must report in writing to the Council any impending shortfalls in the annual revenue budget, as well as any impending overspending, together with the steps taken to prevent or rectify these problems.

13. REPORTING

13.1 Monthly Reports

The accounting officer with the assistance of the chief financial officer must, not later than ten working days after the end of each calendar month, submit

to the Mayor and Provincial and National Treasury a report in the prescribed format on the state of the municipality's budget for such calendar month, as well as on the state of the budget cumulatively for the financial year to date.

The report must reflect the following:

- a) actual revenues per source, compared with budgeted revenues;
- b) actual expenses per vote, compared with budgeted expenses;
- c) actual capital expenditure per vote, compared with budgeted expenses
- d) actual borrowings, compared with the borrowings envisaged to fund the capital budget;
- e) the amount of allocations received, compared with the budgeted amount;
- f) actual expenses against allocations, but excluding expenses in respect of the equitable share;
- g) explanations of any material variances between the actual revenues and expenses as indicated above and the projected revenues by source and expenses by vote as set out in the service delivery and budget implementation plan;
- h) The remedial or corrective steps to be taken to ensure that the relevant projections remain within the approved or revised budget; and projections of the revenues and expenses for the remainder of the financial year, together with an indication of how and where the original projections have been revised.

The report to the National Treasury must be both in electronic format and in assigned written document.

13.2 Quarterly Reports

The Mayor must submit to Council within thirty days of the end of each quarter a report on the implementation of the budget and the financial state of affairs of the municipality.

13.3 Mid-year budget and performance assessment

The Accounting officer must assess the budgetary performance of the municipality for the first half of the financial year, taking into account all the

monthly budget reports for the first six months, the service delivery performance of the municipality as against the service delivery targets and performance indicators which were set in the service delivery and budget implementation plan.

The Accounting officer must then submit a report on such assessment to the Mayor by 25 January each year and to Council, Provincial Treasury and National Treasury by 31 January each year.

The Accounting officer may in such report make recommendations after considering the recommendation of the Chief Financial Officer for adjusting the annual budget and for revising the projections of revenues and expenses set out in the service delivery and budget implementation plan.

13.4 Municipal website

The Director Corporate Services must place on the municipality's official website the following information:

the annual and adjustments budgets and all budget-related documents; all budget-related policies; the integrated development plan the annual report; all performance agreements; all service delivery agreements.

14. IMPLEMENTATION AND REVIEW OF POLICY

This policy shall be implemented on 1st July 2022 and shall be reviewed on an annual basis to ensure that is in line with the municipality's strategic objectives and with legislation.



DRAFT

CASH MANAGEMENT 20222023

PREAMBLE

Whereas section 13 of the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) determines that a municipality must introduce appropriate and effective investment arrangements;

And whereas a municipality must disclose its investment details;

And whereas councillors and officials as trustees of public funds, have an obligation to ensure that cash resources are managed as effectively, efficiently and economically as possible;

Now therefore the Polokwane Municipality adopts the following Investment Policy:

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1. DEFINITIONS

For the purpose of this policy, unless the context indicates otherwise, any word or expression to which a meaning has been attached in the Act shall bear the same meaning and means: - Section 82 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) and who is the head of administration and also the Municipal Manager for the Municipality

Accounting Officer: A person appointed by the Municipality in terms of Section 82 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) and who is the head of administration and also the Municipal Manager for the Municipality

Chief Financial Officer: An officer of the municipality appointed as the Head of Finance Department and includes any person: - acting in such position; and to whom the Chief Financial Officer has delegated a power, function or duty in respect of such a delegated power, function or duty.

Council or Municipal Council: A municipal council referred to in section 18 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) and for purposes of this policy, the municipal council of the Municipality of Polokwane.

Councillor: A member of the Municipal Council.

Investments: Funds not immediately required for the defraying of expenses and invested at draft financial institutions.

Municipal Manager: The accounting officer appointed in terms of section 82 of the Local Government: Municipal Structures Act, 1998 ((Act No. 117 of 1998) and being the head of administration and accounting officer in terms of section 55 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) and includes any person: - acting in such position; and to whom the Municipal Manager has delegated a power, function or duty in respect of such a delegated power, function or duty.

Municipality: The institution that is responsible for the collection of funds and the provision of services to the customers of Polokwane.

Public funds: All monies received by the municipality to perform the functions allocated to them.

FSP or Investment Manager: A financial institution tasked with assisting the municipality with investment planning.

2. OBJECTIVE OF POLICY

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

SCOPE OF POLICY

3.1 The Policy deals with: -

3.2 Responsibility / Accountability;

3.3 Investment instruments;

3.4 Cash flow estimates;

3.5 Investment ethics and principles;

3.6 Investment procedures;

3.7 Other external deposits; and

3.8 Control over investments.

3. RESPONSIBILITY / ACCOUNTABILITY

4.1 The Municipal Manager as the Accounting Officer of the municipality is accountable for investment management.

4.2 The municipal council must approve a policy directing procedures, processes, and systems required to ensure efficient and effective management of investments.

4.3 Efficient and effective investment management include: -

- a) Accurately forecasting the institution's cash flow requirements.
- b) Timing of the in- and outflow of cash.
- c) Recognizing the time value of money.
- d) Taking any other action that avoids locking up money unnecessarily and inefficiently.
- e) Avoiding bank overdrafts.

5. INVESTMENT INSTRUMENTS

5.1 The Minister of Provincial and Local Government may with the concurrence of the Minister of Finance by notice in the Gazette determine instruments or investments other than those referred to below in which Municipality may invest: -

- a) Deposits with banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990);
- b) Securities issued by the National Government;
- c) Investments with the Public Investment Commissioners as contemplated by the Public Deposits Act, 1984 (Act No. 46 of 1984);
- d) A municipality's own stock or similar type of debt; internal funds of a municipality which have been established in terms of a law pool money available to the municipality and to employ such money for the granting of loans or advances to departments within a municipality, to finance capital expenditure;
- e) Bankers' acceptance certificates, negotiable certificates of deposits of banks;
- f) Guaranteed Endowment policies offered by insurance companies in order to meet the redemption fund requirements of municipalities; and
- g) Any other instruments or investments in which a municipality was under a law permitted to invest before the commencement of the Local Government Transition Act, 1996: provided that such instruments shall not extend beyond the date of maturity or redemption thereof.

6. CASH FLOW ESTIMATES

6.1 Before money can be invested, the Municipal Manager must determine whether there will be surplus funds available for the term of the investment.

6.2 In order to be able to make investments for any fixed term, it is essential that cash flow estimates can be drawn up.

6.3 Provision must be made in the cash flow estimates for the operating and capital requirements of the municipality: -

a) The operating requirements must include provisions for: -

- (i) Payment of monthly salaries.
- (ii) Payment for bulk purchases of electricity and water.
- (iii) Interest on long-term loans.
- (iv) Maintenance of assets.

(v) General expenditure.

(vi) Expected daily and monthly income. b) Capital requirement must provide for: -

(i) The anticipated cash flow requirements for each capital project.

7. INVESTMENT ETHICS AND PRINCIPLES

7.1 The Municipal Manager will be responsible for the investment of funds, and he / she has to steer clear of outside interference, regardless of whether such interference comes from individual councillors, agents or any other institution.

7.2 Under no circumstances may he / she be forced or bribed into making an investment.

7.3 No member of staff may accept any gift unless that gift can be deemed so small that it would not have an influence on his / her work or was not intended to do so, and can merely be seen as goodwill.

7.4 A certificate in respect of any gifts received should be furnished to the Municipality.

7.5 Interest rates offered should never be divulged to another institution.

7.6 Long-term investments should be made with an institution with at least a minimum F rating (where F refers to low risk institutions) however institutions without a credit rating should be considered in line with sec 217 subsection (1)a and b of the constitution.

7.7 Short-term investments should be made with an institution with at least a minimum BBB+ rating (where BBB+ refers to higher risk institutions), however institutions without a credit rating should be considered in line with sec 217 subsection (1)a and b of the constitution.

7.9 The maximum amount invested with a financial institution should not exceed 10% of the relevant institution's shareholder's funds (capital and reserves).

7.10 The municipality may not borrow money specifically for re-investment, as this would mean interest rates would have to be estimated in advance, which can be seen as speculation with public funds.

7.11 If the Municipal Manager invests with financial institutions, he/she

must ensure that such institutions are registered in terms of the Banks Act, 1990 (Act No. 94 of 1990) and that they are draft financial institutions, as draft by the Reserve Bank of South Africa from time to time.

7.12 When making growth related investments, the Municipal

Manager must obtain a guarantee that at least the capital amount invested is safe, and must exercise due diligence in this regard.

8. INVESTMENT PROCEDURES

After determining whether there is cash available for investment and fixing the maximum term of investment, the Municipal Manager must consider the way in which the investment is to be made.

8.1 Short-term Investments:

a) Quotations should be obtained from a minimum of three financial institutions (local banks), for the term of which the funds will be invested.

b) Should one of the institutions offer a better rate for a term, other than what the municipality had in mind, the other institutions which were approached, should also be asked to quote a rate for the other term.

c) Quotations should be obtained in writing.

d) Quotations from institutions must include the following: -

(i) Name of institution;

(ii) Name of person quoting rates;

(iii) Period of the investment;

(iv) Relevant conditions; and

(v) Other facts, such as interest payable monthly or on maturation date.

e) Once the required number of quotes has been obtained, a decision must be taken regarding the best terms offered and the institution with which funds are going to be invested.

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f) The best offer must under normal circumstances be accepted, with thorough consideration of investment principles.

g) No attempt must be made to make institutions compete with each other as far as their rates and terms are concerned.

h) The investment capital must only be paid over to the institution with which it is to be invested and not to an agent or third party.

i) The financial institution where the investment is made must issue a confirmation stating the details of the investments.

j) The Municipal Manager must make sure that the investment document, if issued, is a genuine document and issued by the draft institution.

k) The municipality must be given a monthly report on all investments.

l) The Municipal Manager must obtain information from which the creditworthiness of financial institutions can be determined. This must be obtained and analysed annually.

8.1.2 INSTITUTIONS WHERE INVESTMENTS MAY BE MADE

Standard Bank Investment Corporation Ltd.

Investec Limited

First National Bank Ltd.

Nedbank Ltd.

ABSA Bank Ltd.

Rand Merchant Bank Ltd

8.2 Long-term investments:

a) Written quotations must be obtained for all investments made for periods longer than twelve months.

b) The municipal council must approve all investments made for periods longer than twelve months after considering the cash requirement for the next three years.

c) The municipality must within 30 days after an investment with a term of 12 months or longer has been made, publish in a local newspaper in circulation within its area of jurisdiction, full details of any investments so made.

8.3 Withdrawals

All investment amounts withdrawn and not to be re-invested at the same institution at the time of withdrawal, shall be paid into the primary bank account.

All interest shall be paid into the primary bank account at the time of withdrawal of an investment, irrespective of the capital being re-invested.

9. OTHER EXTERNAL DEPOSITS

The principles and procedures set out above must apply to other investment possibilities subject to the applicable legislation, which is available to the municipality, including debentures and other securities of the state as well as other municipalities or statutory bodies in the Republic of South Africa, instituted under and in terms of any law.

10. CONTROL OVER INVESTMENTS

10.1 An investment register should be kept of all investments made.

The following information must be recorded: -

- a) Name of institution;
- b) capital invested;
- c) date invested;
- d) interest rate;
- e) maturation date;
- f) interest received;
- g) capital repaid; and
- h) balance invested

10.2 The investment register and accounting records must be reconciled on a monthly basis.

10.3 The investment register must be examined on a weekly basis to identify investments falling due within the next week.

10.4 Interest, correctly calculated, must be received timeously, together with any distributable capital.

10.5 Investment certificates, if issued, must be kept in a safe place with dual custody.

10.6 The following documents must be safeguarded: -

- a) Fixed deposit letter or investment certificate;
- b) Receipt confirmation for capital invested;
- c) Copy of electronic transfer or cheque requisition;
- d) Schedule of comparative investment figures;
- e) Commission certificate indicating no commission was paid on the investment; and
- f) Interest rate quoted.

11. CASH MANAGEMENT

All money received should be promptly deposited within 72 hours in the municipality Primary Bank.

The respective responsibilities of the Chief Financial Officer and other directors in this regard are in terms of the draft budget and other budget related policies.

Collection and banking of revenue is the lifeblood and determines the going-concern status of a municipality. A healthy cash flow is crucial to ensure sustainable service delivery and infrastructure development and maintenance and preservation.

This is appropriately prescribed in terms of section 64 of the Municipal Finance Management ACT of 2003.

11.1 SECTION 64: REVENUE MANAGEMENT

11.1.1 The Accounting Officer of the municipality is responsible for the management of the revenue of the municipality.

11.1.2. The Accounting Officer, must, among other things, take all reasonable steps to ensure that all money received is promptly deposited in accordance with the requirements of the Act into the municipality's primary bank account.

11.1.3. The Accounting Officer must also ensure that all revenue received by the municipality, including revenue received by any collecting agent on its behalf, is reconciled on regular basis.

11.1.4. The Accounting Officer must take all reasonable steps to ensure that any funds collected by the municipality on behalf of another organ of state are transferred to that organ of state at least on a regular basis, and that such fund are not used for purposes of the municipality.

11.2 REVENUE AND CASH COLLECTION

11.2.1. Every director shall be responsible for the collection of all moneys falling within the ambit and area of his or her designated functions and budget.

11.2.2. The Chief Financial Officer shall ensure that all revenues are properly accounted for.

11.2.3. The collection of all arrear revenues and the control of arrear accounts shall be co-ordinated by the Chief Financial Officer in terms of any policies determined by the Council.

11.2.4. The Municipality may allocate any credit/ payment to any account/s of the same debtor or department.

11.2.5. Any revenue that is not recovered or likely to be recovered after the necessary steps have been taken, the Chief Financial Officer shall report the matter adequately and timeously to the finance Committee and advice for adjustment purpose.

11.3 CASHIER COLLECTION

11.3.1. The following negotiable instrument is accepted and will be construed as cash, Postal orders, bank cheques, cards, bank guarantee cheques, credit cards, debit cards, direct deposits, and electronic funds transfers.

11.3.2. Every payment received by a cashier or other authorised officer charged with the receipt of money shall be acknowledged by the issuing a sequentially numbered official receipt of receipt book or computer generated receipt.

11.3.3. All cashier banking batches and or shifts must be closed at least on a daily basis and be deposited promptly in the municipality primary bank account.

11.3.4. Receipt cancelled during collection should be attached on the end of shift form or be written with a detailed explanation thereof.

11.4 END OF SHIFT/DAY

11.4.1. A cashier must count the money he/she receipted, record the outcome on the cash-up sheet per category, then report to the senior responsible for the closing of the banking batches;

11.4.2. No cashier may have access to the closing bank batch facility of the financial system. The senior verifies whether the amounts are correct and send the cashier back if necessary, otherwise closed the banking batch;

11.4.3. All shortages must be paid in by the cashier and all surpluses must be receipted in the vote number open for this purpose;

11.4.4. The cashier supervisor in the presence of the cashier should deposit the money into the prescribed money bag, seal and lock it up in the safe;

11.4.5. All closed banking batches must be deposited and received by the bank within 72 hours; and

11.4.6. A service provider will collect all deposits; quote the seal serial number and issue a receipt for the money bags;

11.5 AVAILABILITY OF RECEIPTING POINTS.

11.5.1. Cash receipting points will be available in Polokwane civic centre, Mankweng, Seshego, Sebayeng municipal offices and other special services such as Traffic and licensing in Ladanna, Game reserve, Swimming pools, Library, sports and facility management and all satellite offices;

11.5.2. The normal office hours for receipting for all offices from Monday to Friday is 08h00 till 16h00.

11.5.3. The Municipality also makes use of third party payments for example; Easy pay and Pay-a-Bill. The bank facilities such as; speed points, EFT, debit orders, direct deposits and some draft cheques; and

11.5.4. Electronic transfers directly into the bank account are allowed provided that the client use his/her debtors account number as reference or booking number or reference granted by the municipality. A penalty may be levied for repeated incorrect or no reference.

11.5.5. Charges in respect of card payments and or any other payments method shall be recovered from the customer in terms of the municipal policies or council resolution

12. CODE OF PRACTICE WITH REGARD TO CASH COLLECTION AND BANKING

12.1 CASHIER SHORTAGES

It is the cashier responsibility to take care of custody of cash until it is handed over to the supervisor. For this reason, shortages will be handled as hereunder:

12.1.1 Up to R100 must be paid in by the cashier, immediately before banking is done.

12.1.2 More than R100 up to R500, the cashier shortage account must be debited and the total balance must be paid in end of the same month.

12.1.3 Two shortages of over R100 in one month, cashier must get a warning, if it happens three times, written warning must be issued and valid for Three Months.

12.1.4 Shortages of over R500 up to R1000, written warning will be issued to the cashier and disciplinary actions may be taken against the cashier.

12.1.5 Shortage over R1000 disciplinary actions must be instigated against the cashier. (First time offender will have an option of a final warning and repayment; second time offender will have option of final warning or dismissal)

12.2 SHORTAGES IN THE BANK

12.2.1 Supervisors accept the money from the cashier for banking, and takes responsibility for the money until banked. As results shortages reported by the bank will be accounted and paid for by the supervisor who prepared the banking.

12.2.2 The above principle as per 12.1 on cashier shortages will be applicable in terms of payments and disciplinary actions to be considered.

12.2.3. All shortages identified by the bank, must be paid in by the supervisor, and all surpluses must be receipted in the vote number open for this purpose. Electronic shortages, like speed points not banked etcetera will be investigated for application of the recovery as recommended by the policy.

12.3 SUPRISE CHECKS

The municipal management may conduct surprise checks without prior notice and take disciplinary actions on shortages as on 12.2 above

13. ADVANCE PAYMENT.

13.1. Any amount that is paid in advance for the service that still has to be rendered will be kept in the suspense account / Unallocated vote until the time that such service is rendered.

13.2. In case where service will be rendered in the following financial year, applicant will be advised to pay deposit for booking and later pay required amount that will in line with tariff policy for the particular year .

14. SHORT TITLE

This Policy shall be called the Investment and Cash Management Policy of the Polokwane Municipality.

15. REVIEW OF POLICY

This policy shall be implemented as at 1 July 2022 and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.



**POLOKWANE LOCAL
MUNICIPALITY**

**Draft Claims & Loss Control
Committee Policy**

2022/2023

POLOKWANE LOCAL MUNICIPALITY

CLAIMS & LOSS CONTROL COMMITTEE POLICY

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POLOKWANE LOCAL MUNICIPALITY

CLAIMS & LOSS CONTROL COMMITTEE POLICY

To provide for a written description of the Claims & Loss Control Committee (the “Committee”) procedures established for Polokwane Local Municipality. This document is an overview of the individual procedures which support the Claims & Loss Control Committee and contains guidelines for Good Practice for claims and loss management within Polokwane Municipality.

WHEREAS the municipality does from time to time receive claims from the public relating to possible damages caused in incidents occurring in the service delivery activities of the municipality;

AND WHEREAS from time to time the municipality has to deal with losses occurring within the organisation pertaining to its employees, official equipment, vehicles and municipal property as a whole as well as private property of employees;

AND WHEREAS it is the purpose of the Claims & Loss Control Committee to evaluate and settle property loss/damage and/or liability claims in amounts less than the excess amount for which the Municipality is liable in terms of its insurance policy;

NOW BE IT ENACTED by the Council of the Polokwane Local Municipality, as follows:-

CHAPTER 1

COMMITTEE COMPOSITION

1.1 CUSTODIAN OF THE COMMITTEE

- (a) The Committee shall fall under the custodianship of the Chief Financial Officer of the Municipality.
- (b) Members of the Committee shall be appointed, in writing, by the Municipal Manager or his/her authorised representative.
- (c) The office of the CFO shall appoint a secretary for the Committee, the duty of whom it shall be to distribute Agendas for meetings of the Committee as well as record and minute meetings of the Committee.
- (d) This Policy as well as the appointment of members of the Committee shall be reviewed annually by the Municipal Manager or his/her authorised representative.
- (e) The CFO may delegate any of his/her duties under this policy to a senior official within the Financial Services SBU.

1.2 MEMBERS AND REPRESENTATION

- (a) The Committee membership shall comprise of the following standard members:-

Chairperson	Deputy CFO
Finance Officials	Asst. Manager Expenditure Accountant Insurance & Investments
Legal Services	Asst. Manager Legislation & Law Enforcement
OHS	Asst. OHS Officer
Environment	Asst. Manager/Snr. Supervisor
Traffic	Asst. Manager/Snr. Superintendent

- (b) Service Business Units shall be represented by the relevant Manager of that SBU in meetings of the Committee whenever a claim or loss arising from the activities of such a SBU is tabled before the Committee.
- (c) SBU Managers may delegate a representative to attend meetings of the Committee on his/her behalf but only with the consent of the Chairperson of the Committee and further provided that such a representative shall be fully conversed and familiar with all relevant facts pertaining to the claim or loss he/she shall be presenting before the Committee on behalf of the SBU.

1.3 ROLES AND RESPONSIBILITIES

- (a) Chairperson: A representative from the Office of the Chief Financial Officer (generally the Deputy CFO) will chair the Claims & Loss Control Committee.
- (b) The Chairperson shall ensure the meeting agenda is completed and that assignments and commitments have been achieved and further that all records are sent to the Records Section for safekeeping.

- (c) All records required and generated by the procedures and working of the Committee shall be maintained and located in the Records Section of the Municipality.
- (d) The Chairperson shall also be the technical mentor and coach of the Committee by providing guidance in terms of regulatory requirements, technical resources and references etc.
- (e) Members: Complete the functions and tasks necessary to fulfil the goals and objectives of the Committee.

1.4 QUORUM RULES

- (a) A minimum 75% (4) of the membership is required to be present in order to hold a meeting and take a vote.
- (b) Resolutions and process directions are passed by a majority vote.

1.5 MEETING SCHEDULES

The Committee will meet as claims arise but at least quarterly.

1.6 AGENDAS MINUTES AND RECORDING OF MEETINGS

- (a) The secretary of the Committee shall be responsible for compilation and distribution of Agendas for Committee meetings at least 3 days prior to a meeting.
- (b) Agendas shall contain all relevant information as stipulated in this policy regarding a specific claim and/or loss including a written report from the relevant SBU Manager to whose SBU the claim or loss relates.
- (c) The secretary shall capture all resolutions of the meeting during the meeting and then record same in written Minutes of the meeting to be distributed to all attendees of a specific Committee Meeting.
- (d) The secretary shall ensure that an attendance register is signed at all meetings of the Committee and also record any apologies accordingly.

CHAPTER 2

PROCEDURE

2.1 PURPOSE OF THE COMMITTEE

- (a) The purpose of the Committee is to consider and settle or repudiate claims for damages caused to the property of members of public arising against the Municipality from time to time as well as consider and settle internal loss control issues as they arise.
- (b) The Committee shall have the authority to deal with claims as described in sub-clause 2.1(a) on the merit of each individual claim, for claims which falls within the excess amount of the Municipality's liability under its public liability insurance policy.
- (c) The Committee shall focus on the following goals and functions in order to meet the purpose identified:
 - (i) Review, consider and discuss all claims and losses received;
 - (ii) Settle, repudiate or refer back for further information all claims tabled before the Committee which falls within its mandate;
 - (iii) Attend meetings arranged for purposes of discussion and finalisation
 - (iv) Seek advice from any Third Party in considering and finalising claims before the Committee as the Committee may deem necessary.

CHAPTER 3

RECEIPT OF CLAIMS TO SERVE BEFORE THE COMMITTEE

3.1 SUBMISSION OF CLAIMS

- (a) Claims against the Municipality have to be submitted at the office of the Manager of the SBU allegedly responsible for the damage which gave rise to the claim.
- (b) Potential claimants have to contact the office of the relevant SBU Manager where the necessary claim form can be obtained and again submitted with the required information and documentation required as indicated on the form.
- (c) Claimants shall claim from their own insurance companies first before recourse is sought against the Municipality. No claimant shall refuse to claim for damages against their own insurance company. In all instances the claimant shall disclose the name and telephone number of their insurance company.
- (d) Claims for consideration by the Committee have to be lodged with the Municipality within 3 months of the date of the incident causing the alleged damage. Claims lodged outside the cut-off period of 3 months shall not be considered by the Municipality.
- (e) All claims lodged with the municipality shall contain the following information and be accompanied by the following relevant documentation:-
 - (i) Completed claim form;
 - (ii) Sworn affidavit by the claimant on the circumstances how, date, time and place where the incident allegedly causing the damage occurred;
 - (iii) SAPS MR Number showing the incident has been reported with SAPS;
 - (iv) 3x quotations for repairing of the damage allegedly caused;
 - (v) Colour photographs of the scene of the incident as well as the damaged property (where damage is caused to mag-wheels and tyres the municipality reserves the right to inspect such mag-wheels and tyres);
 - (vi) A certified copy of the claimants ID;
 - (vii) A certified copy of the damaged motor vehicle's registration/licensing documents (where applicable);
 - (viii) A copy of the claimants municipal services account for the month directly preceding the incident;
 - (ix) A letter from the claimants insurance company indicating that a claim has been lodged with the insurer for the damage to the claimants property, further indicating what the excess amount payable on the claim is.

3.2 CLAIMS ASSESSMENT

- (a) Although all claims received shall be reviewed by the Committee, the Municipality is not obliged to honour any claim.
- (b) Claims received shall be considered on merit of each individual claim. Negligence on the part of the claimant shall result in discounting of the claim in the discretion of the committee.
- (c) In all instances where alleged damage is caused to a claimant's property, the Municipality shall only consider payment of the claimants excess payable under his/her own insurance policy where the Committee is of the opinion that the claim has merit and warrants remuneration.
- (d) Claims received shall within a period of 5 working days from date of receipt of such a claim, be submitted to the office of the Accountant Insurance and Investments by the relevant SBU Manager receiving the claim. Claims thus submitted shall contain all relevant information requested on the claim form and shall be accompanied by a written report of the relevant SBU Manager regarding the merit of the claim from the SBU's perspective.
- (e) On receipt of a claim from the SBU Manager, the Accountant Insurance and Investments shall acknowledge receipt of the claim and arrange for the claim to be lodged with the Records Section so that a file number can be allocated to the claim.
- (f) Complete claims shall be forwarded to the Secretary of the Claims and Loss Control Committee who in turns shall compile an Agenda for the Committee and secure a date for the next meeting to consider claims.
- (g) Claims have to be finalised within 30 working days following the date of receipt of a complete claim.

3.3 PAYMENT OF CLAIMS

- (a) Claims deserving of payment in accordance with the Committee's resolution shall be limited to payment of the lowest quotation amount or the claimant's excess payment under his/her policy, whichever is the lesser amount.
- (b) Where the Committee resolves to honour a claim against the Municipality, the payment shall be made ex gratia and in full and final settlement of the claimants claim.

3.4 NO OR PARTIAL PAYMENT OF CLAIMS

- (a) If the claim is denied, the Committee states and minutes explicitly to the claimant the reasons on which denial of the claim is based.
- (b) If the amount offered is different from the amount claimed, the Committee explains the reason for this to the claimant.
- (c) When the municipality is not responsible (by virtue of common law of delict principles) for meeting all or any part of the claim, the Committee notifies the claimant of this fact and explains why.

CHAPTER 4

LOSS CONTROL

4.1 RECEIPT OF LOSS CONTROL MATTERS FOR CONSIDERATION

- (a) Incidents of internal loss control to be considered by the Committee shall be submitted to the office of the appointed Secretary of the Claims and Loss Control Committee for inclusion in the Agenda of the Committee.
- (b) Incidents so submitted shall consist of a comprehensive written report by the relevant SBU Manager, which report shall contain information on the nature of the loss, how it occurred, what remedial steps have been taken to prevent future occurrences, disciplinary action taken if any, value of the loss and how the damage caused will be compensated. The said report shall also contain a recommendation to the Committee on how the incident has to be dealt with.
- (c) When a loss control issue serves before the Committee, the relevant SBU Manager shall avail himself/herself to ensure attendance of such a meeting of the Committee.
- (d) Resolutions taken on loss control issues shall be final and binding and executed accordingly by the SBU Manager.

CHAPTER 5

CLAIMS REGISTER

- (a) A claims register shall be opened and kept on all claims received and considered by the Committee. This register shall contain the date of the claim, the claimants name and ID number as well as the amount of the claim and whether the claim was paid out or not.
- (b) Claims are documented in order to be able to address questions that may arise concerning the handling and payment of a claim.

CHAPTER 6

COMPLAINTS AND DISPUTES

6.1 FILING OF COMPLAINTS AND DISPUTES

- (a) When a claimant files a complaint against the findings of the Committee, the Committee:-
- (i) acknowledges receipt of the complaint within a reasonable period of time;
 - (ii) provides the claimant with explanations on how his/her complaint will be handled and the procedures to be followed
 - (iii) processes the complaint promptly and fairly
 - (iv) provides a final response in writing within a reasonable period of time.

6.2 PROCEDURE FOR DEALING WITH COMPLAINTS AND DISPUTES

- (a) Once a complaint has been received and acknowledged, the letter of complaint together with the resolution of the Committee taken with regard to the claim on which a complaint has been received has to be tabled before the earliest next sitting of the Committee for consideration.
- (b) Complaints and disputes so received shall be duly considered by the Committee, whereafter the Committee shall resolve on the matter and a final response on the complaint be forwarded to the claimant in writing.

6.3 DISPUTES

- (a) If the claimant is dissatisfied with the final response from the Committee, the claimant shall be informed to forward his/her dispute in writing to the CFO and Manager Legal Services, who will then assess the matter and decide on a way forward regarding that dispute and inform the claimant accordingly in writing.



DRAFT

CREDIT CONTROL & DEBT COLLECTION POLICY

2022 / 2023

P R E A M B L E

Whereas section 96 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) requires a municipality to adopt, maintain and implement a credit control and debt collection policy;

And whereas section 97 of the Systems Act prescribes what such policy must provide for;

And whereas the Municipal Council of the Municipality of Polokwane has adopted by-laws in line with section 98 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) to give effect to this policy.

Now therefore the Municipal Council of the Municipality of Polokwane adopts the Credit Control and Debt Collection Policy as set out in this document: -

For the purpose of this policy, unless the context indicates otherwise, any word or expression to which a meaning has been attached in the Act shall bear the same meaning and means: -

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1. DEFINITIONS

Act	The Local Government Act: Municipal Systems Act 2000 (Act No. 32 of 2000) as amended from time to time.
Authorised Representative	The person or instance legally appointed by the Council to act or to fulfil a duty on its behalf.
Arrears	Amount due, owing and payable in respect of fees, charges, surcharges on fees, property rates and other municipal taxes and services, levies, penalties and duties.
Agreement	Means the contractual relationship between the municipality and a consumer whether in writing or not.
Account/ Municipal account	<p>Account in name of customer held with the Polokwane Municipality.</p> <p>(a) The proper and formal notification by means of a statement of account, to persons liable for monies levied and indicating the net accumulated balance of account, specifying charges levied by the Municipality, or any authorized and contracted service provider, in the format of, but not limited to:- Show the levies for property rates and services</p> <p>(b) Monthly account rendered monthly and shows the levies for property rates and/ or building clause, availability charge, sewage, refuse removal, electricity, water, sundries, housing rentals and instalments, as well as monthly instalments for annual services paid monthly.</p>
Basic service	The amount or level of any municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety of the environment and for the purposes of this Policy are restricted to the delivery of electricity, refuse, sewerage and water services.

Chief Financial Officer	An officer of the municipality appointed as the Head of the Finance Department (Budget and Treasury) and includes any person:- a) Acting in such position; and b) To whom the Chief Financial Officer has delegated a power, function or duty in respective of such a delegated power, function or duty.
Child-headed household	A household where all the occupants of a residential property are younger than 18 years old, i.e. a child-headed household is a household consisting only of children and household income of below the indigent threshold.
Council or Municipal Council	A municipal council referred to in section 18 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) and for purposes of this policy, the municipal council of the Municipality of Polokwane.
Credit Control	The functions relating to and aimed at the collection of any monies due and payable to the Municipality.
Debt Collection	The function relating to and aimed at the collection of any monies due and payable to the Municipality after due date has passed or not paid on due date.
Closely connected Person	Any immediate relative of the person namely spouse, child, parent, parent-in-law, life partner, siblings (brother or sister from same parents) and in laws,
Customer	Any occupier of any property to which the Municipality has agreed to supply services or already supplies services to, or if there is no occupier, then the owner of the property (including registered indigent households).
Consumer	Means "Customer"
Due date	Means the date on which the amount payable in respect of an account becomes due, owing and payable by the customer, which date shall be determine by council from time to time.
Defaulter	A person who owes money to the Municipality in respect of a municipal account after the due date for payment has expired

Director	The person in charge of the civil and / or electrical component(s) of the Municipality and includes any person:- a) Acting in such position; and b) To whom the Director has delegated a power, function or duty in respect of such a delegated power, function or duty.
Equipment	A building, structure, pipe, pump, wiring, cable, meter, machine or any fittings.
Household	all persons who are jointly living on a stand or site on a permanent basis and who receives electricity and / or water from one meter, regardless whether the person rents or owns the property.
Indigent	A household which is not financially capable of paying for the delivery of basic services and meeting the criteria determined by Council from time to time – this also includes poor households as per the Municipality’s Indigent Policy.
Interest	A levy with the same legal priority as service fees and calculated on all amounts in arrears in respect of assessment rates and service levies or any other sundry services or surcharge at a standard rate as draft by Council from time to time.
Municipality	Means Polokwane Municipality established in terms of the Local Government Structures Act, 1998 as amended from time to time.
Municipal Manager	The accounting officer appointed in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) as amended from time to time and being the head of administration and accounting officer in terms of section 55 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) as amended from time to time and includes any person:- a) Acting in such position; and b) To whom the Municipal Manager has delegated a power, function or duty in respect of such a delegated power, function or duty.
Municipal Services	Those services provided by the Municipality such as, amongst others the supply of water and electricity, refuse removal,

	sewerage treatment, and for which payment is required by the Municipality or not.
Occupier	Any person who occupies any property or part thereof, without any regard to the title under which he / she so occupies the property.
Premises or Property	Any portion of land, the external surface boundaries of which are delineated on:- a) A general plan or diagram registered in terms of the Land Survey Act, 1927 (Act No. 9 of 1927) as amended from time to time or in terms of the Deeds Registry Act, 1937 (Act No. 47 of 1937); as amended from time to time or b) A sectional plan registered in terms of the Sectional Titles Act, 1986 (Act No. 95 of 1986); as amended from time to time which is situated within the area of jurisdiction of the Municipality.
Owner	a) The person in whom the legal title to the property is vested; b) A person mentioned below may for the purposes of this Policy be regarded by a municipality as the owner of a property in the following cases: i. A trustee, in the case of a property in a trust excluding state trust land; ii. An executor or administrator, in the case of a property in a deceased estate; iii. A trustee or liquidator, in the case of a property in an insolvent estate or in liquidation iv. A judicial manager, in the case of a property in the estate of a person under judicial management; v. a curator, in the case of a property in the estate of a person under curatorship; vi. A person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude; vii. A lessee, in the case of a property that is registered in the name of a municipality and is leased by it; or

	<p>viii. a buyer, in the case of a property that was sold by a municipality and of which possession was given to the buyer pending registration of ownership in the name of the buyer;</p> <p>ix. Owner in terms of Municipal Property Rates Act.</p> <p>(c) In the case where the Council is unable to determine the identity of such person; the person who is entitled to the benefit of such property or any building thereon;</p> <p>d) In the case of a property for which a lease agreement of 30 years or more has been entered into, the lessee thereof;</p> <p>e) Regarding:-</p> <p>(i) a portion of land delineated on a sectional title plan registered in terms of the Sectional Titles Act, 1986 (Act No. 95 of 1986), as amended from time to time and without restricting the above-mentioned stipulations, the developed or body corporate of the communal property; or</p> <p>(ii) a portion as defined in the Sectional Titles Act, the person in whose name that portion is registered under a sectional title deed, including the legally appointed representative of such person;</p> <p>(f) Any legal entity, including but not limited to:-</p> <p>(i) a company registered in terms of the Companies Act, 1973 (Act No. 61 of 1973), a trust inter vivos, trust mortis causa, a closed corporation registered in terms of the Closed Corporations Act, 1984 (Act No. 69 of 1984), and any voluntary organisation.</p> <p>(ii) Any local, provincial or national government;</p> <p>(iii) Any council, board or entity established in terms of any legislation applicable to the Republic of South Africa; and</p> <p>(iv) any embassy or other foreign entity.</p>
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2. GENERAL OBJECTIVES:

The objectives of this policy are to:-

2.1 Provide a framework within which the municipality can exercise its executive and legislative authority with regard to credit control and debt collection;

2.2 Ensure that all monies due and payable to the municipality are collected and in a financially sustainable manner;

2.3 Provide a framework for customer care and indigent support;

2.4 Describe credit control measures and sequence of events;

2.5 Outline debt collection and credit control procedures and mechanisms; and

2.6 Set realistic targets for credit control and debt collection.

2.7 Provide for actions that may be taken by the Municipality to secure payment of accounts that are in arrears including and not limited to the termination or restriction of services and legal actions

2.8 Provide for alternative debt repayment arrangements in accordance with the terms and conditions of this policy

2.9 Create an environment which enables a customer to repay the outstanding debt and establish culture of payment for services rendered by the Municipality.

2.10 Effectively and efficiently deal with defaulters in accordance with the terms and conditions of this policy

2.11 Provide for procedures and mechanisms to ensure that all monies due and payable to the Municipality are collected.

3. PRINCIPLES:

The credit control and debt collection policy is based on the following principles –

3.1 GENERAL

- (i) The administrative integrity of the Municipality must be maintained at all costs.
- (ii) The democratically elected councillors are responsible for making the policies, while it is the responsibility of the Municipal Manager to ensure execution of these policies.
- (iii) The policy and its application provides for the specific circumstances of the community to which it relates.
- (iv) The credit control and debt collection procedures must be understandable, uniform, fair and consistently applied.
- (v) Credit control must be effective, efficient and economical.
- (vi) The measures taken must be sustainable in the long term.

3.2 COUNCIL

- (i) To enable the Council to differentiate between those customers that cannot pay from those that simply do not want to pay, the “Indigent Policy” will be applied.
- (ii) The Credit Control and Debt Collection Policy may be supported by procedure manual(s) and/or Revenue Enhancement strategies that may be put in place by the Chief Financial Officer and Revenue Manager.
- (iii) The Credit Control and Debt Collection Policy shall super cede all other policies aimed at achieving the same purpose to which the current credit control policy seeks to achieve.

3.3 CUSTOMERS

- (a) All new customers must complete an official application form formally requesting the Municipality to connect them to the service supply lines. Existing customers may be required to complete new forms to update their information from time to time as determined by the Municipal Manager.
- (b) Application forms, agreements and documents relating to this policy must be available in English. Officials designated to control and manage these documents may be able to explain the contents thereof in other four languages dominant in Limpopo.

(c) A copy of the application form, conditions of services and extracts of the Council's Customer Care Policy, Credit Control and Debt Collection Policy and By-Laws may be handed to every customer on request at a fee prescribed by council from time to time.

(d) Application forms may be used to, amongst others, categorize customers according to credit risk and to determine relevant levels of services and deposits required.

(e) Unauthorized consumption, connection and reconnection, the tempering with or theft of meters, service supply equipment and reticulation network and fraudulent activity in connection with the provision of Municipal services will lead to disconnections, charges, penalties, loss of rights and/or criminal prosecutions.

(f) The Council shall not conduct any business activity with or accept new services application to any customer who is in arrears with the Municipality except if a suitable payment arrangement for repayment of arrears is made.

(g) The Council shall not refund any credit/ deposit to any customer or customer's nominee who is in arrears with the Council.

(h) The Municipality may whenever possible, combine any separate accounts of a person who is liable for payment to the Municipality, into one consolidated account.

(i) A Person applying for a Municipal consumable service must enter into a Service Agreement with the Municipality in order for such Municipal service to be provided. The Municipality may disconnect the services of a meter where a service deposit has not been paid.

3.4 COUNCILOR SERVICES ACCOUNTS

In accordance with the provisions of Schedule 1, of the Municipal Systems Act, 32 of 2000, an elected councillor residing within demarcated area of the Council and is individually or jointly responsible for account, may not be in arrears for municipal service fees, surcharges on fees rates or any other municipal taxes, levies and duties levied by the Council for more than 3 (three) months.

Notwithstanding any relevant procedure, method or action that may be taken in terms of this policy, the Municipal Manager may deduct amounts due for more than 3 (three) months from such councillor's remuneration.

3.5 STAFF/ OFFICIALS SERVICES ACCOUNTS

In accordance with the provisions of Schedule 2, of the Municipal Systems Act, 32 of 2000, an official of council, residing within demarcated area of the Council and is individually or jointly responsible for account, may not be in arrears for municipal service fees, surcharges on fees rates or any other municipal taxes, levies and duties levied by the Council for more than 3 (three) months.

Notwithstanding any relevant procedure, method or action that may be taken in terms of this policy, the City Manager may deduct amounts due for more than 3 (three) months from such official's remuneration.

4. PERFORMANCE EVALUATION

This is addressed in the SDBIP and the Municipal Performance Management System.

5. REPORTING

5.1 The Chief Financial Officer shall report monthly to the Municipal Manager in a suitable format to enable the Municipal Manager to report to the Mayor as supervisory authority in terms of the Systems Act. This report shall contain particulars on:-

- a. Cash collection statistics, showing high-level debt recovery information (number of consumers; enquiries; arrangements; default arrangements; growth or reduction of arrear debt).
- b. Where possible, the statistics should ideally be divided into wards, business (commerce and industry), domestic, government, institutional and other such divisions.
- c. Performance of all areas against targets agreed to in section 4 of this policy document.

5.2 If in the opinion of the Chief Financial Officer, Council will not achieve cash receipt income equivalent of the income projected in the annual budget as draft by Council,

the Chief Financial Officer will report this with motivation to the Municipal Manager who may immediately move for a revision of the budget according to realistically realizable income levels.

5.3 The Mayor as Supervisory Authority shall report quarterly to Council as contemplated in section 99(c) of the Systems Act.

6. CUSTOMER CARE AND MANAGEMENT

In relation to the levying of rates and other services by a municipality and the charging of fees for municipal services, a municipality must, within its financial and administrative capacity -

- a) Establish a sound customer management system that aims to create a positive and reciprocal relationship between persons liable for these payments and the municipality, and where applicable, a service provider;
- b) Establish mechanisms for customers to give feedback to the municipality or other service provider regarding the quality of the services and the performance of the service provider;
- c) Take reasonable steps to ensure that customers are informed of the costs involved in service provision, the reasons for the payment of service fees, and the manner in which monies raised from the service are utilized;
- d) Where the consumption of services has to be measured, take reasonable steps to ensure that the consumption by individual customers is measured through accurate and verifiable metering systems;
- e) Ensure that persons liable for payments, receive regular and accurate accounts that indicate the basis for calculating the amounts due;
- f) Provide accessible mechanisms for customers to query or verify accounts and metered consumption, and appeal procedures which allow such persons to receive prompt redress for inaccurate accounts;
- g) Provide accessible mechanisms for dealing with complaints from customers, together with prompt replies and corrective action by the municipality;

h) Provide mechanisms to monitor the response time and efficiency in complying with paragraph (g); and

i) Provide accessible pay points and variety of reliable payment methods which will include cash, debit or credit card swiping facilities, electronic fund transfer, debit order, bank order payments and bank guaranteed cheque.

7. ACCOUNTS ADMINISTRATION

7.1 ACCOUNTS AND BILLING

7.1.1 Accounts must be rendered and administered in accordance with the Policy, other prescribed requirements and any other law.

7.1.2 Failure by the Council to render an account does not relieve a customer of the obligation to pay any amount that is due and payable in terms of these By-laws.

7.1.3 The customer is entitled to accurate, timeous and understandable bill as far as possible.

7.1.4 The Council may, in accordance with the provisions of section 102 of the Act –

a) Consolidate any separate accounts of a customer liable for payments in terms of these Policy to the Council;

b) Credit any payment by such customer against any account of that customer; and

c) Implement any of the debt collection and credit control measures provided for in these By-laws in relation to any arrears on any of the accounts of a customer.

7.1.5 The amount due and payable by a customer constitutes a consolidated debt, and any payment made by a customer of an amount less than the total amount due, will, be allocated in reduction of the consolidated debt in the order prescribed by the Municipality.

(a) Any amount paid by a customer in excess of an existing debt may be held in credit for the customer in anticipation of future rates and fees for municipal services. (b) No interest is payable on any amount contemplated in paragraph (a)

7.2 ACCOUNT QUERIES

- (a) Account query refers to the instance when a customer queries any specific amount or any content contained in any account as rendered by the Council;
- (b) Query can be raised verbally or in writing at any of the Council's administrative offices
- (c) Customer to furnish in writing full personal particulars including acceptable means of identification, contact details and account number in respect of which amount owing is queried;
- (d) Customer may be represented by a duly appointed nominee or agent, and such nominee or agent shall upon request produce sufficient proof of such appointment;
- (e) Pending the outcome of query, customer may apply for temporary payment extension in terms of provisions of this policy;
- (f) The customer shall, pending the resolution and outcome of the query, continue to make regular payments as per account statement;
- (g) Should a customer not be satisfied with the outcome of the query, a customer may lodge an appeal in terms of section 62, as read with section 95 (f), of the Local Government: Municipal Systems Act 32 of 2000.

7.3 DISPUTES

- (a) A customer may lodge an appeal in terms of section 62, as read with section 95 (f), of the Local Government: Municipal Systems Act 32 of 2000.
- (b) Customer to furnish in writing full personal particulars including acceptable means of identification, contact details and account number in respect of which amount owing is disputed
- (c) Only disputes lodged by registered account holder will be considered.
- (d) Customer may be represented by a duly appointed nominee or agent, and such nominee or agent shall upon request produce sufficient proof of such appointment.
- (e) Should any written dispute arise as to the amount owing on the account in respect of all services by a customer, the customer shall, pending the resolution and outcome of that dispute, continue to make regular minimum payments based on the average

charges for the preceding three months prior to the arising of the dispute, plus interest, until the resolution of that dispute.

(f) Should any written dispute arise as to the amount owing on part of the account or service by a customer, the customer shall, pending the resolution and outcome of that dispute, continue to make regular payments on services that are NOT in dispute PLUS the average charges for the preceding three months prior to the arising of the dispute in respect of remaining part of account or disputed service until the resolution of that dispute.

8. INTEREST CHARGES

Interest will be levied on all accounts not paid by due date at a rate prescribed by council from time to time and in accordance with Section 97 (e) of Municipal Systems Act, 32 of 2000.

8.1 No interest shall be earned on a credit balance

8.2 Interest may only be reversed under the following circumstances—

- a) Exemptions as determined by Council from time to time
- b) If the Municipality has made an administrative error on the account
- c) Where any debt accrued as a result of incorrect charge or any administrative error
- d) Where Council or any other authorised committee or delegated official approves such reversal from time to time;

9. ACCOUNT DUE DATE & ALLOCATION OF PAYMENT

a) Account due date shall be the 25th day of the month.

Interest shall accrue after 30 days from date of account on unpaid accounts. The interest shall accrue for each completed month in respect of any arrears remaining unpaid after 30 days of the account, a part of a month shall be deemed to be a completed month on the basis that interest is charged as from the first day of the account been in arrears.

b) Only payments receipted through the Municipal financial system on or before account due date will be deemed to have been duly received.

c) Payments by customers through 3rd party vendors, will only be deemed to have been received when receipted through the Municipal financial system.

d) Any amount paid by the Customer in excess of an existing debt may be held in credit for the Customer in expectancy of future rates and fees for Municipal services charges, and no interest will be payable on that amount.

10. CREDIT CONTROL

10.1 OBJECTIVE

10.1.1 To provide procedures and mechanisms to collect all the monies due and payable to the Municipality arising 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

10.1.2 To limit risk levels by means of effective management tools.

10.1.3 To provide for restrictions, limitations, termination of services for non-payment.

10.2 SERVICE APPLICATION, AGREEMENTS, CUSTOMER SCREENING AND SECURITIES

10.2.1 All consumers (owners) of services will be required to sign an agreement governing the supply and cost of municipal services. On default by a tenant, the owner will be the debtor of last resort and is responsible for payment unless where the Municipality is the owner of the property.

10.2.2 Applicants for Municipal services may be checked for credit worthiness, which may include checking information from banks, credit bureaus, other local authorities, trade creditors and employers.

10.2.3 The consumer applying for services must bring proof of ownership or consent from the owner, proof of residential address and physical address

10.2.4 Where the applicant is a legal entity, being a company, closed corporation, trust, etc.

a) Sureties must also be signed by the directors, members, trustees, etc.

b) Must supply details of their director, members, partners or trustees and at least the main shareholder must in his/her personal capacity guarantee the payment of the applicant's Municipal account and in case of a trust, all the trustees in their personal capacity.

10.2.5 On the signing of the agreements, customers will be entitled to access the policy document, which are available on www.polokwane.gov.za or on request at any Municipal office service centre at a fee prescribed by the council from time to time.

10.2.6 On the signing of the agreement, consumers will receive a copy of the agreement for their records.

10.2.7 The Municipality reserves the right to refuse supplying services should such applicant owe monies to the Municipality until such debt is paid in full or an acceptable arrangement to settle has been made with the Municipality. Should the applicant prove to the Chief Financial Officer or the Manager Revenue or delegated Senior official that he/she is unable to pay, the application will be dealt with in terms of the Municipality's Indigent Policy and arrangements may be granted on exceptional cases.

10.2.8 The Municipality reserves the right to decline the application for services if any of the tenants or previous tenants or owner is in arrears or of a person who is closely connected to a customer who has defaulted with account payments and who resides or is to reside on the same premises, until such debt is settled in full or accepted arrangement has been made. The Municipality may also reject the application for services of any concern that is not a natural person should such concern be in arrears with any other municipal account for which it, or any member or director is responsible or partially responsible.

10.2.9 The Municipality will read the meters within the period stipulated in the agreement after notification of change in ownership or application for the supply of services and render an account within the normal cycle applicable to the property.

10.2.10 All new customers shall pay a deposit as determined from time to time the Municipality council which may be increased by the CFO in the event of non-payment. Councillors and officials of the Municipality are not exempted from paying security deposit.

10.2.10 All new customers shall pay a deposit in line with council prescripts.

10.2.11 Deposits can vary according to the credit worthiness or legal category of the applicant, subject to minimum requirements as outlined in the Deposit policy.

10.2.12 The Municipality will not pay any interest on deposits.

10.2.13 On the termination of the agreement the amount of the deposit, less any outstanding amount due to the Municipality, will be refunded to the consumer.

10.2.14 All information furnished may be verified by the Municipality with any or all data information institutions, credit information bureau's and any financial institutions as may be deemed necessary by the Municipality in determining a person's credit worthiness or for any other reason as determined by the delegated Senior official.

10.3 RESPONSIBILITY FOR AMOUNTS DUE

10.3.1. In terms of Section 118 (3) of the Systems Act, an amount due for municipal service fees, surcharge on fees, property rates and other municipal taxes, levies and duties is a charge upon the property in connection with which the amount is owing and enjoys preference over any mortgage bond registered against the property. Accordingly —

a) The owner of such property shall be liable for charges incurred in connection with such property and all municipal debts must be paid by the owner of such property without prejudice to any claim or right of recovery which the Municipality may have against another person;

b) The Municipality reserves the right to cancel a contract with the Customer in default and register the owner of such property for services on the property; and

c) Subject to the right to a basic water supply as contemplated in the Water Services Act, 1997 (Act No.108 of 1997), as amended, the Municipality will not provide any services on the property until all municipal debts on the property have been paid in full or suitable arrangements have been made to pay such debts. The Municipality reserves the right to determine the manner in which access to a basic water supply will be provided.

10.3.2 Where the property is owned by more than one person, each owner shall be jointly and severally liable, the one paying the other to be absolved, for all municipal debts charged on the property.

10.3.3 Owners with their tenants who are registered as Customers shall be held jointly and severally liable, the one paying the other to be absolved, for debts on their property, except for property rates.

10.3.4 When a Juristic person opens a Service Account, the directors, members or trustees as the case may be must sign personal suretyships in favour of the Municipality. Liability for outstanding amounts maybe extended to such directors, members or trustees jointly and severally, the one paying the other to be absolved.

10.3.5 The Municipality may —

In a case of an Owner who is in arrears:

- (i) recover from a tenant, occupier or agent such monies as are owing by the tenant, occupier or agent to the owner, as payment of the arrears owing by such owner for so long as a tenant or occupier occupies a property in respect of which arrears are owing, or an agent acts for an owner in respect of whose property arrears are owing;
- (ii) recover the amount in whole or in part despite any contractual obligation to the contrary on the part of the tenant, occupier or agent; or
- (iii) recover from the tenant, occupier or agent an amount which is limited to the amount of the rent or other money due and payable, but not yet paid by the tenant, occupier or agent;

10.3.6 Should the tenant, occupier or agent as contemplated in subsection 10.3.5 refuse to pay the Municipality, the services of the tenant, occupier or agent may be disconnected.

10.3.7 Should any dispute/query arise as to the amount owing, the Customer shall pay all amounts which are not subject to the dispute and average of the service under dispute that are due and payable, pending the finalisation of the dispute lodged in respect of the specific amount owed by the Customer.

10.4 RIGHT OF ACCESS TO PREMISES

10.4.1 The owner and or occupier of property must allow an authorized representative of the municipality access at all reasonable hours to the property in order to read, inspect, install or repair any meter or service connection for reticulation, or to disconnect, stop or restrict, or reconnect, the provision of any municipal service as stipulated in Section 101 of Municipal Systems Act, 32 of 2000.

10.4.2 The owner is responsible for the cost of relocating a meter if satisfactory access is not possible.

10.4.3 If a person fail to comply, the municipality or its authorised representative may:-

- a) By written notice require such person to restore access at his/her own expense within a specified period.
- b) Without prior notice restore access and recover the cost from such person if it is the opinion that the situation is a matter of urgency.

10.5 ENFORCEMENT MECHANISM

10.5.1 The Municipality will issue a credible statement of account reflecting all services charge, units of water & electricity consumed (where applicable), due date and monies payable. Where the Municipality fails to render the account, subsection 7.1.2 of this policy shall apply.

10.5.2 The Municipality may deliver notices electronically or in accordance with section 115 of the Municipal Systems Act and section 3 of PAJA.

10.5.3 Subject to the provisions of section 95(e) of the Systems Act, a failure to receive or accept accounts does not relieve a Customer of the obligation to pay any amount due and payable. The onus is on the Customer to make every effort to obtain a copy of the account, or establish the amount payable for payment.

10.5.4 The Municipality may print a message on a statement of account to remind customers to pay before or on due date to avoid interest charges and other credit control measures.

10.5.5 The Municipality may remind the customer to pay the account before or on due date by using and not limited to SMS, MMS, email and Telephone call.

10.5.6 A 14 Days' notice may be issued before cut off or restriction of supply for accounts in arrears.

10.5.7 In the event of queries and disputes section 7.2 and 7.3 of this policy shall apply.

10.5.8 The customer may apply/ request payment extension in writing before the due date stating reasons for such request and proposed date for payment.

10.5.9 The Municipality shall have the right to discontinue or restrict the supply of services due to late or non-payment of accounts relating to any consumer and or owner of property.

10.5.10 All debtors who are in arrears for more than 60 days may have their water and electricity meters converted to prepaid at municipality's sole discretion.

10.6 PRE-PAYMENT METERING SYSTEM

The Municipality will use its pre-payment metering system to:-

- a) Link the provision of electricity by the Municipality to a "pre-payment" system comprising, pre-payment of electricity units; and
- b) A payment in respect of arrears comprising all accrued municipal taxes and other levies, tariffs and charges in respect of services such as water, refuse removal, sanitation and sewage.
- c) To load an auxiliary on the "pre-payment" system in order to allocate a portion of the rendered amount to the customers arrear account for other services.
- d) To enforce satisfactory arrangements with consumers in arrears by blocking access to pre-payment meters.

e) 60/40% prepayment debt recovery, the municipality may allocate 60% of payment to the arrears and 40% to the purchase of electricity to customers who purchases prepaid electricity with other services in arrears.

10.7 CONTRACTORS WHO TENDER TO THE MUNICIPALITY

Supply Chain and Procurement Management Policy and Tender Conditions of the Municipality will include the following:-

a) When inviting tenders for the provision of services or delivery of goods, potential contractors may submit tenders subject to a condition that consideration and evaluation thereof will necessitate that the tenderer obtain from the Municipality a certificate or account stating that all relevant municipal accounts owing by the tenderer and/or its directors, owners or partners have been paid or that suitable arrangements (which include the right to set off in the event of non-compliance) have been made for payment of any arrears.

b) No tender may be allocated to a person/contractor until a suitable arrangement for the repayment of arrears has been made. No further debt may accrue during contract period.

c) Tender Conditions may include a condition allowing the Municipality to deduct any moneys owing to the Municipality from contract payments.

d) A tenderer may be required to declare all the municipal account numbers for which it is responsible and/or partially responsible.

11. DEBT COLLECTION

11.1 OBJECTIVE

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

11.1.2 THE PRINCIPLE: The money owed to the Municipality for more than 30days after due date would be classified as debt to be collected following the procedures as outlined in this section of the policy.

11.2 ACTIONS TO SECURE PAYMENTS INCLUDING TERMINATION OF SERVICES AND SERVICE AGREEMENTS

11.2.1 The Municipality and/or Service provider may take the following actions to secure payments of arrears in respect to Municipal services.

11.2.1 At least fourteen (14) days' notice is required from the Customer upon termination of an account, to enable the Municipality to take final meter readings and process account adjustments.

11.2.1 The Municipality or service provider may contact the customer telephonically and/or physically.

(a) Council will endeavour, within the constraints of affordability, to make personal or telephonic contact with all arrear debtors to encourage their payment, and to inform them of their arrears state, their rights (if any) to conclude arrangements or to indigence subsidies, other related matters and will provide information on how and where to access such arrangements or subsidies.

(b) Such contact is not a right for debtors to enjoy and disconnection of services and other collection proceedings may continue in the absence of such contact for whatever reason.

11.2.1 Council reserves the right to deny or restrict the sale of electricity or water to consumer and or the owners who are in arrears with their rates and or other service charge.

11.2.2 60/40% prepayment debt recovery, the municipality may allocate 60% of payment to the arrears and 40% to the purchase of electricity to customer who purchases prepaid electricity with other services in arrears. Or allow the customer to purchase 40% of the amount paid.

11.2.3 If a person is indigent a pre-paid electricity meter and a flow limiter water meter may be installed free of charge.

11.2.4 The deposit of any defaulter will be adjusted and brought into line with relevant policies of Council (Consumer Deposit Policy) and this deposit may be charged into the account.

11.2.5 Once the tenant's consumption account in arrears is terminated, the account may thereafter be linked to the owner's rates account.

11.2.6 The Municipality may exercise its common-law right where a tenant on a property is in breach of his or her contract with the Municipality, and link the debt to the owners' account. The tenant shall forfeit his or her deposit to the owner where the outstanding debt is paid by the owner.

11.2.7 The Municipality may terminate a service agreement, or any other arrangement with the municipality having given a written notice of not less than 14 days to the Customer, if the Customer concerned has breached or failed to comply with any specific term or condition of the service agreement.

11.3 THE POWER TO RESTRICT OR DISCONTINUE SUPPLY OF MUNICIPAL SERVICES

11.3.1 The Council or duly appointed agent may terminate and / or restrict the supply of water, electricity or in the case of pre-paid electricity withhold the selling of electricity in terms of the prescribed disconnection procedures, or discontinue any other service to any premises associated with the customer, whenever a consumer of any service

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11.3.2 after the expiry of the period for payment in terms of the final demand/ final notice referred to in section 11.2.1.1, fails to make full payment on the due date or fails to make acceptable arrangements for the repayment of any amount for municipal services, property rates or taxes or other amounts due in terms of this policy;

11.3.3 No proof of registration as an indigent was furnished within the period provided for in the final demand / final notice referred to in section 11.2.1.1;

11.3.4 No payment was received in accordance with an agreement for payment of arrears;

11.3.5 fails to comply with a condition of supply imposed by the council;

11.3.6 obstructs the efficient supply of electricity, water, or any other municipal services to another customer;

11.3.7 Supplies such municipal service to a consumer/owner who is not entitled thereto or permits such service to continue;

11.3.8 causes a situation, which in the opinion of the council is dangerous, or a contravention of relevant legislation;

11.3.9 in any way bridges the supply or illegally reconnect previously disconnected municipal services;

b) The Council shall hand deliver, per mail or per electronic means available, to the physical address of property or most recent recorded address or electronic contact address and / or number of such customer, a discontinuation notice informing such consumer –

(i) That the provision of the service will be, or has been discontinued on the date stated on the discontinuation notice;

(ii) Of the steps which can be taken to have the service reconnected;

(iii) Of the minimum amount payable to restore service.

c) The right of the Council or any duly appointed agent to restrict or discontinue water and electricity to any premises, owner of property, tenant on property, customer or occupant of property, shall be subject to the relevant legislature.

d) The Council reserves the right to deny or restrict or reduce the sale of electricity or water to properties which are in arrears with their rates or other municipal charges.

11.4 RECONNECTION OF SERVICES

11.4.1 Upon paying the full amount owed or the conclusion of acceptable arrangements as prescribed in section 11.6 of this policy the service will be reconnected and soon as conveniently possible

11.4.2 The cost of the restriction or disconnection and reconnection will be determined by tariffs draft by Council and will be payable by the consumer.

11.5 DEBT FOR WHICH AN ARRANGEMENTS CAN BE DONE

Arrangements for the payment of outstanding debt can be made according to the procedures described hereunder.

11.6 CONCLUSION OF AGREEMENT

11.6.1 If a customer cannot pay his/her account with the Municipality then the Municipality may enter into an extended term of payment not exceeding 12 months, stipulating that the debt will be paid together with the monthly and/or annual accounts, with the customer.

11.6.2 The customer must:-

- a) Complete a new application form;
- b) Sign an acknowledgement of debt;
- c) Sign a consent to judgment;
- d) Sign an emolument or stop order if he or she is in employment;
- e) Submit proof of income on the prescribed form;
- f) Pay the current portion of the account in cash;
- g) Pay an adjusted security deposit equal to the sum of two time's average consumption during the preceding 12 months; (conditional)
- h) sign an acknowledgement that, if the arrangements being negotiated are later defaulted on, that no further arrangements will be possible and that disconnection of water and electricity will follow immediately, as will legal proceedings;
- i) Acknowledge liability of all costs incurred; and
- j) Annually, no later than 28 February, submit new proof of income.

11.7 ARRANGEMENTS THAT CAN BE ENTERED INTO:

11.7.1 Domestic Customers:

(a) First (1st) default in a financial year:

(i) 50% or minimum of 10% on exceptional circumstances of the outstanding amount plus cost of the credit control actions together with the current account is payable immediately.

(b) On Second (2nd) default in one financial year the Municipality May Demand:

I. Full arrears amount plus the cost of credit control actions, together with the current account.

II. Deny arrangements or provide monthly extensions.

11.7.2 Business and other Institutions:

(a) First (1st) default in financial year:-

(i) 60% of the outstanding amount plus cost of the credit control actions may be required.

(b) Second (2nd) default in financial year:-

(i) Full outstanding amount plus cost of credit control actions may be required.

(ii) No arrangements may be allowed.

(iii) Consumer deposit charges may be adjusted in line with the deposit policy.

11.7.3 Government Departments

(a) First Default

(i) The municipality will strive within the spirit of co-operative governance to collect all amount due by departments and will disconnect services where commitment is not honoured.

(ii) Report same to National Treasury where applicable (Sect 64(3) MFMA).

11.7.4 Owners Accounts

(a) The owner's accounts without services will be handed over to the debt collectors to instigate legal proceedings. The owner's accounts in arrears may be consolidated in terms of section 102 of the Municipal Systems Act in order to affect Credit control and debt collection.

11.8 DEBT COLLECTION PROCEDURE

11.8.1 Council may handover accounts that are 90 days and older to external debt collection company's after all internal processes have been exhausted and there is no positive respond.

11.8.2 The handover will be done through creation of child account linked to the main account. The child account will be closed when it is paid up or balance cleared. The debt collector will not be responsible for collection on the debt on the main account where child account is created.

11.8.3 Annual accounts: Should accounts remain unsettled three (3) months after it became due and payable, notice will be given to the owner/consumer that the amount owed should be settled within fourteen (14) days, failure of which it would be handed over for collection.

11.8.4 Should there be no reaction on the notices; accounts are forthwith handed over for collection, which may include legal proceedings.

11.8.5 All debtors regarding houses in rental, selling and self-build schemes, without any capital debt, which are still registered in the name of the Municipality, should be notified in writing that if satisfactory arrangements for transfer of the property into his/her name are not made within one (1) month, the property concerned will be put up for sale by Council at a public auction.

11.8.6 Upon handing over of accounts for collection, details of employers and work addresses of the debtors should be made available to the attorneys as far as possible for the purposes of garnishee orders.

11.8.7 Attorneys should report to Council on a monthly basis on the progress made and the cost aspect regarding each debtor.

11.9 INDIGENT

11.9.1 Customers who qualify as indigent households will be assisted in terms of the indigent policy.

11.10 THEFT AND FRAUD

11.10.1 Any person (natural or juristic) found to be illegally connected or reconnected to municipal services, tampering with meters, the reticulation network or any other supply equipment or committing any unauthorized act associated with the supply of municipal services, as well as theft of and damage to Council property, will be prosecuted and/or liable for costs at the prescribed tariffs as determined from time to time.

11.10.2 The Municipality has the right to obtain authorization from the Magistrate for the imposition of fines for the offences.

11.10.3 The Municipality may terminate and/or remove the supply of services including the removal of circuit breakers to a customer should such conduct as outlined above, be detected and certified.

11.10.4 The total bill owing, including penalties, assessment of unauthorized consumption and discontinuation and reconnection fees, and increased deposits as determined by Council if applicable, will be due and payable before any reconnection can be sanctioned. Corrective measures may be put in place to calculate lost consumption and levy penalty due to illegal connections or tampering of meters, refer to tariff schedule.

11.10.5 Council will maintain monitoring systems and teams in order to identify and monitor customers who are undertaking such illegal actions.

11.10.6 Council reserves the right to lay criminal charges and/or to take any other legal action against both vandals and thieves.

11.10.7 Any person failing to provide information or providing false information on his application for or other document pertaining to the supply of services to the Municipality may face immediate disconnection of services.

11.11 INCENTIVES

Incentives and disincentives may be used in collection procedures as draft by council.

11.12 LEGAL PROCESS (USE OF ATTORNEYS/USE OF CREDIT BUREAUS)

11.12.1 The Municipality may, when a debtor is in arrears, commence legal process against that debtor, which process could involve final demands, summonses, court trials, judgements, garnishee orders and, as last resort, sales in execution of property.

11.12.2 The Municipality will exercise strict control over this process to ensure accuracy and legality within it and will require regular reports on progress from staff responsible for the process or outside parties, be they attorneys or any other collection agents appointed by Council.

11.12.3 The Municipality will establish procedures and codes of conduct with such outside parties. In the case of employed debtors, garnishee orders, are preferred to sales in execution, but both are part of the Municipality's system of debt collection procedures.

11.12.4 All steps in the credit control procedure will be recorded for the Municipality's records and for the information of the debtor.

11.12.5 All costs of this process will be for the account of the debtor.

11.12.6 Individual debtor accounts are protected and are not the subject of public information. However, the Municipality may release debtor information to credit bureaus and the property owner in respect of his/her lessee(s). This release will be in writing or by electronic means and will be covered in the agreement with customers.

11.12.7 The Municipality may consider the cost effectiveness of the legal process, and will receive reports on relevant matters and report to the Executive Mayor.

11.12.8 Upon recommendation from the Municipal Manager, Council may consider the use of agents and innovative debt collection methods and products. Cost effectiveness, the willingness of agents to work under appropriate codes of conduct and the success of such agents and products will be part of the agreement Council might conclude with such agents or service providers.

11.12.9 Customers will be informed of the powers and duties of such agents and their responsibilities, including their responsibility to observe agreed codes of conduct.

11.12.10 Any agreement concluded with an agent or product vendor shall include a clause whereby breaches of the code of conduct by the agent or vendor will constitute termination of the contract.

11.12.11 If, after the due date an amount due for rates is unpaid by the owner of the property, the Municipality may recover the amount, in whole or in part, from the tenant or occupier of the property, after it has served written notice on the tenant or occupier. The Municipality may recover the outstanding amount despite any contractual obligation to the contrary on the tenant or occupier.

11.12.12 If, after the due date an amount due for rates is unpaid by the owner of the property, the Municipality may recover the amount, in whole or in part, from the agent of the owner, if this is more convenient for the Municipality, after it has served written notice on the agent.

The agent must on request from the Municipality, provide a statement reflecting all payments made to the agent for the owner during a period determined by the Municipality.

11.13 COST OF COLLECTION

The Municipal manager may recover from the debtor, all costs in cases where such costs are incurred by or on behalf of the City, including;

All costs of legal processes such as interest, penalties, service discontinuation costs and legal costs associated with credit control and debt collection, where ever applicable, are for the account of the debtor and should reflect at least the cost of the particular action.

11.14 CLEARANCE CERTIFICATE

11.14.1 In terms of section 118(3) of the Act an amount due for municipal service fees, surcharges on fees, property rates and other municipal taxes, levies and duties is a charge upon the property in connection with which the amount is owing and enjoys preference over any mortgage bond registered against the property,

11.14.2 The municipality will require an estimation of up to four month before issuing clearance figures.

11.14.3 All payments will be allocated to the registered seller's municipal accounts and all refunds will be made to such seller unless advised otherwise.

11.14.3 Clearance figures for all accounts handed over to debt collectors may make provision for Collection costs at the draft commission percentage.

11.14.4 The Municipality will only issue a clearance certificate once a completed prescribed application form from the conveyancer has been received.

11.14.5 Where any residential or non-residential debtor has entered into an arrangement with the Municipality in respect of the arrears on a property, the prescribed certificate as referred to in Section 118 of the Systems Act, will not be issued until such time as the full outstanding amount have been paid. Should the certificate be issued on payments for three months preceding the date of clearance, the outstanding balance will be due and against the property or any owner thereof with or without their knowledge on transfer.

11.14.6 Accordingly, all such municipal debts shall be payable by the owner of such property without prejudice to any claim which the municipality may have against any other person,

11.14.7 On application for clearance any arrangements, acknowledgement of debt shall be cancelled, and all debts on the property shall become due, owing and payable.

11.14.8 The payments of clearance certificate must be made in cash or by irrevocable bank guarantee, or attorney`s trust cheque, there shall be no refunds on cancellation of sale, and the certificate shall be valid for a period of 60 days from date of issue.

11.14.9 No Clearance certificate, in terms of section 118 of the Municipal Systems Act, will be issued were the registered owner (and, in this instance, the seller) has not complied with any relevant legislation, policy or agreement relating to the property in question;

11.14.10 By virtue of registration of the property, the registered owner accepts liability for all services rendered by the City to the said property, except as provided for in other legislation or policy;

11.14.11 All figures issued in terms of section 118 of the Systems Act will only be valid for the validity period attached to such figures and only payments made within the validity period will, for the Purpose of issuing the certificate, be offset against these figures. A late payment made will be regarded as a payment on account and may be offset against any debt of such debtor.

11.14.12 Polokwane Municipality reserves the right to pursue the debt incurred by the seller by lodging an interdict with a competent court prior to any transfer to obtain a court order ordering the sale in execution of a property.

11.14.12 Subject to section 118 (1) of the Systems Act the City manager has the right to offset any credit , or any amount due to a debtor, against any debit pertaining to that same debtor; or

(a) To transfer any debt to another account of the same debtor.

11.14.12 The City Manager has the right to transfer any property debt, incurred by a tenant, to any account of the registered owner, provided the registered owner was the owner of the property at the time the debt was incurred.

11.15 BUSINESS RESCUE

31.1 In terms of Section 118 (3) of the Systems Act, an amount due for municipal service fees, surcharge on fees, property rates and other municipal taxes, levies and duties is a charge upon the property in connection with which the amount is owing and enjoys preference over any mortgage bond registered against the property. Accordingly

31.1.1 Where in terms of the Companies Act, 2008, a company is required to publish a notice in terms of subsection (3)(a) or (4)(b) of Section 129 relating, respectively to the adoption of a resolution to be placed under business rescue or the appointment of a business rescue practitioner, it must simultaneously give notice to the Municipality by registered post for the attention of Manager of Revenue.

11.16 DECEASED ESTATES

11.15.1. The Executor or representative of a Deceased Estate shall be liable for payment of all debts on the property.

11.15.2. The purposes of liability for an account, including a consolidated account, the occupier or occupiers of a property which vests in a deceased estate where neither an executor nor representative has been appointed, will be regarded as the Deemed Owner. The municipality may request a deemed owner to sign a services agreement. Where there is more than one occupier on the property, every occupier will be jointly and severally liable for an account or consolidated account.

11.15.3. "Deemed Ownership" does not confer any rights on an occupier other than the liability to pay the accounts.

11.15.4. Failure by the executor to inform the Municipality that the property forms part of a deceased estate may result in the disconnection of services, until an executor or representative has been appointed.

11.15.5 Where a deceased estate is insolvent (liabilities exceed all assets) and a property is sold by the executor pursuant to section 34 of the Administration of Deceased Estates Act, 1965 (Act 66 of 1965), the Municipality enjoys preferent creditor status in terms of section 118 (1) of the MSA. Accordingly, no revenue clearance certificate will be issued until all amounts assessed for the prescribed 2 year period, have been paid. The balance of the debt will be dealt with as guided by the law on the administration of deceased estates.

11.17 IRRECOVERABLE DEBT

11.16.1 Debt will only be considered as irrecoverable if it complies with the following criteria:-

(a) All reasonable notifications and cost effective legal avenues have been exhausted to recover a specific outstanding amount; or

(b) any amount equal to or less than R1 000.00, or as determined by Council from time to time, will be considered too small, after having followed basic checks, to warrant further endeavours to collect it; or

(c) The cost to recover the debt does not warrant the further action; or

(d) The amount outstanding is the residue after payment of a dividend in the rand from an insolvent estate; or

1. There is a danger of a contribution; or

2. No dividend will accrue to creditors; or

(e) A deceased estate has no liquid assets to cover the outstanding amount following the final distribution of the estate; or

Where the estate has not been reported to the Master and there are no assets of value to attach; or

(f) It has been proven that the debt has prescribed; or

(g) The debtor is untraceable or cannot be identified so as to proceed with further action; or

(i) The debtor has emigrated leaving no assets of value to cost effectively recover Councils' claim; or

(h) it is not possible to prove the debt outstanding; or

(i) a court has ruled that the claim is not recoverable; or

(j) The outstanding amount is due to an irreconcilable administrative error by the Municipality.

11.18 ABANDONMENT OF CLAIMS

11.17.1 The Municipal Manager must ensure that all avenues are utilised to collect the Municipality's debt.

11.17.2 There are some circumstances, as contemplated in section 109(2) of the Act, that allow for the valid termination of debt collection procedures, such as:-

a) The insolvency of the debtor, whose estate has insufficient funds.

b) A balance being too small to recover, for economic reasons considering the cost of recovery.

c) Where Council deems that a debtor or group of debtors are unable to pay for services rendered.

11.17.3 The Municipality will maintain audit trails in such an instance, and document the reasons for the abandonment of the action or claim in respect of the debt.

12. SHORT TITLE

This policy will be called Credit control and debt collection policy of Polokwane municipality

13. REVIEW OF POLICY

This policy shall be implemented as at 1 July 2022 and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.



DRAFT

**POLOKWANE LOCAL
MUNICIPALITY
INTERGRATED CUSTOMER CARE
POLICY**

2022/2023

POLOKWANE LOCAL MUNICIPALITY

CUSTOMER CARE POLICY

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Preamble

Whereas **Section 95** of the Local Government Municipal Systems Act, Act No 32 of 2000 requires a Municipality to exercise Customer Care and Management in relation to levying of rates and other taxes.

And Whereas Section 156(1) of the Constitution of the Republic of South Africa, 1999 conferred powers of the Municipality to administer. Now therefore the Municipal Council of Polokwane Municipality adopts the Customer Care Policy as set out in this document.

1. PURPOSE AND OBJECTIVE.

In establishing itself as a progressive and service oriented municipality, Polokwane Municipality, the City of Stars, is committed to focusing on its customers' needs as well as creating a positive and reciprocal relationship between the community or customers of the Municipality and the Municipality itself.

In order to achieve this objective, this Customer Care Policy has been adopted to develop structures to ensure that in our dealing with customers these values are demonstrated and in line with Batho Pele Principle

2. PRINCIPLES

- a. Polokwane Municipality is aiming at setting a consistent excellent service standard in its dealings with customers.
- b. The Municipality is committed to ensuring human rights principles set out in the National Constitution of the Republic of South Africa, 1996, as well as the *Batho Pele* Principles, aimed at transformation of public service delivery, and "getting it right the first time", forms the basis on which Polokwane Municipality's service delivery rests.
- c. By laying this basis and building a service delivery model thereon, the Municipality wants to display the commitment to the principle of "Customer First" and ensuring that service excellence forms an integral part of the planning and delivery of all Municipal services to our community.

3. MUNICIPAL VALUES.

- a) As a service delivery orientated organisation, and in order to satisfy the goal of achieving Customer Service excellence, a common set of values, that guides the

interaction between municipal staff and the customers shall form the basis of the relationship between the Municipality and its Customers.

- b) Commitment to the following values will guide our Staff interaction with Customers and form the cornerstone of our customer focused approach:
- i) Mutual Respect, which includes mutual trust and understanding.
 - ii) Good Customer Care.
 - iii) Efficient and Excellent Service.
 - iv) Integrity and Professionalism.
 - v) Equity and Fairness.
 - vi) Compassion and Dignity.

4. **“PEOPLE FIRST” – THE *BATHO PELE* PRINCIPLE**

National Government’s approach to all interaction between government institutions and the public is based on the eight “Batho Pele Principles”, which forms the foundation of service delivery to the public. Therefore Customers of the Municipality:-

- a. Should be given a choice about the services offered to them and also be **consulted** about the level and the quality of the public service they receive.
- b. Has to be informed regarding the level and quality of public services (**service standards**) they will receive, in order to be aware of what service to expect.
- c. Should have **equitable access** to the services they are entitled to.
- d. Has to be treated with **courtesy** and with consideration.
- e. Should be given full and accurate **information** regarding the public services they are entitled to receive
- f. Has, in an **open and transparent** way, to be informed on how services are calculated and levied.

- g. Where the promised standard of service is not delivered, in **redress**, should be offered an apology, an explanation and a speedy and effective remedy, and when complaints are lodged, Customers should receive a sympathetic, positive response thereto.
- h. Has to receive Municipal services (as a public service) provided economically and efficiently so as to give the best possible **value for money**.

5. THE CUSTOMER.

Habitually the people dealt with by the Municipality were primarily referred to as ratepayers or consumers. This created an unequal balance as these people were seen either as taxpayers or as people who consumed essential services provided by the Municipality.

The aim is at changing this mind set and constantly reminding ourselves that we are dealing with Customers,

- a. Thus, Customers are all the people that we as a Municipality deal with in the execution of our daily duties and work.
- b. Customers are the people who live in, work in or visit our City and Municipality and who do business with the Municipality.
- c. In this sense, the Municipality has internal as well as external Customers and the same standards shall apply to internal (colleagues and service providers) as to external Customers.

6. CUSTOMER CARE.

WHAT CUSTOMER CARE IS AND WHY IT IS IMPORTANT:

Polokwane Municipality is committed to assist its Customers in getting the help they need in approaching the Municipality.

It is the Municipality's aim to, whenever contacted by a Customer, make it convenient for the Customer to do so as well as treat such a Customer courteously, promptly and fairly.

This in essence means ensuring that the Customer will receive a prompt and clear response to any enquiry made within a stated period of time as defined in the Customer Care Standards

and Management Controls as well as in the Customer Service Charters for the various service delivery counters.

Customer Care embodies the principle of taking care of Municipal Customers in a positive manner, as part of the set of behaviours to be undertaken in interaction with our Customers.

In order to achieve this it is important to clearly set goals as to how we can put Customers First. It is important to define what Service Excellence in Customer Care is so that all officials/staff will know what standards have to be maintained by them in executing their duties.

At the same time and in addition to staff education on Customer Care, Customers has to be informed what standards of Customer Care they can expect whenever they engage with any officials/staff of Polokwane Municipality.

The “Customer First” principle will also be adhered to by the Municipality in all policies and procedures to be considered.

Therefore Customer Care is:-

- a. Treating all Customers with courtesy, dignity and respect;
 - b. As far as possible customers may be served in their language of choice, always bearing in mind that English is the official communicating language of Council as per resolution;
 - c. Providing a good quality service in a friendly, efficient and helpful manner;
 - d. Giving people the information they need and providing an explanation where the service is not available or up to the expected standard;
 - e. Keeping the Customers informed of progress in addressing their complaints, requests and enquiries.
- a. Subsequently Customer Care standards are important to ensure:-
- i. That all Customers, whether they are residents or visitors to Polokwane Municipality, will receive the same consistent high standards of customer care;
 - ii. That Customer Care and service to Customers are essential to the planning and delivery of all Council Services;

- iii. That Polokwane Municipality officials will constantly be reminded of their responsibility in putting the Customer First and what this means in practical terms;
- iv. That Polokwane Municipality will eliminate wastage by providing all services “Right the First Time”.

7. CUSTOMER CARE CYCLE .

8. *The following will be dealt as per section 6 and 7 of the Reviewed Credit Control and Debt Collection Policy)*

- a. The Municipality provides services to the consumers.
- b. Afford opportunities for customer queries to be addressed.
- c. Implement the follow up process of query resolution.
- d. Ensure community interaction outside the office.
- e. Implement processes to produce accurate and credible accounts.
- f. Bill for the service rendered.
- g. Issue accounts to consumers.
- h. Remind customers by issuing notices to settle accounts.
- i. Issue final notices to non-paying consumers, a further opportunity to the consumer to either raise queries or to make arrangements for account payment.
- j. Consult with non-paying consumers, as part of the final demand process and actual credit control action and enforcement of credit policy.
- k. Final step is to restrict or disconnect actual services to the consumer, with clear municipal input via the customer care and debt collecting policies.

9. CUSTOMER INTERACTION.

- a. Face to Face Contact;
 - a) Customers will be treated in a courteous and polite manner.
 - b) Staff will always give their full attention to the customer.
 - c) Wherever possible, staff will aim to resolve the customer’s enquiry at first contact
 - d) We will aim to ensure all customers are catered for and appropriate arrangements are in place.

e) Staff at first point of contact will give customers the option of seeing specialist members of staff.

Waiting Times

a) After initial contact, customers will be given an indication of how long they can be expected to wait. If waiting times are to exceed 10minutes, customer care officials must inform the customer.

b. Telephone Calls;

a) Staff will answer telephone calls promptly

b) Staff should aim, wherever possible, to resolve the customer's enquiry at first contact.

c) If a call is put on hold the customer must be told why this is happening and kept updated if the waiting time is longer than expected.

c. Written Correspondence;

a) Incoming written correspondence will be acknowledged within three days and responded to in 10 working days

b) Receipt of an email will be acknowledged in one working day

c) All issues raised by the customer will be acknowledged and responded to within the correspondence

d. Complaints Procedure

a) Staff will aim to resolve all concerns raised by the customer immediately and informally

b) Staff will inform the customer that if the informal resolution is not to their satisfaction, they may make a formal complaint and explain how to do this

c) Heads of Departments will analyse any complaints about the service in their respective units and take remedial action

10. MEASURING SUCCESS IN CUSTOMER CARE.

a. Polokwane Municipality Customer Care Policy is extended with specific Customer Service Charters for each service delivery counter, in which Charter the Customer Care Standards for that specific service point is contained.

b. Customer Care Staff attending to the various service delivery counters shall Pledge, committing themselves to upholding the Customer Care Standards set for their various service counters.

c. Satisfactory Customer Care performance by Municipal officials/staff will be monitored continuously and regular Performance review.

- d. Methods for receiving Customer feedback will be developed and communicated to the customers.
- e. Communication means will be developed and communicated to the customers within the constraints of the municipal resources.
- f. Comments and complaints from Customers are an important part of the process and will assist in building a “Customer First” organisation. Monitoring methods will further help in developing programmes to address any shortcomings in the standard of the Municipality’s service.

11. STANDARDS AND CONTROLS IN CUSTOMER CARE

12. 10.1 Customer Care Standards

Polokwane Municipality is committed to the continuous improvement of the standards of service it renders to its Customers. For this reason, the Municipality is endeavouring to provide services and manage complaints in a manner which is timeous, efficient and effective.

In reaching this goal in service delivery the following principles have been set as Customer Care Standards: -

- a. A friendly and courteous service that puts the Customer first; that is Customer focused and measurable;
- b. Clear guidelines along which officials/staff is to behave in dealing with Customers;
- c. Clear, achievable performance targets;
- d. Trained officials/staff who have a full understanding of the standards of performance expected from them and who are at the same time – through training – capacitated to achieve these performance standards.
- e. Commitment to equal opportunities which will provide: -
 - i) Support, interpretation and translation services;
 - ii) Clear signage to direct Customers to where they need to go;

- iii) Accessible, welcoming buildings and service counters;
- iv) Disabled access wherever practicable;
- v) Private areas when necessary, where Customers can discuss private and sensitive matters;
- vi) Officials/staff trained in awareness and understanding.

13. CUSTOMER EXPECTATIONS.

Customers of Polokwane Municipality can expect the following treatment from officials/staff: -

- a. Courtesy, respect and consideration towards a Customer at all times;
- b. Officials/staff will identify themselves by name and communicate by listening and responding appropriately
- c. Communicate efficiently, with integrity, fairly and professionally;
- d. To be provided with relevant, accurate and up-to-date information;
- e. Actively seeking comments on a regular basis in order to continue and develop a service of high standard;
- f. In instances where problems arise: -
 - i. Officials/staff will deal with such a problem promptly;
 - ii. Advise on a probable delay in provision of a solution to the problem as well as any relevant reasons;
 - iii. Update on progress with long-term problems;
- v. Advise on how and who to contact in the event of any dissatisfaction.

14. CUSTOMER CARE: MANAGEMENT.

At the core of the service delivery principle of placing the Customer first, lays the practical challenges for the Municipality as organisation that requires us to re-evaluate processes as well as ensure achievement of set standards.

For the purpose of meeting that goal, controls to measure the Municipality's overall performance has been set in place, including: -

- a. Compliance with or adherence to the Customer Care Service Standards to be reflected as a Key Performance Indicator on each responsible official's Performance Plan;
- b. Continuous training programmes for officials/staff to ensure effective service delivery and Customer satisfaction;
- c. Continuous monitoring and review of processes and procedures in ensuring the Customer is put first;
- d. Consideration for introduction of a computerised call-logging and tracking system, ensuring sensitivity and efficiency in the enquiries, complaints and feedback received from Customers.

15. VARIOUS SERVICE DELIVERY COUNTERS.

a. Disabled and Senior Citizens only.

General enquires on all Municipal Services.

b. Municipal Services General – excluding Traffic & Licenses, Community Safety & Disaster Management.

- a. Any query or complaint regarding Corporate and Technical Services to be recorded and submitted to the relevant Service Business Units.
- b. Means of communication between SBU's to be done via
 - Telephones; and
 - E-mails
- c. Centralized database to be maintained for accurate reporting and tracking purpose of all complaints.

- d. All Financial Services complaints must be captured on the financial systems notepad.
- e. Feedback to customers to be done via telephone and or e-mails and in person for walk in customers
- f. Turn-around time regarding feedback or completion of the complaint or query, must not exceed 21 (twenty one) working days, alternatively according to timeframes as set in Policies and By-Laws of The Polokwane Municipality
- g. All queries and complaints that are not being dealt within the prescribed timeframe must be escalated to the next levels: Direct Supervisor, Assistant Manager, Manager, Director and ultimately the Municipal Manager.

c. Indigents and request for extension on payments:

Refer to indigent policy

- a. All Indigents related queries
- b. Apply for extension of payments on service accounts on the prescribed via the prescribed documents

d. Account Statements and Clearances:

- a. Issuing of duplicates accounts, histories and various reports.
- b. Receive applications for clearance requests on transfer of properties
- c. Attorney correspondence relating to clearances only (Submit and collect)

e. Budget and Treasury – General enquiries:

- a. All account and related queries.
- b. Request special meter readings on the prescribed document, accompanied by payments as stipulated in the Tariff policy.
- c. Request a Meter Test on the prescribed document, accompanied by payments as stipulated in the Tariff policy.
- d. Changing of addresses.
- e. Requesting ACB payment methods.
- f. Cancellation of ACB payment methods.
- g. Valuation certificates/roll at the tariff as per Councils Tariff policy.

- h. Request information subject to stipulation of Access to the Information as stipulated in The Promotion of Access to Information Act, Act 2 of 2000.
- i. Profile updates.

f. Connection and Disconnection of supply services:

- a. Only rightful owners are allowed to apply for services on the prescribed documents. No tenant will be allowed to apply for any services unless prepaid
- b. Notification of disconnections by owners of properties in respect of services on the prescribed documents.

*Arrange final readings, including arrangements of access to premises by authorized representatives of the Municipality for purposes of final readings. Refer **section 101** of the Municipal Systems Act, 32 of 2000.

g. Cashiers.

Refer to cash management policy

- a. Cashiers general.
- b. Renewal of vehicle licenses and Cash Power
- c. Disabled, Senior Citizens and Tender documents

h. Municipal Control Centre

The following services are located within the Municipal Control Centre by dialling the following telephone numbers: 015-290 2000 – Any Municipal related enquiries:

- Vehicle registration enquiries;
- Water & Electricity cut-off lists;
- Polokwane Mapping (Geographical Information System);
- Provincial Traffic After-hours call-out procedures;
- Electrical and water Complaints;
- Information on security and traffic cameras;
- Emergency Numbers;
- Disaster Management Information;

- Mobile Control Unit (Combined Joint Operation Control);
- Reporting bomb threats;
- Reporting serious occurrences;
- Reporting drowning;
- Complaints relating to animals;
- Towing Services radio link;
- Civil defence radio link.
- Any other services unless directed otherwise

15. COMMUNICATION TO PUBLIC REGARDING METER READING AND METER READING SCHEDULES

- a. Members of the public must be informed that it is an offence under section 101 of the Local Government Municipal Systems Act to restrict accessibility of meters to authorised representatives of the Municipality.
- b. Inaccessible meters must be read at least within a six-month cycle to correct any under/over estimations. Estimations must be calculated by using any three latest consecutive accurate meter readings or any verifiable accurate reading measured or fixed determined by municipality, on condition that;
- c. These latest readings should not exceed prior 3 years. If no accurate readings obtained within the three years, the readings should then be monitored for three months going forward; and the average of those accurate readings, shall be used to calculate the corrections as mentioned in c, above.
- d. Members of the public must further be informed that failure to receive an account does not relieve a consumer of the obligation to pay an amount due and payable. Accounts can be obtained during normal working hours, per e-mail, telephone request of by visiting the Civic Centre or any satellite office.

16. ORGANISATIONAL CONDUCT: CODE OF CONDUCT OF ALL MUNICIPAL OFFICIALS

- a. All Municipal Officials shall treat all customers with dignity and respect at all times. Employees shall execute their duties in an honest and transparent manner whilst protecting the confidentiality of information in accordance with the Promotion of Access to Information Act No. 2 of 2000.
- b. Where information held by the municipality is requested by Customers, such information shall only be made available in accordance with the Municipality's official Promotion of Access to Information Manual and provided that the necessary application forms have been filled in by a customer and the required fee has been paid.
- c. All Councillors and officials shall conduct themselves according to the "Code of Conduct" for Councillors and Municipal Staff members as contained in Schedule 1 & 2 of the Municipal Systems Act 32 of 2000.

17. REVIEW OF POLICY

This policy shall be implemented as at 1 July 2022 and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.



**DRAFT
INDIGENT & SOCIAL ASSISTANCE POLICY**

2022/2023

PREAMBLE

Whereas section 152 of the Constitution of the Republic of South Africa requires the Local government to ensure the provision of services in a sustainable manner, and whereas section 97 of the Municipal Systems Act prescribes that such policy must provide for 'provision for Indigent debtors that is consistent with its rates and tariff policies and any national policy on indigents'.

Now therefore the Municipal Council of the Municipality of Polokwane adopts the Indigent Policy as set out in this document.

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1. DEFINITIONS

For the purpose of this policy, unless the context indicates otherwise, any word or expression to which a meaning has been attached in the Act shall bear the same meaning and means:-

Authorized representative	The person or instance legally appointed by the Council to act or to fulfil a duty on its behalf.
Basic service	The amount or level of any municipal service that is necessary to ensure human dignity and a reasonable quality of life and which, if not provided, could endanger public health or safety of the environment. For the purpose of this Policy basic services will be restricted to electricity, refuse, sewerage, water and any other rebates or exemptions as Draft by Council.
Chief Financial Officer	An officer of the municipality appointed as the Head of the Budget and Treasury Directorate and includes any person acting in such position
Council or Municipal Council	A municipal council referred to in section 18 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) and for purposes of this policy, the municipal council of the Municipality of Polokwane.
Customer	Any occupier of any property to which the Municipality has agreed to supply services or already supplies services to, or if there is no occupier, then the owner of the property.
Defaulter	A person who owes money in respect of a municipal account after the due date for payment has expired.
Household	A Property and all its occupants.

Interest	A levy with the same legal priority as service fees and calculated on all amounts in arrears in respect of assessment rates and service levies at a standard rate as Draft by Council.
Municipal account or Municipal billing	The proper and formal notification by means of a statement of account, to persons liable for monies levied and indicating the net accumulated balance of the account, specifying charges levied by the Municipality.
The Act	The Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) as amended from time to time.
Indigent	A poor / needy household that qualifies and receives benefits in accordance to this policy.
Indigent Levy	A fixed charge payable by qualifying Indigent households levied on a monthly basis.
Subsidy	The financial relief granted to qualifying indigent households

2. OBJECTIVES

The objectives of this Policy are to:-

- a) 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;
- b) Determine the criteria for qualification of Indigent households;
- c) Ensure that the criteria is applied correctly and fairly to all applicants;

3. PRINCIPLES

- a) The administrative integrity of the Municipality must be maintained at all costs. The democratically elected councillors are responsible for the adoption of the policy, while it is the responsibility of the Municipal Manager to ensure the execution of this policy;
- b) Applicants must complete an official application form, which is to be submitted together with the supporting documents as specified in this policy, where applicable;
- c) The municipality may at its own discretion convert all conventional meters to prepaid services.

4. CRITERIA FOR INDIGENT HOUSEHOLDS

To qualify as 'Indigent household, a household must comply with the following criteria:-

- a) The total household income may not exceed the sum of two times the amount of state funded social grants plus two child grants currently as determined by the National Treasury of RSA from time to time.
- b) The applicant must be a permanent resident of the property.
- c) The applicant must be a South African citizen.
- d) The applicant who owns more than one property will only be granted Indigent assistance on the property of primary occupation. Polokwane Municipality reserves the right to reverse indigent benefits of an additional property should there be evidence that the applicant has applied for indigent assistance on additional properties.
- e) The applicant may not necessarily be the owner of the property but could also be the occupier including a child headed family. Provided that they meet other requirements.
- f) The Municipality reserves the right to consolidate separate accounts of one property in instances where the owner of the property is deceased.

5. SUBSIDY

The subsidies below will be funded from the Equitable share contribution received from National Treasury. The subsidies will only be granted to qualifying households to the extent that the above-mentioned funds are available for allocation.

a) The qualifying Indigent households may receive the following subsidy per month.

- 100% rebate of the basic charges for electricity per month
- 100% rebate of the availability charge for sewerage per month
- 100% rebates on sewer connection charge per month.
- 100% rebate of the basic charge for refuse removal per month
- 100% rebate of refuse charge per month
- 100% rebate on property rates
- 100kwh electricity consumption subsidy per month (cumulative on Pre-paid)
- 50kWh of electricity per month is consumed in urban and 50kWh Eskom supply Area
- 6kl Water consumption subsidy per month (cumulative on Pre-paid)

b) Other Rural Benefits/subsidy

- Basic water
- Other alternative energy
- Basic refuse removal
- Basic sanitation

c) Exemption may be granted for connection or deposit fees to qualifying indigents or poor household subject to approval by the Chief Financial Officer or Delegate.

6. APPLICATION FOR A SUBSIDY

The customer may apply in person at a customer care front office, Civic Centre.

The following documents must be submitted with the application form:-

- Certified copy of the applicant's South African identity;
- Proof of income of the applicant (e.g. a letter from employer/ salary advice/ proof of pension/ bank statement);
- Written proof of child headed family or letter of authority from a Social Worker, and/or Traditional leader and Ward Councillor where the property is situated;
- Bank statement for the past three month of the applicant and spouse where applicable;
- Any other proof or confirmation/ evidencing the qualification as indigent;
- Letter of Authority in case of deceased persons estate from the magistrate or Master of High Court declaring Executorship, where necessary;
- Marriage certificate for married applicants;
- Sworn Affidavits that Gross household income is less than the threshold set by council and that the information supplied is true and all income is declared;
- The applicant must complete the sworn statement that forms part of the application form; and

- Should the applicant be unable to apply in person, due to medical reasons, his / her application may be certified by a Commissioner of oaths, or a community worker.

7. PUBLICATION OF NAMES OF QUALIFYING APPLICANTS

The Municipality may publish names and property description of the applicants receiving subsidies in terms of this policy for inspection and objection.

8. FALSE INFORMATION

A person who provides false information will be disqualified and be denied further participation in the subsidy scheme. In addition, the beneficiary will be held liable for the payment of any incorrect subsidies already granted and legal action, civil or criminal may be instituted against the guilty party/parties.

9. INFORMATION AUDIT/ VERIFICATION

The Municipality reserves the right to send officials and / or representatives of the Municipality to the household or site of the applicant(s) at any reasonable time, with the aim of carrying out a local verification of the accuracy of the information provided by the applicant(s).

Such audit will be conducted on a continuous basis as and when municipality require.

a) Verification – Site Visit

The Municipality may utilise the services of a service provider to perform an on-site verification.

b) Verification – External Scan

An external scan, of applicants recommended as suitable candidates for an indigent grant, may be conducted with UIF, SARS, Department of Welfare, Retail and Credit Bureau.

10. DURATION OF SUBSIDY

If the municipality obtains information that indicates that the circumstances of the beneficiary has changed to such an extent that he / she no longer qualifies for the subsidy, the Municipality reserves the right to suspend the subsidy.

The municipality may require the indigent beneficiary to renew their indigent status periodically as and when required.

11. AMOUNT IN ARREARS

Beneficiaries with municipal accounts in arrears at the time of the application (approval) for a subsidy, may have such arrear amounts written off upon approval depending on availability of budget/funds.

A consumer will only qualify for a write off once per account for every three years if the status did not change or as prescribed from time to time by council.

12. REGISTER

The register may contain the name of the applicant, the name of the registered owner of the property, the identity number of the applicant, the contact details, the suburb, stand number, sub-division, street address, ward number and application date.

This Indigent register will be updated on monthly basis as and when applications are received.

13. APPROVAL, COMPLAINT MANAGEMENT AND DISPUTE RESOLUTION

Complaint or dispute management will be managed by the Revenue Executive committee established by the Revenue Manager.

The Revenue Executive Committee will comprise only of senior revenue officials not limited to The Revenue Manager, Revenue Assistant managers, Senior Accountant and Accountants.

The Revenue Executive Committee must meet at least once per month. The Indigent Committee must consider each complaint; assess it in terms of this policy and any other information which members may have in respect of the applicant.

14. INDIGENT LEVY

An Indigent levy will be charged to the account of all Draft indigents in accordance with the Draft schedule of tariffs.

15. SHORT TITLE

This policy shall be called the Indigent and social support Policy of the Polokwane Municipality.

16. REVIEW OF POLICY

This policy shall be implemented as at 1 July 2022 and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.



DRAFT

PROPERTY RATES POLICY

2022/2023

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PREAMBLE

WHEREAS section 229 of the Constitution of the Republic of South Africa empowers municipalities to levy property rates, subject to national legislation;

AND WHEREAS section 2 of the Local Government: Municipal Property Rates Act No. 6 of 2004 is the national legislation that empowers a municipality to levy a rate on property in its area;

AND WHEREAS in terms of section 3(1) of the Local Government: Municipal Property Rates Act No. 6 of 2004 the council of a municipality must adopt a rates policy consistent with the Act on the levying of rates on rateable property in the municipality;

AND WHEREAS section 3(2) of the Local Government: Municipal Property Rates Act No. 6 of 2004 prescribes what issues are to be addressed in the rates policy;

AND WHEREAS any exemptions, rebates or reductions provided for in the Rates Policy must, in terms of section 3(5) of the Local Government: Municipal Property Rates Act No. 6 of 2004, comply and be implemented in accordance with a prescribed national framework;

NOW THEREFORE the Council of the Polokwane Municipality has adopted the Policy as set out hereunder: -

1. DEFINITIONS

For the purpose of this Policy any word or expression to which a meaning has been assigned in the Act, shall bear that same meaning in this Policy, and unless the context indicates otherwise:

“Act”	means the Local Government: Municipal Property Rates Act, No. 6 of 2004 (Act No. 6 of 2004) as amended;
“Agricultural property”	means a property that is used primarily for agricultural purposes but, without derogating from section 9, excludes any portion thereof that is used commercially for the hospitality of guests, and excludes the use of a property for the purpose of eco-tourism or for the trading in or hunting of game includes the remainder of town. Farm properties and agricultural holdings smaller than 5 hectare may be categorised as residential.
“Annually”	means once every financial year;
“Bona fide farmer”	means a farmer who is carrying on farming operations where his/her actions as well as his/her intentions are genuine intentions to develop land as a farming proposition.
“Business and commercial”	means the activity of trade in goods or services and includes any office or other accommodation on the same erf, the use of which is incidental to such business, with the exclusion of the business of mining, agriculture, farming, or inter alia, any other business consisting of cultivation of soils, the gathering in of crops or the rearing of livestock or consisting of the propagation and harvesting of fish or other aquatic organisms.
“Category”	(a) in relation to property, means a category of properties determined in terms of Section 5 of this policy; and (b) In relation to owners of properties, means a category of owners determined in terms of Section 6 of this policy.
“Child-headed household”	means a household where the main caregiver of the said household is younger than 18 years of age. Child-headed household means a household headed by a child as defined in the section 28(3) of the Constitution.
“Exemption”	in relation to the payment of a rate, means an exemption granted by a Municipality in terms of Section 15 of the Act;
“Illegal use”	means a use that is inconsistent with or in contravention with the permitted use of the property.
“Industrial”	means a branch of trade or manufacturing, production assembling or processing of finished or partially finished products from raw materials or

	fabricated part, on so large scale that capital and labour are significantly involved. This may include grain silos, factories and any office or other accommodation on the same property, the use of which is incidental to the use of such property.
“Indigent”	means an indigent person referred to in the Indigent Support Policy of the Polokwane Municipal Council
“Multiple purposes”	in relation to a property, means the use of a property for more than one purpose, subject to section 9.
“Municipal properties”	means those properties of which the municipality is the registered owner.
“Mining”	means any operation or activity for the purpose of extracting any mineral on, in or under the earth, water or any residue deposit, whether by underground or open working or otherwise and includes any operation or activity incidental thereto; as defined in the Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002);
“Owner”	<p>(a) in relation to a property referred to in paragraph (a) of the definition of “<i>property</i>”, means a person in whose name ownership of the property is registered;</p> <p>(b) in relation to a right to in paragraph (b) of the definition of “<i>property</i>”, means a person in whose name the right is registered;</p> <p>(bA) in relation to a time sharing interest contemplated in the Property Time-sharing Control Act, 1983 (Act No. 75 of 1983), means the management association contemplated in the regulations made in terms of section 12 of the Property Time-sharing Control Act, 1983, and published in Government Notice R327 of 24 February 1984;</p> <p>(bB) <i>in relation to a share block company</i>, the share block company as defined in the Share Block Control Act, 1980 (Act No. 59 of 1980);</p> <p>(bC) in relation to buildings, other immovable structures and infrastructure referred to in section 17(1)(f), means the holder of the mining right or the mining permit;</p> <p>(c) in relation to a land tenure right referred to in paragraph (c) of the definition of “<i>property</i>”, means a person in whose name the right is registered or to whom it was granted in terms of legislation; or</p> <p>(d) in relation to public service infrastructure referred to in</p>

	<p>paragraph (d) of the definition of “<i>property</i>”, means the organ of state which owns or controls that public service infrastructure as envisaged in the definition of “<i>publicly controlled</i>”:</p> <p>Provided that a person mentioned below may for the purposes of this Act be regarded by a municipality as the owner of a property in the following cases:</p> <ul style="list-style-type: none"> (i) a trustee, in the case of a property in a trust excluding state trust land; (ii) an executor or administrator, in the case of a property in a deceased estate; (iii) a trustee or liquidator, in the case of a property in an insolvent estate or in liquidation; (iv) a judicial manager, in the case of a property in the estate of a person under judicial management; (v) a curator, in the case of a property in the estate of a person under curatorship; (vi) a person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude; (vii) a lessee, in the case of a property that is registered in the name of a municipality and is leased by it; <ul style="list-style-type: none"> (viiA) a lessee, in the case of property to which a land tenure right applies and which is leased by the holder of such right; or (viii) a buyer, in the case of a property that was sold by a municipality and of which possession was given to the buyer pending registration of ownership in the name of the buyer;
<p>“Permitted Use”</p>	<p>Means the limited purposes for which the property may be used in terms of:</p> <ul style="list-style-type: none"> (a) any restrictions imposed by - <ul style="list-style-type: none"> I. A condition of title. II. A provision of the Polokwane applicable Town Planning or land use scheme as amended from time to time. III. Any legislation applicable to any specific property or properties. (b) any alleviation of any such restrictions;
<p>“person”</p>	<p>includes an organ of state;</p>

“Pensioner”	refers to a person who is at least 60 years of age and is in receipt of a total monthly income from all sources (including the income of the spouse of the owner) not exceeding an amount to be determined by the Council;
“Primary Property”	means the primary residential property where a person has his or her permanent principal home to which he or she returns or intends to return.
“Property”	means: <ul style="list-style-type: none"> (a) immovable property registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person; (b) a right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property; (c) a land tenure right registered in the name of a person or granted to a person in terms of legislation; or (d) public service infrastructure
“Public benefit organisation”	means property owned by public benefit organisations and used for any specific public benefit activity listed in item 1 (welfare and humanitarian), item 2 (health care), and item 3 (education and development) of part 1 of the Income Tax Act
“Private open space”	means land that is owned and used for practising of sport, play- or leisure facilities or used as a botanical garden, private park, cemetery or nature area or roads.
“Publicly controlled”	means owned by or otherwise under the control of an organ of state, including: <ul style="list-style-type: none"> (a) a public entity listed in the Public Finance Management Act 1999 (Act No 1 of 1999); (b) a municipality; or (c) a municipal entity as defined in the Municipal Systems Act 32 of 2000
“Public service infrastructure”	means publicly controlled infrastructure of the following kinds: <ul style="list-style-type: none"> (a) national, provincial or other public roads on which goods, services or labour move across a municipal boundary; (b) water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer scheme serving the public;

	<p>(c) power stations, power substations or power lines forming part of an electricity scheme serving the public;</p> <p>(d) gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels;</p> <p>(e) railway lines forming part of a national railway system;</p> <p>(f) communication towers, masts, exchanges or lines forming part of a communications system serving the public;</p> <p>(g) runways aprons and the air traffic control unit at national or provincial airports; including the vacant land know as the obstacle free zone surrounding these, which must be vacant for the air navigation purposes;</p> <p>(h) breakwaters, sea wall, channels, basins, quay walls, jetties, roads, railway or infrastructure used for the provision of water, lights, power, sewerage or similar services of ports, or navigational aids comprising of lighthouses, radio navigational aids, buoys, beacons or any other device or system used to assist the safe and efficient navigation of vessels;</p> <p>(i) any other public controlled infrastructure as may be prescribed; or</p> <p>(j) a right registered against immovable property in connection with infrastructure mentioned in paragraphs (a) to (i);</p>
“public service purposes” ,	<p>in relation to the use of a property, means property owned and used by an organ of state as-</p> <p>(a) Hospitals and clinics;</p> <p>(b) schools, pre-schools, early childhood development centres or further education and training colleges;</p> <p>(c) national and provincial libraries and archives;</p> <p>(d) police stations;</p> <p>(e) correctional facilities; or</p> <p>(f) courts of law,</p> <p>but excludes property contemplated in the definition of "public service infrastructure";</p>
“Place of Worship”	<p>means property used primarily for the purposes of congregation, excluding a structure that is primarily used for educational instruction in which secular or religious education is the primary instructive medium: Provided that the property is: -</p> <p>(a) registered in the name of a religious community;</p> <p>(b) registered in the name of a trust established for the sole benefit of a religious community; or</p> <p>(c) subject to land tenure right</p>
“Rate”	<p>means a municipal rate on property envisaged in Section 229(1)(a) of the Constitution;</p>

<i>“Rateable property”</i>	means property on which a municipality may in terms of Section 2 of the Act levy a rate, excluding property fully excluded from the levying of rates in terms of Section 17 of the Act;
<i>“Ratio”</i>	in relation to section 19, means the relationship between the cent amount in the rand applicable to residential properties and different categories of non-residential properties: Provided that the two relevant cent amounts in the Rand are inclusive of any relief measures that amount to rebates of general application to all properties within a property category;
<i>“Rebate”</i>	in relation to a rate payable on a property, means a discount granted in terms of Section 15 of the Act on the amount of the rate payable on the property;
<i>“Reduction”</i>	in relation to a rate payable on a property, means the lowering in terms of Section 15 of the Act of the amount for which the property was valued and the rating of the property at that lower amount;
<i>“Residential property”</i>	means a property included in a valuation roll in terms of section 48(2)(b) as residential in respect of which the primary use or permitted use is for residential purposes without derogating from section 9;
<i>State owned properties”</i>	refers to property used or owned by the State other than public service purposes properties.

2. BACKGROUND

2.1 INTRODUCTION

The Local Government Municipal Property Rates Act (Act no 6 of 2004) as amended from time to time requires a municipality to develop and adopt a rates policy consistent with the Act on the levying of rates on rateable property in the Municipality.

Property rates are the most reliable source of revenue for the Municipality. Services financed from rates include installation and maintenance of streets, roads, sidewalks, lighting, and storm water drainage facilities, building and operating clinics, parks, recreational facilities and cemeteries. Property rates revenue is also used to fund municipal administration such as computer equipment, stationery, and costs of Governance, such as Council and community meetings, which facilitate community participation on issues of Integrated Development Plans (IDPs) and municipal budgets.

The Council has resolved, in compliance with the provision of the Act, to impose a rate and as a consequence, this rates policy has been developed within the parameters of the applicable legislation relating to property rates.

2.2 GUIDING PRINCIPLES

The following principles will ensure that the Municipality treats persons liable for rates equitably in terms of the Act:

- (a) Ratepayers with similar properties will pay similar levels of rates
- (b) The ability of ratepayers to pay their rates will be taken into account by the Council in dealing with the indigent's ratepayers. The municipality will provide relief measures through exemptions, reduction and rebates.
- (c) The determination of the tariffs and the levying of rates must allow the Council to promote local, social and economic development.

2.3 STRATEGIC FOCUS

In determining the rates, exemptions, rebates and reductions, the Council may consider the following:

- (a) the impact of rates on the community,
- (b) the impact of rates on business
- (c) the Integrated Development Plan (IDP) of Council
- (d) the impact of rates on the Local Economic Development (LED) strategy of the Council
- (e) when determining the rates on properties the following aspects must be taken into account namely:
 - (i) the effects of rates on the poor, including appropriate measures in order to alleviate the rates burden on them; and
 - (ii) the effect of reaching the objectives set out in paragraph 2.4 of this policy.
- (f) in developing or amending this policy, the Council commits itself to a process of community participation as envisaged in section 4 of the Act and chapter 4 of the Municipal Systems Act, 2000 (Act No 32 of 2000) (MSA). In addition to the requirements laid down in the MSA, the Council will engage interested parties and structures, such as ratepayer organisations, directly in the process of community participation. In addition, use will be made of established community consultation structures, such as Ward committees, to ensure thorough participation with regard to the afore-mentioned process.

2.4 OBJECTIVES OF THE POLICY

The key objectives of the policy are to:

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

- (f) encourage the development of property;
- (g) Ensure that all persons liable for rates are treated equitably as required by the Act.
- (h) determine the level of increases in rates

3. ANNUAL OPERATING BUDGET AND POLICY REVIEW

The Council must annually consider the levying of rates and determine the rate in the rand during the budget process when it is tabled in the council in terms of section 16 of the Municipal Finance Management Act and if necessary, amend its rates policy. Any amendments to the rates policy must take into account public comments and inputs.

In determining the level of increases in the rates, the criteria to be applied include the following:

- (a) The inflation rate as indicated by the consumer price index;
- (b) Take into consideration the medium term budget growth factors as determined by National Treasury guidelines.

4. LEVYING OF RATES

4.1 RATE TO BE LEVIED ON ALL RATEABLE PROPERTIES

In terms of section 7(1)(2) of the Act, the municipality will not levy rates on properties where the municipality is the owner except in terms of the lease agreement.

4.2 PERIOD FOR WHICH RATES MAY BE LEVIED

In terms of Section 12 of the Act,

- (a) When levying rates, a municipality must levy the rate for a financial year and the rate lapses at the end of the financial year for which it was levied.
- (b) The rates levied for a financial year may not be increased during the financial year only as provided for in Section 28(6) of the Municipal Finance Management Act.

4.3 THE EFFECTIVE DATE OF THE RATES POLICY:

This rates policy takes effect from 1 July 2022 and subject to review on an annual basis.

5. DIFFERENT CATEGORIES OF PROPERTIES

5.1 Subject to section 19 of the Act, in terms of the criteria set out in this rates policy, levy different rates for different categories of rateable property, as determined in section 8 subsection (2) and (3) of the MPRA, the categories were determined according to the following criteria: -

- 5.1.1 actual use of the property;
- 5.1.2 permitted use of the property;
- 5.1.3 a combination of 5.1.1 and 5.1.2

In order to create certainty and to ensure consistency, the criteria listed above shall be applied in the following manner:

- Polokwane municipality considered the actual use on the compilation of the valuation roll.
- if, for whatever reason, the actual use of a property cannot be determined in terms of subparagraph (5.1.1), the permitted use thereof shall then be determined in order to appropriately categorise such property.
- Properties used for multiple purposes shall be categorised and rated in a manner provided in section 9 (2) of the Act and the combination of actual and permitted use will be considered.

5.2. The Council has determined the following categories of property in line with section 8(2) of the Act for purposes of rating:

- (1) residential properties
- (2) industrial properties
- (3) business and commercial properties
- (4) agricultural properties;
- (5) properties owned by an organ of state and used for public service purposes;
- (6) municipal properties
- (7) public service infrastructure;
- (8) mining
- (9) private open space
- (10) properties used for multiple purposes;
- (11) places of worship
- (12) properties owned by public benefit organizations and used for specified public benefits activities
- (13) non-permitted use

5.3 The Council has determined the following ratios relevant to each category to the rate on residential properties:

Rating Category	Ratio
Residential Property	1
Industrial Properties	2
Business and Commercial	2
Agricultural Properties	0.25
Properties owned by organ of state and used for public service purposes	2
Municipal Properties	0
Public Service Infrastructure	0.25
Mining	2
Private open space	1
Properties owned by public benefit organisations and used for specified public benefits activities.	0.25
Places of worship	0
Illegal land use/non-permitted use	8

6. CATEGORIES OF OWNERS OF PROPERTY AND CATEGORIES OF PROPERTIES FOR PURPOSES OF EXEMPTIONS, REDUCTIONS AND REBATES.

The Council has determined the following categories of owners of property or categories of properties in terms of section 15 of the Act.

- (a) Residential
- (b) Indigent Owners and Child Headed Households
- (c) Pensioners
- (d) Owners of Business or Industrial Property with high market values

6.1 RESIDENTIAL

In addition to the impermissible rate on the first R15 000 of the market value of residential in terms of section 17(1)(h) of the Act a further reduction may be granted by Council during the annual budget as per Tariff Schedule.

6.2 INDIGENT OWNERS AND CHILD HEADED HOUSEHOLDS

The Council has adopted an Indigent Support Policy that provides for the alleviation of the rates burden on the low-income sectors of the community within the Municipality. Indigent owners and child headed households are exempted from payment of rates.

6.3 PENSIONERS

The aim of this rebate is to alleviate the burden on pensioners who have fixed income and limited resources. Pensioners may receive a reduction and a rebate of an amount as determined by Council during the annual budget.

Subject to the criteria set out in below:

Pensioners may be granted a rebate on their Primary Property, from the date the applicant qualifies.

The applicant must meet the following criteria:

- (a) he or she must produce a valid South African bar coded identity document;
- (b) where couples are married in community of property and the property is registered in both their names, the age of the eldest will be the qualifying factor;
- (c) not be in receipt of an indigent assessment rate rebate;
- (d) A rebate will only be granted in respect of a property on which only one dwelling is erected and such dwelling be occupied by the applicant and his/her dependants.

6.4 OWNERS OF BUSINESS OR INDUSTRIAL PROPERTY WITH HIGH MARKET VALUES

Properties used for business or industrial purposes whose improved market value is R50 000 000 and above may receive rebates as approved by Council from time to time.

Market Value R 50 000 000 – R 99 999 999	2% rebate
Market Value R 100 000 000 – R 499 999 999	5% rebate
Market Value R 500 000 000 and above	10% rebate

REQUIREMENTS FOR EXEMPTIONS, REDUCTIONS AND REBATES

General requirements:

An application for rebates, exemptions and reductions on the prescribed application form should reach the office of the Chief Financial Officer during the financial year, or when invitation is done by the municipality for registration or renewal. A once-off application must be submitted with the implementation of every new valuation roll. The applicant applies only once for the reduction and it remains valid for the duration of the valuation roll. The municipality may at its own discretion request the applicants to renew applications.

Confirm the aforementioned details by means of a sworn affidavit.

Rebates granted in error or due to false or incorrect information supplied by the applicant, will be reversed immediately from the date of inception of the rebate.

Should any incorrect information be furnished in the application form property rates will be levied at the normal tariff.

Exemptions may be subject to the following conditions:

- (a) Application must be made in writing in the prescribed format and will be valid for duration of validity period of valuation roll;
- (b) Applicants must produce a tax exemption certificate issued by the South African Revenue Services (SARS) as contemplated in Part 1 of the Ninth Schedule of the Income Tax Act, 1962 (Act 58 of 1962);
- (c) The Municipal Manager or his/her nominee must approve all applications;
- (d) The Council retains the right to refuse exemptions if the details supplied in the application form are incomplete, incorrect or false;
- (e) If during the currency of any financial year, any such land or building is used for any purpose other than the purpose so exempted, the Council shall impose rates thereon or on such portion so used, at a rate proportionate to the period of such use.

The rebate will lapse:

- (a) On alienation of the property; or
- (b) If any such land or building is used for any purpose other than the purpose so exempted;

On expiry of validity period of valuation roll

7. SPECIAL RATING AREAS

7.1 The Council may by resolution establish special rating areas and levy an additional rate on property in that area for the purpose of raising funds for improving or upgrading that area.

7.2 Any exclusion, exemption, reduction or rebate granted in terms of this policy does not affect the additional rate payable by the owner in a Special Rating Area.

8. LIABILITY FOR RATES:

8.1 PROPERTY RATES PAYABLE BY OWNERS

- (a) Rates levied on a property must be paid for by the owner of the property.
- (b) Joint owners are jointly and severally liable for payment of rates on the property.
- (c) The municipality will deliver monthly accounts to the latest address on the municipality's record, however Rates payers remains liable for the payment of the rates whether or not an account has been received and if the account was not received the onus shall be on the rate payer concerned should make necessary enquiries with the municipality.
- (d) Rates raised as a charge based on administrative error can be corrected to a maximum of five years, limited to two years of the previous valuation roll.

8.2 SECTION 78 APPLICATIONS

Application fee will be payable on review of entry in the Valuation Roll (outside time frame).

8.3 METHOD AND TIME OF PAYMENT:

Council shall recover an annual levy payable:

- (a) On a monthly basis in twelve (12) equal instalments on or before the due date as determined by council; or
- (b) Single or one (1) annual amount, as may be agreed to with the owner of the property on or before the due date as determined by council
- (c) From the owner as a whole on the billing date (No prorata in the case of transfer of property and the registration date).
- (d) Interest on arrear rates shall be charged at the rate determined by council from time to time.

8.4 PAYMENT AND RECOVERY OF RATES:

Payment and recovery of rates shall be in accordance with Council's Credit Control and Debt Collection policy, section 28 and 29 of the Act and relevant By-laws.

8.5 FREQUENCY OF VALUATIONS

The Municipality will every five years prepare a new valuation roll by means of a general valuation of all rateable property within the Municipality. At least one supplementary valuation roll will be prepared during a financial year as required by the Act.

9. SHORT TITLE

This policy shall be called the Property Rates Policy of the Polokwane Municipality for financial year 2022/2023.

10. REVIEW OF POLICY

This policy shall be implemented as at 1 July 2022 and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.



POLOKWANE LOCAL MUNICIPALITY

DRAFT

TARIFF POLICY 2022/2023

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PREAMBLE

Whereas section 74 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) requires a municipal council to adopt a tariff policy on the levying of fees for municipal services;

And whereas the tariff policy should at least include the principles contained in section 74(2) of the Act, thus giving effect to the By-Law required in terms of section 75 of the Act;

And whereas the tariff policy may differentiate between different categories of users, debtors, service providers, service standards and geographical areas as long as such differentiations do not amount up to unfair discrimination;

Now therefore the Municipal Council of the Polokwane Municipality adopts the following Tariff Policy:

1. DEFINITIONS

In this tariff policy, unless the context otherwise indicates –

“basic service”	means the amount or level of any municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, could endanger public health or safety of the environment and for the purposes of this policy are restricted to electricity, refuse, sewage and water services;
“break even”	means the financial situation where the income derived by the Municipality from the supply of a service is equal to the aggregate of the fixed and the variable costs associated with the provision of the service concerned;
“capital contributions”	means the tariffs payable in respect of the water, electricity, sewage, storm water, roads and refuse removal infrastructure of the Municipality and which amounts exclude amounts payable towards the operational and maintenance costs of such infrastructure;
“Commercial Unit/Erff”	means a self-contained or lettable section within a building or a group of buildings on the same plot excluding short term residential accommodation establishments for e.g. hotels, bed & breakfast, guest houses etc. An owner of a commercial property may annually choose between being levied either per erf or per commercial unit for water and sewage basic charges. This choice must be applied on or before 30 September of each financial year.
“community services”	means the services referred to in paragraph 5(1)(c) and in respect of which the tariffs are set at a level that the costs of the services are not recovered fully from public service charges and are of a regulatory nature;
“consumer, customer, owner, occupier, account holder”	means individuals and other legal entities against whom a tariff, fee, charge or other levy specific to identifiable services are levied. The levying of tariffs, fees, charges, etc depends on statutory clauses, approved tariffs in terms of by-law, contracts, agreements or tacit uses of services in certain circumstances. Such levies are payable on presentation of an invoice or monthly statement issued by the Municipal Manager. Payments are due by the date indicated for the transaction in an agreement, contract or on an invoice or monthly statement, as the case may be;
“Council” or “municipal council”	means a municipal council referred to in section 18 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) and for purposes of this policy, the municipal council of the Municipality of Polokwane;
“economic services”	means services that the Council has classified as such and the tariffs have been compiled with the intention that the total costs of the services are recovered from customers;
“lifeline”	Available to pre-paid consumers whose connection is ≤ 30 Amp with a maximum average consumption of 350 kWh measured over a period of 12 months. This tariff is only available to Informal dwellings in informal settlements;
“fixed costs”	means costs which do not vary with consumption or volume produced;
“multi-purpose”	In relation to a property, means the use of a property for more than one purpose;
“Municipality”	the institution that is responsible for the collection of funds and the provision of services to the customers of Polokwane;
“Municipal Manager”	means the accounting officer appointed in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) and being the head of administration and accounting officer in terms of section 55 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) and includes any person:- (a) acting in such position; and (b) to whom the Municipal Manager has delegated a power, function or duty in respect of such a delegated power, function or duty;
“resident “	means a person who normally resides in the municipal area;
“residential unit”	Means a single residential erven, flats, townhouse and group development, retirement villages, guest houses, bed and breakfast and households related consumers that do not fall in one of the above household consumer categories;
“the Act”	means the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000);
“total cost”	means the sum of all fixed and variable costs associated with a service;
“trading services”	means services that the Council has classified as such and the tariffs have been compiled with the intention that the Council makes a profit from the delivery of the services;
variable costs”	means costs that vary with consumption or volume produced;
“wet Industry”	Defined as an industry using water as essential and fundamental input in the production process.

2. PURPOSE OF POLICY

The Polokwane Municipality wishes to achieve the following objectives by adopting this tariff policy:-

- 2.1. To comply with the provisions of section 74 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000).
- 2.2. To prescribe procedures for calculating tariffs where the Municipality wishes to appoint service providers in terms of section 76(b) of the Act.
- 2.3. To give guidance to the Portfolio Committee for Finance regarding tariff proposals that must be submitted to Council annually during the budgetary process.

3. TARIFF PRINCIPLES

The Polokwane Municipality wishes to record that the following tariff principles will apply:-

- 3.1. Service tariffs imposed by the Municipality shall be viewed as user charges and shall not be viewed as taxes, and therefore the financial ability of the relevant user of the services to which such tariffs relate, shall not be considered as a criterion.
- 3.2. Tariffs for the four major services rendered by the Municipality, namely:
 - (a) electricity;
 - (b) water;
 - (c) sewer (waste water); and
 - (d) refuse removal (solid waste),shall, as far as possible, be calculated at a level which will recover all expenses associated with the rendering of these services.
- 3.3. During the annual budget processes, the Municipality shall, as far as circumstances reasonably permit, ensure that the tariffs levied in respect of the four major services generate operating surpluses.
- 3.4. Surpluses generated on major services will be determined during the approval of the annual operating budget.
- 3.5. Surpluses generated on major services shall be applied in relief of property rates.
- 3.6. To prevent existing consumers from subsidising the capital costs associated with new developments and subdivisions the Municipality will plan and manage the extension of services in such a manner that it will not impact negatively on the fixed costs and availability charges of existing tariffs.
- 3.7. Capital contributions to finance new developments and subdivisions will be required from all developers.

- 3.8. All users of municipal services, within a category of users, will be treated equitably.
- 3.9. The amount payable by consumers and/or owners will generally be in proportion to usage of the service.
- 3.10. The Municipality shall develop, approve and at least annually review an indigent support policy for the municipal area. This policy shall set out clearly the Municipality's cost recovery policy in respect of the tariffs which it levies on registered indigents, and the implications of such policy for the tariffs which it imposes on other users and consumers in the municipal region.
- 3.11. Subject to annual budgetary provisions and the availability of funds from National Treasury through the equitable share contribution the Municipality may consider supplying free basic services to categories of consumers.
- 3.12. In the case of directly measurable services, namely electricity and water, the consumption of such services shall be properly metered by the Municipality, and meters shall be read, wherever circumstances reasonably permit, on a monthly basis.
- 3.13. Tariffs must reflect the total cost of services.
- 3.14. Tariffs must be set at a level that facilitates the sustainability of services. Sustainability will be achieved by ensuring that:-
 - (a) Cash inflows cover cash outflows. This means that sufficient provision for working capital and bad debts will be made.
 - (b) Access to the capital market is maintained. This will be achieved by providing for the repayment of capital, maintaining sufficient liquidity levels and making profits on trading services in order to subsidise property rates and general services.
 - (c) Service providers retain a fair rate of return on their investments.
- 3.15. Provision may be made in appropriate circumstances for surcharges on tariffs.
- 3.16. Efficient and effective use of resources may be encouraged by providing for penalties to prohibit or restrict exorbitant use.
- 3.17. The extent of subsidisation of tariffs will be disclosed and such disclosure will include the extent of subsidisation of the indigent or incentives for local development.
- 3.18. Provisions may be made for the subsidisation of the indigent and the promotion of local economic development by creating costs votes in the service budgets and including the costs in tariff calculations.
- 3.19. VAT is excluded in all tariffs unless indicated.
- 3.20. This policy shall be binding on all tariffs other than those governed by legislation which supersedes the Act.

- 3.21. A property used for multiple purposes must, for purposes related to the services concerned and the categories of users will be calculated at the appropriate and applicable rate for each distinct use of the property.
- 3.22. In order to provide the Municipality with appropriate security for payment of amounts owing to it from time to time for services rendered, the Council shall impose a system of deposits payable by customers. The deposits shall be set with due regard to the potential financial risk associated with the amounts owing from time to time as well as sufficient provision for working capital. The level of the deposits shall be revised annually and the Municipality may introduce transitional arrangements in respect of existing users.

4. CATEGORIES OF CONSUMERS

- 4.1. Separate tariff structures may be imposed for the following categories of consumers (which the council may change):
- (a) domestic consumers;
 - (b) commercial consumers;
 - (c) industrial consumers;
 - (d) agricultural consumers;
 - (e) organs of state;
 - (f) municipality;
 - (g) consumers with whom special agreements were made;
 - (h) consumers in certain geographical areas;
 - (i) sport and recreation facilities
 - (j) private schools & educational institutions; and
 - (k) public benefit organisations and such like institutions.
- 4.2. Council may differentiate between different categories of users, debtors, service providers, services, service standards, geographical areas and other matters as long as the differentiation does not amount to of these tariffs be assigned to a category determined by the council for properties used for a purpose corresponding with the dominant use of the property if the Municipality cannot readily make an apportionment in unfair discrimination.
- 4.3. Where there are substantial differences between the infrastructures used to provide services to specific groups of users within a category and/or standard of services provided, the Council can, after considering a report by the Municipal Manager or the relevant Director, determine differentiated tariffs for the different consumers within the specific category.
- 4.4. Differentiated tariffs must be based on one or more of the following elements; infrastructure costs, volume usage, availability and service standards.
- 4.5. If, for purposes of determining the tariff applicable to a particular user or category of users, the user or category of users has not specifically by definition been included under a defined category of users, the Municipal Manager shall, by applying the closest match principle, determine the category under which the user or category of users fits in best taking into account the nature of the service concerned and the user or category of users involved.

5. INCENTIVE POLICY.

5.1. Tariffs will not reflect incentives for investment or to promote economic

6. PROPERTY RATES POLICY.

The property rates will be levied in terms of the Municipal Property Rates Act and the cent amount in a rand will be levied in a tariff schedule as approved by Council.

7. INDIGENT RELIEF.

7.1. Tariffs will not reflect relief granted to indigent households. Such relief will be developed as a separate policy and be subject to the discretion of Council as to its sustainability.

7.2. All such relief will be reflected, accounted for and disclosed separately in invoices, account statements, budgets, financial statements or reports.

7.3. During implementation of such policy, recognition will be taken that the existing tariffs and procedures may require amendment to accommodate the above clauses and that such amendments will be phased in over time.

7.4. Indigent households are expected to manage their consumption of services within the levels of relief granted.

7.5. Assistance and management of indigent households is contained in the Customer Care and Debt Collection Policy/By-Law. The Municipality, however, retains the right to limit consumption through prepaid meters or restriction if the accounts of assisted households fall into arrears.

8. SERVICE, EXPENDITURE CLASSIFICATION AND COST ELEMENTS

8.1. Service classification

8.1.1. To isolate the costs associated with a service, the Municipal Manager shall, subject to the guidelines provided by the National Treasury, Generally Recognised Accounting Practice (GRAP) and Executive Mayoral Committee of the Council, provide for the classification of services into the following categories: -

- (i) trading services;
- (ii) economic services;
- (iii) community services; and
- (iv) subsidised services.

8.1.2. Trading and economic services must be financially ring-fenced and financed from service charges while community and subsidised services will be financed from rates and related income.

8.2. Expenditure classification

Expenditure will be classified in accordance with GRAP.

8.3. COST ELEMENTS.

The following cost elements may be used to calculate the tariffs of the different services: -

- (a) *“Fixed costs”* which consist of the capital costs (interest and redemption) on external loans as well as internal advances and/or depreciation, whichever are applicable to the service, and any other costs of a permanent nature as determined by the Council from time to time.
- (b) *“Variable costs”* which include all other variable costs that have reference to the service.
- (c) *“Total cost”* which is equal to the fixed costs and variable costs.

9. TARIFF TYPES.

In determining the type of tariff applicable to the type of service, the Municipality shall make use of any of the following five options or a combination thereof: -

9.1. “Single tariff”:-

This tariff shall consist of a cost per unit consumed. All costs will be recovered through unit charges at the level where income and expenditure breaks even. Subject to a recommendation by the Municipal Manager, the Council may decide to approve profits on trading services during the budget meeting. Such profits will be added to the fixed and variable cost of the service for the purpose of calculating the tariffs.

9.2. “Cost related two to four-part tariff”:-

This tariff shall consist of two to four parts. Management, capital, maintenance and operating costs may be recovered by grouping certain components together, e.g. management, capital and maintenance costs may be grouped together and may be recovered by a fixed charge, independent of consumption for all classes of consumers, or the total costs may be recovered by a unit charge per unit consumed.

Three and four part tariffs may be used to calculate the tariff for electricity and to provide for maximum demand and usage during limited demand.

9.3. “Inclining block tariff”:-

This tariff is based on consumption levels being categorised into blocks, the tariff being determined and increased as consumption levels increase.

9.4. “Declining block tariff”:-

This tariff is the opposite of the inclining block tariff and decreases as consumption levels increase.

9.5. “Regulating tariff”:-

This tariff is only of a regulatory nature and the Municipality may recover the full or a portion of the cost associated with rendering the service.

- 10.6. **“Cost plus mark-up tariff”**: -
This tariff is for other services rendered.

10. CALCULATION OF TARIFFS FOR MAJOR SERVICES.

10.1. General

In order to determine the tariffs which must be charged for the supply of the four major services (electricity, refuse, sewage and water), the Municipality shall use service and expenditure classifications and cost elements contained in clause 7 and identify all the costs associated with the service concerned, including the following: -

- 10.1.1. Cost of bulk purchases in the case of electricity and water.
- 10.1.2. Distribution costs, including distribution losses in the case of electricity and water.
- 10.1.3. Depreciation and finance charges.
- 10.1.4. Maintenance of infrastructure and other assets.
- 10.1.5. Administration and service costs, including: -
 - (a) service charges levied by other support services, such as finance, human resources and legal services;
 - (b) reasonable general overheads, such as the costs associated with the office of the Municipal Manager;
 - (c) adequate contributions to the provisions for bad debts, working capital and obsolescence of stock;
 - (d) all ordinary operating expenses associated with the service concerned, including the cost of providing street lighting in the municipal area in the case of the electricity service.
- 10.1.6. The intended surplus to be generated for the financial year shall be applied generally in relief of rates and general services.
- 10.1.7. Where a consumer has an option to choose between different tariffs on a service such option must be executed before the 30 of September to be implemented for the specific financial year.

10.2. ELECTRICITY.

- 10.2.1. The guidelines and policy issued by the National Energy Regulator from time to time will form the basis of calculating tariffs.
- 10.2.2. The Municipality has standardized on the use of Pre Payment Meters for all Domestic Consumers. As such it is compulsory for all new domestic connections to be equipped with Pre Payment Meters. The Municipality has embarked on a program to effect the migration of all Credit Meters to Pre-Payment Meters. The change from Pre Payment Meters to Credit Meters will therefore be disallowed unless special health circumstances exist, in which extreme case a credit meter will be installed by special concession from the Director of Energy Services and by payment of the required change of meter fees as well as the required deposit.

- 10.2.3. To make electricity affordable to certain categories of consumers, cross subsidisation between and within categories of consumers will be allowed, based on the load factors of the categories and consumers within the category.
- 10.2.4. The fixed costs, or portions thereof, will be recovered through an energy or time-of-use charge.
- 10.2.5. A basic charge per electricity meter or unit in the municipal area, as determined by the Council from time to time, may be charged against all electricity consumers.
- 10.2.6. To apply the abovementioned principles, the consumer types and cost allocations reflected in the following table will be used: -

CATEGORY OF CONSUMER	TARIFF COMPONENTS				
	Basic/Demand/. Service Charge (Rand/consumer/month)	Active Energy Charge (cent/kWh/month)	Seasonally Time-of-use Energy Charge Peak / Standard /Off-peak (sent/kWh/month)	Level of consumption	Capacity Charge (Rand/KVA/month)
Single Phase: (Domestic Prepaid /Conventional meters)	X	X		IBT BLOCK 1) 0 - 50 kWh 2) 51 – 350 kWh 3) 351-600 kWh 4) > 600kWh	
Single Phase: (Domestic Pre-paid meters)	X	X		IBT BLOCK 1) 0 - 50 kWh 2) 51 – 350 kWh 3) 351-600 kWh 4) > 600kWh	
Single Phase: (Commercial)	X	X		Flat rate	
Single Phase: (Commercial Pre -Paid meter)	X	X		Flat rate	
Three Phase: (Domestic Pre-paid meter) ≤ 100A	X	X		IBT BLOCK 1) 0 - 50 kWh 2) 51 – 350 kWh 3) 351-600 kWh 4) > 600kWh	
Three Phase: (Commercial conventional and prepaid meter) ≤ 100A	X	X		Flat rate	
Three Phase:	X	X		Flat rate	

(Commercial Pre-Paid meter) ≤100A					
Bulk:					
> 100 A	X	X		Flat rate	X
Time of Use based on Ruraflex Munic for LV or HV			X	Flat rate	X
Departmental (Municipality)		X			

- (a) A basic level of service will be provided free to qualifying households with a total gross income level which is below a determined amount, and according to further specified criteria, as determined by Council from time to time.
- (b) Where a property or unit is not connected to the electricity reticulation system, but can reasonably be so connected, an availability tariff will be payable.

10.2.7.A fixed basic charge for electricity will be levied on a monthly basis on all properties and units.

10.2.8 Where consumers within an approved township establishment are not connected to the electricity services, but can reasonably be so connected, an availability tariff will be payable.

10.3. **WATER.**

10.3.1 The categories of water consumers as set out in clause 9.3.4 shall be charged at the applicable tariffs as approved by the Council in each annual budget.

10.3.2. The first 6kl of water consumption per month shall be supplied pro rata free of charge to all indigent water consumers.

10.3.3 Because water is a scarce national resource, and this Municipality is committed to the prudent conservation of such resources, the tariff levied for domestic consumption of water shall escalate according to the volume of water consumed.

10.3.4. The tariffs for consumption of purified water shall be based on the levels reflected in the following table:-

CATEGORY OF CONSUMER	BASIC FIXED CHARGE (RAND/METER/MONTH)	UNIT CHARGE PER KL	LEVEL OF CONSUMPTION (RAND)
DOMESTIC SUPPLY		X	0 – 5 KL 6 -15 KL 16 – 30 KL 31 -50 KL 51-100 KL >100 KL
NON-DOMESTIC SUPPLY	X	X	0 – 30 KL 31 -50 KL 51-100 KL

CATEGORY OF CONSUMER	BASIC FIXED CHARGE (RAND/METER/MONTH)	UNIT CHARGE PER KL	LEVEL OF CONSUMPTION (RAND)
INDUSTRIAL SUPPLY	X	X	>100 KL 0 – 30 KL 31 – 50 KL 51-100 KL 101-20 000 KL >20 000 KL
SILIKON SMELTERS	X	X	0 – 20 000 KL > 20 000 KL
PUBLIC WORKS	X	X	Flat Rate
DALMADA WATER CORPORATION & BROADLANDS	X	X	Flat Rate
SCHOOLS & HOSTELS	X	X	Flat Rate
POTGIETERSRUS PLATINUM LTD	X	X	Flat Rate
LEZMIN 3535	X	X	Flat Rate
Departmental (Municipality)		X	Flat Rate

10.3.5. After accounting for free water and basic charges, the cost of water in the first step will be calculated at break even.

10.3.6. A basic charge per water meter or unit in the municipal area, as determined by the Council from time to time, may be charged against certain water consumers.

10.3.7. Where consumers within an approved township establishment are not connected to the water services, but can reasonably be so connected, an availability tariff will be payable.

10.4. **REFUSE REMOVAL.**

10.4.1. A fixed monthly refuse removal charge shall apply to each category of users based on the costs of the service concerned and the applicable level of service, which can vary from once a week up to 7 times a week.

10.4.2. An availability charge per month will be levied on all erven or units within an approved township establishment where no building plan has been approved.

10.4.3. The fixed basic charge will be based on surface area of the erf or the floor area of the building or per skip container

<u>CATEGORY OF CONSUMER</u>	<u>CHARGE BASED O SURFACE AREA OF STAND, ERF OR PREMISES</u>	<u>CHARGE BASED ON FLOOR AREA OF BUILDING</u>	<u>LEVEL OF CHARGE (RAND MONTH)</u>
<p>1.Dwelling houses, churches and church halls which are used for that purpose and</p> <p>2.Improved premises used exclusively by and registered in the name of the Boy Scouts, Girl Guides, Voortrekkers or a similar organisation-per unit and</p> <p>3.Fats</p>	X		<p>(a) On an erf with a surface area not exceeding 500m²</p> <p>(b) All erven with a surface area in excess of 500m²</p> <p style="padding-left: 40px;">(i)For the first 500m² of the surface area of the erf</p> <p style="padding-left: 40px;">(ii)Thereafter, for the following 500m² or part thereof, of the surface area of the erf</p> <p style="padding-left: 80px;">(iii) Thereafter, per 500m² or part thereof, of the surface area of the erf</p> <p style="padding-left: 80px;">(iv) Maximum charge (11 000m²)</p>
<p>State supported schools, technicons, colleges and universities and related amenities</p>			<p>Flat Rate per 1m³ container</p>

<p>1.Hostels and related amenities for educating institutions and or</p> <p>2.Old age homes as well as youth centres/homes whereof the body corporate is registered as a welfare organisation in terms of applicable National Welfare Acts and or</p> <p>3.Homes, crèches or other similar amenities mainly used for the fulltime caring and/or education of the aged, crippled and intellectually/mentally handicapped and whereof the body corporate is registered as a welfare organisation in terms of the applicable National Welfare Acts:</p>		X	Per 300m ² or part thereof, of the total floor area of the building
<p>1.Hotels licensed in terms of the Liquor Act, as amended and</p> <p>2.Non-residential buildings and sectional titles on industrially/commercially zoned stands and</p> <p>3.Any other building:</p>		X	<p>(i) Up to and including 300m² or part thereof, of the total floor area</p> <p>(ii) Thereafter, per 100m² or part thereof, of the total floor area of the building</p> <p>(iii) Maximum charges are applicable</p>
Other Services			
For the removal of domestic refuse where a mass container is specifically supplied for use by a specific premises			Flat Rate per mass container per removal

<u>CATEGORY OF CONSUMER</u>	<u>CHARGE BASED ON SURFACE AREA OF STAND, ERF OR PREMISES</u>	<u>CHARGE BASED ON FLOOR AREA OF BUILDING</u>	<u>LEVEL OF CHARGE (RAND MONTH)</u>
For the removal of garden refuse other than placed in plastic bags, per removal			Flat Rate per removal
For the removal of non-perishable refuse, excluding garden refuse			Estimated cost + 10%
Occasional Services:			Flat Rate per removal
Weltevreden Landfill Site Weighbridge.			Flat Rate per ton or part thereof.
Carcass removal and disposal thereof			Flat Rate per removal category

10.5. SEWERAGE.

10.5.1 APPLICATION FEES.

The Engineer shall determine application fees in terms of the provisions of section 2(1) of the By Laws.

The assessment of the charges shall be based upon the total square area of the building, addition or alteration to an existing building. The charges are incorporated in the building plan fees and shall be payable in advance when the building plans are submitted. In case of any dispute arising in respect of the assessment of the application fees, the matter shall be subject to the right of appeal as determined in Section 3 of the By Laws.

10.5.2. CHARGES.

The owner of any erf or piece of land, with or without improvements, which is, or in the opinion of the Council can be, connected to the sewer, shall monthly pay to the Council, in terms of the provisions of Section 5 of the By-Laws the following charges:

The categories of sewage users as set out below shall be charged monthly at the applicable tariff as approved by the Council in each annual budget:-

<u>CATEGORY OF CONSUMER</u>	<u>CHARGE BASED ON SURFACE AREA OF STAND, ERF OR PREMISES</u>	<u>CHARGE BASED ON FLOOR AREA OF BUILDING</u>	<u>LEVEL OF CHARGE</u>
1. Availability charges			
(i) Improved residential erven with a surface area not exceeding 500m ²			No Charge
2. All other erven	X		<p>(i) For the first 500m² or part thereof, of surface area of the erf:</p> <p>(ii) Thereafter, per 500m² or part thereof, up to 2 000m² of the surface area of the erf:</p> <p>(iii) Thereafter, per 1 000m² or part thereof, of the surface area of the erf:</p> <p>(iv) Additional charge per unimproved erf:</p> <p>(v) Maximum charge (887 000m²):</p>
3. Additional charges			

<p>1. Dwelling-houses, churches, church halls as well as buildings used exclusively by and registered in the name of the Boy Scouts, Girl Guides, Voortrekkers or similar organisation.</p>			<p>(i) For the first dwelling-house, church, church hall or other building mentioned in 2(1) above erected on any erf or piece of land, per building</p> <p>(ii) For the second or subsequent dwelling-house, church, church hall or other building mentioned in 2(1) above, per building</p>
<p>2. Flats – per flat</p>			<p>Flat Rate</p>
<p>3. State supported schools, technicons, colleges, universities and related amenities, excluding hostels per 35 personnel and pupils or part thereof:</p>			<p>Rate Per 35 personnel and pupils or part thereof</p>
<p>4. Amenities for lodging which include:</p> <p>(i) Hostels and related amenities for educational institutions.</p> <p>(ii) Old age homes as well as youth centres/homes whereof the body corporate is registered as a welfare organisation in terms of the applicable National Welfare Acts -</p>			<p>Rate Per 12 residents, personnel and pupils/students, or part thereof</p>

(iii) Homes, crèches or other similar amenities mainly used for the full time care and/or education of the aged, crippled, mentally/intellectually handicapped where the body corporate is registered as a welfare organisation in terms of the applicable National Welfare Acts -			Rate Per 8 residents and personnel or part thereof
(iv) Hotels licensed in terms of the Liquor Act, as amended:		X	For each 100m ² or part thereof of the total floor area on each storey, including the basement and outbuildings available for hotel purposes
5. Non-residential buildings on industrially/commercially zoned stands:			<p>(i) For each bath (plunge bath and shower bath included) water closet, urinal pan or compartment, slop hopper, washing trough</p> <p>(ii) For each trough or channel used for, or destined to be used for urinal or water closet purposes, for each 650mm or part thereof.</p>

			<p>For each grease trap:</p> <ul style="list-style-type: none">(i) Not in excess of 150mm in diameter(ii) In excess of 150mm up to and including 200mm in diameter(iii) In excess of 200mm up to and including 300mm in diameter(iv) In excess of 300mm in diameter
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6. Any other building or improvement:			<p>(i) For each bath (plunge and shower bath included) water closet, urinal pan or compartment, or slop hopper, or washing trough</p> <p>(ii) For each trough or channel used for or destined to be used for urinal or water closet purposes, for each 650mm or part thereof</p> <p>(iii) For each grease trap:</p> <p>(i) Not in excess of 150mm in diameter</p> <p>(ii) In excess of 150mm up to and including 200mm in diameter</p> <p>(iii) In excess of 200mm up to and including 300mm in diameter</p> <p>(iv) In excess of 300mm in diameter</p>
4. CONSERVANCY TANKS			
Erven that cannot be connected to the main sewer and where a			Flat rate per month

conservancy tank is installed:			
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Charges for Industrial Effluent and for Chemical and Bacteriological Analysis will be calculated according to a formula which will be indicated in the Tariff of Charges on an annual basis.

10.6. MINOR TARIFFS.

10.6.1. All minor tariffs shall be standardised within the municipal region.

10.6.2. All minor tariffs shall be approved by the Council in each annual budget and shall, when deemed appropriate by the Council, be subsidised by property rates and general revenues, particularly when the tariffs will prove uneconomical when charged to cover the cost of the service concerned, or when the cost cannot be determined accurately, or when the tariff is designed purely to regulate rather than finance the use of the particular service or amenity.

10.6.3. Minor tariffs may include but are not limited to the following:-

A	Administration	<ul style="list-style-type: none"> ▪ Access to information ▪ Administration Costs ▪ Advertisements ▪ Bank cost on foreign accounts ▪ Deposit Consultation ▪ Duplicate Accounts ▪ Facsimiles ▪ Interest on Arrear Accounts ▪ Interest on Arrear Accounts 	<ul style="list-style-type: none"> ▪ Management consultation ▪ Photocopies ▪ Placard / Poster Costs ▪ Section 62 Appeals ▪ Tender Objections ▪ Tender Participation Costs ▪ Top Management Consultation ▪ Trace of Direct Deposits
B	Building Control	<ul style="list-style-type: none"> ▪ Administration storage fee ▪ Alterations ▪ Building Plans ▪ Contravention Levy ▪ Demolition Fees ▪ Deposits ▪ Encroachments ▪ Heritage Investigations 	<ul style="list-style-type: none"> ▪ Inspection Fees ▪ Land Use Planning ▪ Photocopies of Building Plans ▪ Plan Printing Fees ▪ Plan Scrutiny Fees` ▪ Re-inspection fees ▪ Searching Fees
C	Cemeteries	<ul style="list-style-type: none"> ▪ Garden of Remembrance ▪ Grave-sites 	<ul style="list-style-type: none"> ▪ Indication of grave
D	Commercial Filming/Photographing	<ul style="list-style-type: none"> ▪ Permits 	
E	Credit Control & Debt Collecting	<ul style="list-style-type: none"> ▪ Administration fee ▪ Notices 	<ul style="list-style-type: none"> ▪ Sheriff fee ▪ Tracing fee
F	Dog Tax	<ul style="list-style-type: none"> ▪ Licenses 	
G	Electricity	<ul style="list-style-type: none"> ▪ Builders connection ▪ Bulk Service Development Fees ▪ Call-out fee ▪ Cancellation Fee ▪ Capital Contributions ▪ Certificates ▪ Change from Bulk to Time of use ▪ Change of Circuit Breaker ▪ Commission of Bulk Meter 	<ul style="list-style-type: none"> ▪ Meter Verification ▪ MV Switching ▪ New Service Connections ▪ Reconnection ▪ Remedial Action Fee ▪ Removal of meter ▪ Rental of Equipment ▪ Repair of Cables or Additional Joints

		<ul style="list-style-type: none"> ▪ Connection and Disconnection of Service ▪ Consumer Deposits ▪ Contractor Inspection ▪ Conversion of meters ▪ Credit Control and Debt Collection ▪ Damaged meter ▪ Disconnection ▪ Extension Fee ▪ Fee recalculation – no access ▪ Meter Testing 	<ul style="list-style-type: none"> ▪ Repositioning of Meter ▪ Service Connections ▪ Special Meter Readings ▪ Still-off* inspections ▪ Street Lighting ▪ Sundry Services ▪ Tariff change ▪ Unsafe/illegal leads per visit ▪ Upgrading extension Fee ▪ Verification of meter reading ▪ Way leave ▪ Wheeling
H	Fire Services & Disaster Management	<ul style="list-style-type: none"> ▪ Plot Clearing 	<ul style="list-style-type: none"> ▪ Re-inspection Fee under the Bylaw
I	Housing	<ul style="list-style-type: none"> ▪ Administration 	<ul style="list-style-type: none"> ▪ Rental
J	Law Enforcement	<ul style="list-style-type: none"> ▪ Business Licenses ▪ Bylaw on outdoor advertising ▪ Impoundment of Hawkers goods 	<ul style="list-style-type: none"> ▪ Inspection Fees ▪ Pound fee Dogs and Cats ▪ Pound fee other animals
K	Libraries	<ul style="list-style-type: none"> ▪ Deposits ▪ Facsimiles ▪ Photocopies ▪ Scanning ▪ Internet Usage ▪ Lost Cards 	<ul style="list-style-type: none"> ▪ Penalty for Late Return ▪ Rental of Library Amenities ▪ Reservations ▪ Special Requests ▪ Subscription ▪ Visitors Fee
L	Municipal Buildings	<ul style="list-style-type: none"> ▪ Deposits ▪ Rental of Amenities 	<ul style="list-style-type: none"> ▪ Rental of Equipment
M	Operational Cost	<ul style="list-style-type: none"> ▪ Street Signage 	<ul style="list-style-type: none"> ▪
		<ul style="list-style-type: none"> ▪ 	<ul style="list-style-type: none"> ▪
O	Property Administration	<ul style="list-style-type: none"> ▪ Application lease/purchase ▪ Encroachment Fee 	<ul style="list-style-type: none"> ▪ Memorial Benches ▪ Radio Mask
P	Public Works	<ul style="list-style-type: none"> ▪ Felling and Pruning of Trees ▪ Private Work ▪ Sale of Miscellaneous Items ▪ Storm Water Drainage 	<ul style="list-style-type: none"> ▪ Street Signage ▪ Tar and Patch Work ▪ Vehicle Entrances
Q	Recreational Amenities	<ul style="list-style-type: none"> ▪ Boat Launching ▪ Boat License/Permits ▪ Caravan Parks ▪ Community Halls ▪ Deposit ▪ Hawker Stalls Lagoons ▪ Lagoons 	<ul style="list-style-type: none"> ▪ Office Rental ▪ Open Spaces ▪ Public Open Space ▪ Schuss Houses ▪ Spaces for Sport ▪ Sport Events ▪ Swimming pool
R	Roads	Capital Contributions	<ul style="list-style-type: none"> ▪ Bulk Service Development Fee
S	Refuse Removal	<ul style="list-style-type: none"> ▪ Capital Contributions ▪ Deposits ▪ Mass Containers 	<ul style="list-style-type: none"> ▪ Refuse Bins ▪ Rental of Bulk Containers ▪ Replacement of Bulk Containers ▪ Self Dumping
T	Sewage	<ul style="list-style-type: none"> ▪ Bulk Service Development Fee ▪ Capital Contributions ▪ Connection of tanks ▪ Disposal 	<ul style="list-style-type: none"> ▪ Service Connections ▪ Tank Services ▪ Testing of tanks
U	Stony Point	<ul style="list-style-type: none"> ▪ Annual Permit 	<ul style="list-style-type: none"> ▪ Visitors
V	Swimming Pool	<ul style="list-style-type: none"> ▪ Entrance Fee ▪ Galas 	<ul style="list-style-type: none"> ▪ Training session
W	Town Planning	<ul style="list-style-type: none"> ▪ Advertising Cost ▪ Application Fee 	<ul style="list-style-type: none"> ▪ Registered Letter ▪ Removal of Title Deed

		<ul style="list-style-type: none"> ▪ Contravention Levy ▪ Departure Fee ▪ Extension of Time ▪ Land use planning Fee 	<ul style="list-style-type: none"> ▪ Restrictions ▪ Spatial Development Framework ▪ Sub-division ▪ Zoning Fee
X	Traffic	<ul style="list-style-type: none"> ▪ Deposits ▪ Disabled Parking Tokens ▪ Driver's Licenses ▪ Escorting and Other Services ▪ Leaner's Licenses ▪ Parking Meters ▪ Professional Driver's Permits 	<ul style="list-style-type: none"> ▪ Removal of Vehicles ▪ Roadworthy Certificates ▪ Storage Fees ▪ Taxi Rank Tokens ▪ Towing Charge ▪ Vehicle Registration ▪ Wheel clamping fee
y	Valuation	<ul style="list-style-type: none"> ▪ Access to Information ▪ Clearance Certificates ▪ Deeds Office Registrations ▪ Impact studies 	<ul style="list-style-type: none"> ▪ Revaluation ▪ Valuation Certificates ▪ Valuation Roll ▪ Voters' Roll
Z	Water	<ul style="list-style-type: none"> ▪ Bulk Service Development ▪ Call-out Fee ▪ Capital Contributions ▪ Connection & Disconnection ▪ Consumer Deposits ▪ Convert to flow restrictor meter ▪ Credit Control and Debt ▪ Collection ▪ Damaged Water Meter ▪ Fee recalculation – no access ▪ Final meter reading ▪ Irrigation Water ▪ Meter Testing ▪ Meter verification 	<ul style="list-style-type: none"> ▪ New Service Connections ▪ Registration of borehole ▪ Remedial Action Fee ▪ Rental of Equipment ▪ Repair of meter ▪ Repositioning of meter ▪ Service Connections ▪ Special Meter Readings ▪ Still-off" inspections ▪ Sundry Services ▪ Temporary connections ▪ Verification of meter reading

10.6.5. The Municipal Manager shall maintain a list of all minor services indicating their unit of service for the purposes of determining tariffs, fees, charges and levies. Such list shall be reviewed annually together with the proposed tariffs, fees charges and levies.

11. **NOTIFICATION OF TARIFFS, FEES AND SERVICE CHARGES.**

11.1. After a draft budget as required by the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) has been tabled, the Municipal Manager must invite the local community to submit representations for consideration by the Council. Such invitation includes the draft resolutions on taxes and tariffs proposed.

11.2. After approval of the budget, the Council will give notice of all tariffs approved at the annual budget meeting at least 30 days prior to the date that the tariffs become effective.

11.3. A notice stating the purport of the council resolution, date on which the new tariffs shall become operational and invitation for objections will be advertised by the Municipality.

11.4. All tariffs approved must have been considered at the annual budget meeting.

12. IMPLEMENTING AND PHASING-IN OF THE POLICY.

- 12.1. The principle contained in this Policy will be reflected in the various budget proposals submitted to the Council on an annual basis, service by-laws as promulgated and adjusted by the Council from time to time and the Tariff By-laws referred to in section 75 of the Act.
- 12.2. The Council may determine conditions applicable to community service of a regulators nature. These conditions will be reflected in the standing orders of the Council.

13. PROCEDURES AND ACCOUNTABILITY.

- 13.1. The Municipal Manager shall ensure that procedures to manage all aspects of this Policy are prepared in the form of a manual, reviewed regularly and that these are formally adopted by him for implementation. These procedures will include aspects in this Policy and subscribe to sound principles of internal control.
- 13.2. The Directors and Managers shall ensure compliance with the procedures as approved from time to time by the Municipal Manager to give effect to the provisions of this Policy.

14. SHORT TITLE.

This Policy shall be called the **Tariff Policy of the Polokwane Municipality.**

15. REVIEW OF POLICY

This policy shall be implemented as at 1 July 2022 and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.

RESOLUTIONS OF COUNCIL MEETING HELD ON 24 MARCH 2022

SECTION A ['A' ITEMS]

[RECOMMENDATIONS OF THE MAYORAL COMMITTEE TO COUNCIL]

CR/135/03/22	A	<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

CR/136/03/22	A	<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