

DRAFT ANNUAL BUDGET OF POLOKWANE MUNICIPALITY

2025/26- 2027/28 MEDIUM-TERM REVENUE AND EXPENDITURE FORECASTS



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

1. MULTI-YEAR BUDGET 2025/26 – 2027/2028

DIRECTORATE CHIEF FINANCIAL OFFICER

ITEM

REF: 5/1/4

MULTI-YEAR BUDGET 2025/26 – 2027/2028

Report of the Chief Financial Officer

Purpose

The purpose of the report is to table the Draft Multi-year Budget 2025/26 – 2027/2028 Council for approval.

Background

The IDP/Budget Process Plan to review the 2025/26 IDP/Budget was adopted on 30th July 2024 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 2025/26 MTREF Budget places emphasis on three national priorities which are inclusive growth and job creation, to reduce poverty and tackle the high cost of living as well as a to build capable, ethical and developmental state. If we act together, on these principles, as public representatives, civil servants, business people, youth, workers and citizens, we can overcome the economic challenges which impact on revenue collection and financial sustainability. National Treasury's MFMA Circular No.129 was used to guide the compilation of the 2025/26 MTREF budget. 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, especially linked to the delivery of basic services.
- Limiting overall expenditure to offset the impact of poor economic consumer environment.
- 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 2025/26 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;
- Huge backlogs in service delivery projects and further demands due to urbanization.
- Economic slowdown & unemployment impacts on revenue collection.
- Limited own funding to fund much needed infrastructure.

- Limited revenue sources to ensure financial sustainability.

1.1 OVERVIEW OF THE DRAFT 2025/26 MTREF

General economic overview

The National Treasury has lowered its 2024 economic growth forecast to 1.1 per cent, from the 1.3 per cent projected in the 2024 Budget Review, weighed down by stop-start economic growth and stubborn inflation in the first half of the year. The economy has since strengthened in response to the suspension of power cuts since March 2024, improved confidence following the formation of the government of national unity in June, better than-expected inflation outcomes in recent months and reduced borrowing costs. All these factors are expected to continue to support the economy over the period ahead.

GDP growth is projected to average 1.8 per cent from 2025 to 2027, up from 1.2 per cent in the preceding three years. The pace of growth is still being limited by persistent – though gradually easing – constraints, particularly in logistics infrastructure. Faster growth depends largely on maintaining macroeconomic stability, the continued implementation of structural economic reforms, improving state capabilities and supporting higher infrastructure investment.

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 for 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.
- increases in tariffs in line with the upper inflation targets of SARB except for electricity and water-related tariffs, which is approved by NERSA and the water board respectively.
- allocating resources to revenue generation projects and budgeting for adequate cash backed reserves.
- maintain hefty penalties for businesses and residential consumers who breach or illegally connect meters.

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

Total draft budget for the 2025/2026 financial year is R6.441 billion made up of an operating budget of R5.705 billion and a capital budget of R 736 million.

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

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 4.4% in comparison to 4.06% last year CPI.

For the next financial year (**2025/26 financial year**), The slow economic growth than anticipated, high tariff increase by both Eskom and Lepelle Northern Water was considered in setting tariffs. As a result, the tariff for services (other than electricity and water) will increase by **6%** which is CPI plus **1.6%**.

Water tariffs will increase by **10.91%** which is the tariff increase by the Lepelle Northern Water.

Electricity tariffs will increase by **12.74%**. However, this is subject to NERSA finalizing the process before May of this year.

Description	2025/26 Medium Term Revenue & Expenditure Framework Proposed % increase		
	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand			
Revenue			
Exchange Revenue			
Service charges - Electricity	12.74%	12.84%	13.09%
Service charges - Water	10.91%	11.01%	11.26%
Service charges - Waste Water Management	6.00%	6.10%	6.35%
Service charges - Waste Management	6.00%	6.10%	6.35%
Sale of Goods and Rendering of Services	6.00%	6.10%	6.35%
Agency services	6.00%	6.10%	6.35%
Interest earned from Receivables	6.00%	6.10%	6.35%
Interest earned from Current and Non Current Assets	6.00%	6.10%	6.35%
Rental from Fixed Assets	6.00%	6.10%	6.35%
Licence and permits	6.00%	6.10%	6.35%
Operational Revenue	6.00%	6.10%	6.35%
Non-Exchange Revenue			
Property rates	6.00%	6.10%	6.35%
Fines, penalties and forfeits	6.00%	6.10%	6.35%
Licences or permits	6.00%	6.10%	6.35%
Transfer and subsidies	0.00%	0.00%	0.00%
Transfers and subsidies - capital (monetary allocations)	0.00%	0.00%	0.25%
Interest	6.00%	6.10%	6.35%
Total Revenue	0.00%	0.00%	0.00%

The municipality will implement strictly credit control measures and appoint debt collectors in an effort to maximise collection of debt owed by consumers and to ensure that all revenue due is billed correctly and collected efficiently.

1.1.1 Property Rates

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

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

The following stipulations in the Property Rates Policy are highlighted:

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

100 per cent rebate on Property rates, sewerage, refuse and basic electricity fees will be granted to registered indigents in terms of the Indigent Policy. Under the same Indigent programme the first 6kl will be free in terms of water and the first 100kwh will be free in terms of Electricity fees

For pensioners, physically and mentally disabled persons, a maximum/total rebate of 80 per cent will be granted to owners of rate-able property if the total gross income of the applicant and/or his/her spouse, if any, does not exceed the threshold set by council in line with the policy.

The rate-able property concerned must be occupied only by the applicant and his/her spouse, if any, and by dependants without income.

The applicant must submit proof of his/her age and identity and, in the case of a physically or mentally handicapped person, proof of certification by a Medical Officer of Health, also proof of the annual income from a social pension;

The applicant's account must be paid in full, or if not, an arrangement to pay the debt should be in place; and

The property must be categorized as residential.

The categories of rate-able properties for purposes of levying rates and the proposed rates for the 2025/2026 financial year based on a proposed 5.4% increase from 1 July 2025 is contained below:

Table 1 Comparison of proposed rates to levied for the 2025/26 financial year

Category	Approved tariff	Approved Tariff	Proposed Tariff	Proposed increase
	From 1/07/2023	From 1/07/2024	From 1/07/2025	
Residential Properties	0.00668	0.00688	0.00708	3%
Industrial Properties	0.01336	0.01376	0.01458	6%
Business and Commercial	0.01336	0.01376	0.01458	6%
Agricultural Properties	0.00165	0.00170	0.00175	3%
Public Service Purposes (Organ of State)	0.01336	0.01376	0.01458	6%
Municipal Properties	Exempted	Exempted	Exempted	6%
Public Service Infrastructure	0.00165	0.00170	0.00175	3%
Mining	0.01336	0.01376	0.01458	6%
Private open space	0.00668	0.00688	0.00729	6%
Public Benefit Organizations	0.00165	0.00170	0.00175	3%
Places of worship	Impermissible	Impermissible	Impermissible	Impermissible
Non Permitted Use/Illegal land use	0.05347	0.05507	0.05837	6%

1.1.2 Sale of Water and Impact of Tariff Increases

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

Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;

Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and

Water tariffs are designed to encourage efficient and sustainable consumption.

In addition, National Treasury has urged all municipalities to ensure better maintenance of infrastructure, new dam construction. Cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability.

Below is a summary of current consumption charges on water tariffs, including the proposed tariffs for the 2025/2026 financial year and the impact the proposed tariffs will have on residential customers (single dwelling-house).

Table 2.1 – 6.7 Proposed Water Tariffs

DOMESTIC

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

T6.1	Description	Current tariff	Proposed tariff	Proposed increase
		From 1/07/2024	From 1/07/2025	%
(i)	For the first 5Kl; per Kl:	R11.85	R13.14	10.91%
(ii)	For the following 10Kl; per Kl:	R19.71	R21.86	10.91%
(iii)	For the following 15Kl; per Kl:	R22.84	R25.56	11.91%
(iv)	For the following 20Kl; per Kl:	R30.46	R34.08	11.91%
(v)	For the following 50Kl; per Kl:	R36.18	R40.49	11.91%
(vi)	Thereafter, for consumption in excess of 100Kl, per Kl:	R43.81	R49.02	11.91%

The first 5kl will be increased by 10.91% only to cater for indigent subsidy.

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

T6.2	Description	Current tariff	Proposed tariff	Proposed increase
		From 1/07/2024	From 1/07/2025	%
(i)	For the first (5 x A) Kl or part thereof (where A is the sum of the number of customers served by such communal meter) per Kl	R13.31	R14.76	10.91%
(ii)	For the following (10 x A) or part thereof (where A is the sum of the number of customers served by such communal meter) per Kl	R20.93	R23.21	10.91%
(iii)	For the following (15 x A) or part thereof (where A is the sum of the number of customers served by such communal meter) per Kl	R22.84	R25.33	10.91%
(iv)	For the following (20 x A) or part thereof (where A is the sum of the number of customers served by such communal meter) per Kl	R30.46	R34.08	11.91%
(v)	For the following (50 x A) or part thereof (where A is the sum of the number of customers served by such communal meter) per Kl	R36.18	R40.49	11.91%
(vi)	Thereafter, for consumption in excess of 100Kl, per Kl:	R43.81	R49.02	11.91%

For the supply of water to customers from water hydrants:

T6.3	Description	Current tariff	Proposed tariff	Proposed increase
		From 1/07/2024	From 1/07/2025	%
(i)	Per dwelling, building, structure or room separately occupied notwithstanding the fact that more than one such dwelling, building, structure or room is under one roof, for 5Kl per Kl per month	R13.36	R14.82	10.91%

INDUSTRIALLY ZONED ERVEN

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

T6.4	Description	Current tariff	Proposed tariff	Proposed increase
		From 1/07/2024	From 1/07/2025	%
(i)	For the first 30KI; per KI:	R30.46	R34.08	11.91%
(ii)	For the following 20KI; per KI:	R40.00	R44.76	11.91%
(iii)	For the following 50KI; per KI:	R45.71	R51.15	11.91%
(iv)	For the following 19 900KI; per KI:	R51.43	R57.55	11.91%
(v)	Thereafter for consumption in excess of 20 000KI, per KI	R38.10	R42.64	11.91%

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

T6.5	Description	Current tariff	Proposed tariff	Proposed increase
		From 1/07/2024	From 1/07/2025	%
(i)	For the first (30 x A) KI or part thereof (where A is the sum of the number of customers served by a communal meter) per KI	R30.46	R34.08	11.91%
(ii)	For the following (20 x A) KI or part thereof (where A is the sum of the number of customers served by a communal meter) per KI	R40.00	R44.76	11.91%
(iii)	For the following (50 x A) KI or part thereof (where A is the sum of the number of customers served by a communal meter) per KI	R45.71	R51.15	11.91%
(iv)	Thereafter, for consumption more than 100KI, Per KI	R51.43	R57.55	11.91%

BUSINESS/ COMMERCIAL AND ANY OTHER CUSTOMER

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

T6.6	Description	Current tariff	Proposed tariff	Proposed increase
		From 1/07/2024	From 1/07/2025	%
(i)	For the first 30KI, per KI:	R30.46	R34.08	11.91%
(ii)	For the following 20KI, per KI:	R40.00	R44.76	11.91%

(iii)	For the following 50Kl, per Kl:	R45.71	R51.15	11.91%
(iv)	Thereafter, for consumption in excess of 100Kl, per Kl:	R51.43	R57.55	11.91%

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

T6.7	Description	Current tariff	Proposed tariff	Proposed increase
		From 1/07/2024	From 1/07/2025	%
(i)	For the first (30 x A) Kl or part thereof (where A is the sum of the number of customers served by a communal meter) per Kl	R30.46	R34.08	11.91%
(ii)	For the following (20 x A) Kl or part thereof (where A is the sum of the number of customers served by a communal meter) per Kl	R40.00	R44.76	11.91%
(iii)	For the following (50 x A) Kl or part thereof (where A is the sum of the number of customers served by a communal meter) per Kl	R45.71	R51.15	11.91%
(iv)	Thereafter, for consumption more than 100Kl, Per Kl	R51.43	R57.55	11.91%

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

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

Table 7

Monthly consumption kℓ	Current amount payable R	Proposed amount payable R	Difference (Increase) R	Percentage change %
20	R370.55	R412.12	R41.57	11.91%
30	R598.95	R667.73	R68.78	11.91%
40	R903.55	R1 008.60	R105.05	11.91%
50	R1 208.15	R1 349.48	R141.33	11.91%
80	R2 293.55	R2 564.15	R270.60	11.91%
100	R3 017.15	R3 373.93	R356.78	11.91%

Calculated as prescribed in Table 6.1

1.1.3 Sale of Electricity and Impact of Tariff Increases

NERSA has announced the revised bulk electricity pricing structure. An increase in the Eskom bulk electricity tariff to municipalities will be effective from 1 July 2025.

Considering the Eskom increases, the consumer tariff had to be increased as directed by NERSA's benchmark tariff increase proposal from 1 July 2025. Furthermore, it should be noted that given the magnitude of the tariff increase and load shedding, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity.

This rates are subject to further scrutiny and review by NERSA as all increases from 2025 are mandated to be coupled with a Cost of Supply study. NERSA has made in clear that No increases will be accepted for Electricity tariffs with the COS study.

Registered indigents will again be granted 100 kWh per 30-day period free of charge in the municipal supply area.

Table 8.1

	Residential (Stepped tariff rates)	Current tariff From 1/07/2024	Proposed tariff From 1/07/2025	Proposed increase %
1.3.1	Block1(0-50) 50units	164.28 Cents/kWh	185.21 Cents/kWh	12.74%
1.3.2	Block2(51-350) 300units	214.46 Cents/kWh	241.78 Cents/kWh	12.74%
1.3.3	Block3(351-600) 250units	316.61 Cents/kWh	356.94 Cents/kWh	12.74%
1.3.4	Block4(>600)	372.28 Cents/kWh	419.71 Cents/kWh	12.74%

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

Table 4.2 Comparison between current electricity charges and proposed increase charges on consumption for residential properties

Table 8.2

Monthly consumption kWh	Current amount payable R	Proposed amount payable R	Difference (Increase) R	Percentage change %
100	R189.84	R214.03	R24.19	12.74%
250	R512.33	R577.60	R65.27	12.74%
500	R1 254.61	R1414.45	R159.84	12.74%
750	R2131.81	R2403.40	R271.59	12.74%
1 000	R3064.82	R3455.27	R390.45	12.74%
2 000	R6796.85	R7662.77	R865.92	12.74%

1.1.4 Sewerage and Impact of Tariff Increases

A tariff increase of 5.4% for sewerage services from 1 July 2025 is proposed. This is based on the input cost assumptions related to water. Sewer charges are based on the extent/land area (m²) of the property, the City will maintain the current stepped structure of its sewer tariffs as shown in table 9.1 and 9.2.

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.

The following table compares the current tariffs and proposed increases for the 2025/26 financial year:

Table 5.1 – 9.2 Comparison between current sewer charges and increases

Residential property

SEWERAGE		Approved tariff from 1/07/2023	Approved tariff from 1/07/2024	Proposed tariff from 1/07/2025	Proposed increase
1	AVAILABILITY CHARGE				
	(i) For the first 500m ² or part thereof, of surface area of the erf:	R136.54	R144.73	R153.41	6%
	(ii) Thereafter, per 500m ² or part thereof, up to 2 000m ² of the surface area of the erf:	R22.12	R23.45	R24.86	6%

	(iii) Thereafter, per 1 000m ² or part thereof, of the surface area of the erf:	R17.96	R19.03	R20.18	6%
	(iv) Maximum charge (887 000m ²):	R15,927.33	R16,882.97	R17,895.94	6%
2	ADDITIONAL CHARGES: RESIDENTIAL				
2.1	Dwelling houses and flats				
a	(i) For the first dwelling house or other building mentioned in 2(1) above erected on any erf or piece of land, per building	R24.88	R26.37	R27.95	6%
	(ii) For the second or subsequent dwelling house or other building mentioned in 2(1) above, per building	R91.24	R96.72	R102.52	6%
b	Additional charge per unimproved erf:	R24.88	R26.37	R27.95	6%

Non – Residential property

SEWERAGE		Approved tariff from 1/07/2023	Approved tariff from 1/07/2024	Proposed tariff from 1/07/2025	Proposed increase percentage
3.1	BASIC CHARGE				
	The owner of any Nonresidential erf or piece of land, with or without improvements, which is, or in the opinion of the Council can be, connected to the sewer, shall monthly pay to the Council, in terms of the provisions of Section 5 of the ByLaws the following charges	R742.00	R786.52	R833.71	6%
3.2	ADDITIONAL CHARGES				
a	The owner of any Nonresidential erf or piece of land, with improvements,				
	(i) For the first 500m ² or part thereof, of surface area of the erf:	R135.09	R143.19	R151.78	6%
	(ii) Thereafter, per 500m ² or part thereof, up to 8000m ² of the surface area of the erf:	R135.09	R143.19	R151.78	6%
	(iii) Thereafter, per 1 000m ² or part thereof, of the surface area of the erf:	R21.08	R22.35	R23.69	6%
b	Additional charge per unimproved erf:	R24.88	R26.37	R27.95	6%

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

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

Table 10: Residential Property

Monthly sewer consumption Land area (m2)	Current amount payable R	Proposed amount payable R	Difference increase R	Proposed increase %
500 m2	R144.73	R153.41	R8.68	6%
750 m2	R168.18	R178.27	R10.09	6%
1000 m2	R168.18	R178.27	R10.09	6%
1500 m2	R191.63	R203.13	R11.50	6%
2000 m2	R215.08	R227.99	R12.91	6%
3000 m2	R234.11	R248.17	R14.06	6%
5000 m2	R272.17	R288.53	R16.36	6%
10000 m2	R367.32	R389.43	R22.11	6%

Calculated as prescribed on table 9.1

1.1.5 Refuse Removal and Impact of Tariff Increases

A 5.4% increase in the waste removal tariff is proposed from 1 July 2025. The waste removal tariff will be charged, based on the extent/land area (m2) of the property, the City will maintain the current stepped structure of its refuse removal tariffs as shown in table 11.1 and 11.2.

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.

The following table compares current and proposed amounts payable from 1 July 2025:

Table 7 Comparison between current waste removal fees and increases

REFUSE REMOVAL ADDITIONAL CHARGES

	REFUSE REMOVAL	Approved tariff from 1/07/2023	Approved tariff from 1/07/2024	Proposed tariff from 1/07/2025	Proposed Tariff increase
1.	BASIC CHARGE Basic charge per month on any erf, stand premises or other area per month	R69.12	R73.27	R77.67	6%
2.	ADDITIONAL CHARGES: RESIDENTIAL				

REFUSE REMOVAL		Approved tariff from 1/07/2023	Approved tariff from 1/07/2024	Proposed tariff from 1/07/2025	Proposed Tariff increase
2.1	Dwelling houses and flats				
	(a) On an erf with a surface area not exceeding 500m ²	R55.29	R58.61	R62.12	6%
	(b) All erven with a surface area in excess of 500m ² :				
	(i) For the first 500m ² of the surface area of the erf	R88.48	R93.79	R99.41	6%
	(ii) Thereafter, for the following 500m ² or part thereof, of the surface area of the erf	R59.43	R63.00	R66.78	6%
	(iii) Thereafter, per 500m ² or part thereof, of the surface area of the erf	R30.40	R32.22	R34.16	6%
	Provided that where more than one dwelling-unit is erected on an erf, the area of such erf shall be divided by the number of dwelling-units thereon, and the charge, for each portion so obtained, shall be calculated in terms of the above formula as if such portion constitutes a separate erf.				
	(iv) Maximum charge (11 000m ²)	R756.30	R801.68	R849.78	6%
2.2	Flats				
	PER UNIT				
	(a) On an erf with a surface area not exceeding 500m ²	R55.29	R58.61	R62.12	6%
	(b) Up to and including 500m ² of the surface area of the erf	R88.48	R93.79	R99.41	6%
	(c) Thereafter, for the following 500m ² or part thereof, of the surface area of the erf	R59.43	R63.00	R66.78	6%
	(d) Thereafter, per 500m ² or part thereof, of the surface area of the erf	R30.40	R32.22	R34.16	6%

Non Residential

Description	Approved tariff from 1/07/2023	Approved tariff from 1/07/2024	Proposed tariff from 1/07/2025	Proposed Tariff increase
3 ADDITIONAL CHARGES: NON-RESIDENTIAL				
This charge shall apply to nonresidential properties, with improvements				
(i) For the first 300m ² or part thereof, of surface area of the erf:	R468.06	R496.15	R525.92	6%
(ii) Thereafter, per 300m ² or part thereof, up to 9300m ² of the surface area of the erf:	R130.00	R137.80	R146.07	6%

(iii) Thereafter, per 1 000m ² or part thereof, of the surface area of the erf:	R92.22	R97.75	R103.62	6%
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Table 12: Comparison on consumption between current refuse removal charges and the proposed increases on residential properties (excludes all other basic and fixed charges)

Table 12

Monthly refuse removal consumption Extent / Land area (sqm)	Current amount payable R	Proposed amount payable R	Difference increase R	Proposed increase %
500 m2	R58.61	R62.12	R3.51	6%
750 m2	R156.79	R166.19	R9.40	6%
1000 m2	R156.79	R166.19	R9.40	6%
1500 m2	R189.01	R200.35	R11.34	6%
2000 m2	R221.23	R234.51	R13.28	6%
3000 m2	R285.67	R302.83	R17.16	6%
5000 m2	R414.55	R439.47	R24.92	6%
10000 m2	R736.75	R781.07	R44.32	6%

Calculated as prescribed on table 11.1

Expenditure increases.

Description R thousand	2025/26 Medium Term Revenue & Expenditure Framework Proposed % increase		
	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Expenditure			
Employee related costs	5.50%	5.50%	5.60%
Remuneration of councillors	5.50%	5.50%	5.60%
Bulk purchases - electricity	12.74%	5.50%	5.60%
Inventory consumed	10.91%	5.50%	5.60%
Debt impairment	5.00%	5.50%	5.60%
Depreciation and amortisation	5.40%	5.50%	5.60%
Interest	5.40%	5.50%	5.60%
Contracted services	5.40%	5.50%	5.60%
Transfers and subsidies	5.40%	5.50%	5.60%
Irrecoverable debts written off	5.40%	5.50%	5.60%
Operational costs	5.40%	5.50%	5.60%

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 2025 and the
- Increased maintenance of network and infrastructure

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

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

Indigent subsidies

Provision is made in the operating budget for the subsidizing of indigent households to around R280 million. This subsidy includes a free 6Kl of water, 100 units of electricity, a 100% subsidy for refuse removal and sewerage charges. A 100% rebate on assessment rates will also be given for Indigent households. The subsidy allowed, exceeds the National norm and stretches the affordability threshold of the municipality.

To qualify as indigents, the household income must not exceed R5 691 the policy is reviewed to also cater for the child headed families and the qualifying people with disability.

The municipality further grants 80% rebates to owners of residential properties who depend on pensions or social grants provided the household income does not exceed R10 920.

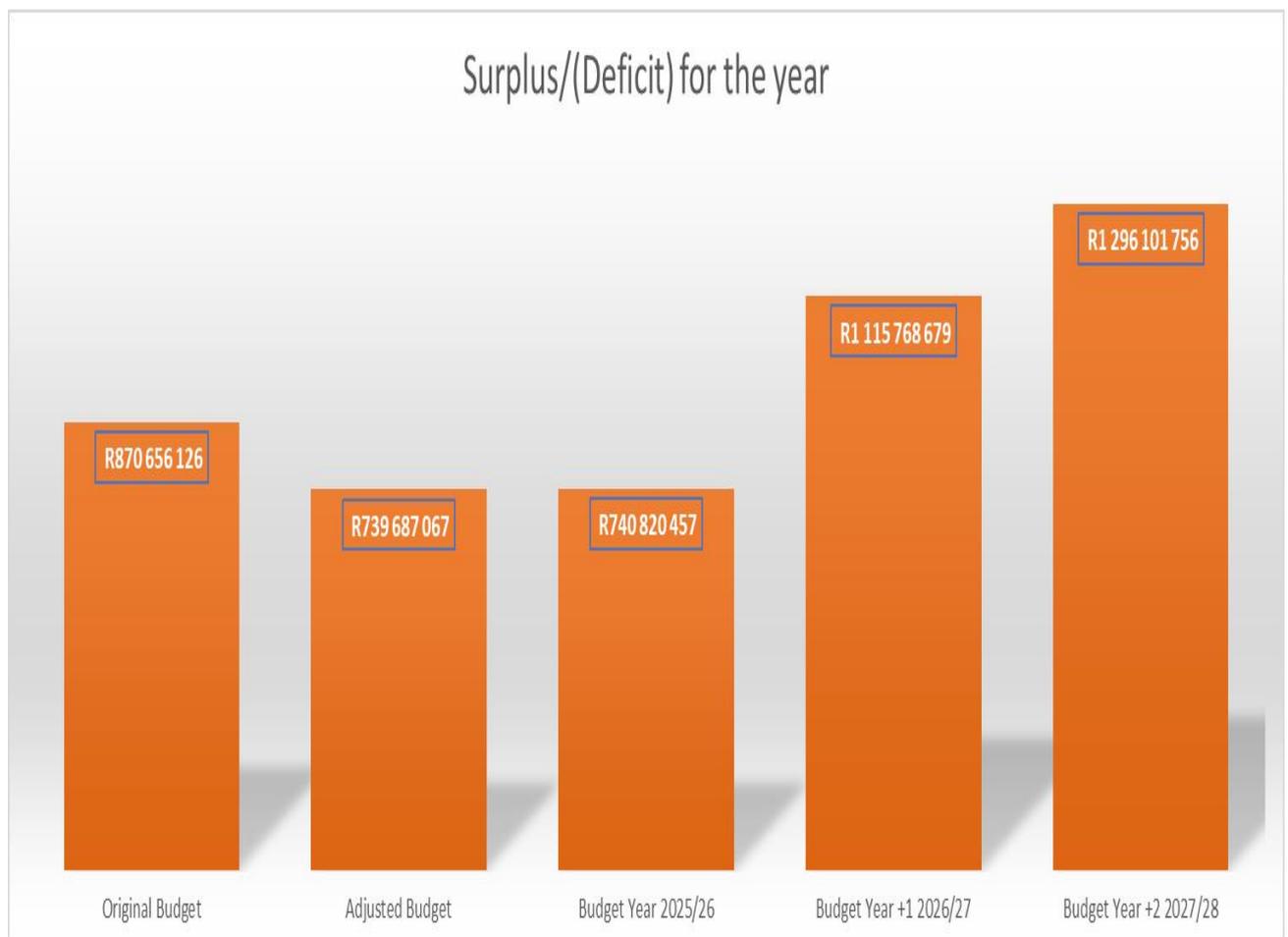
Although we are observing a recovery (both in economic terms and the rate of infections) on the pandemic front, the negative impact on the economy is still been felt. High unemployment and slow economic recovery should be a cause of concern.

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 2025/26 Medium-term Revenue and Expenditure Framework

Operating revenue and expenditure summary:

Description	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Total Operational Revenue	5 302 511	5 427 750	5 848 490	6 261 560	6 825 749
Total Expenditure	5 140 213	5 347 773	5 705 108	5 931 761	6 258 994
Surplus/(Deficit)	162 298	79 976	143 382	329 800	566 755
Transfers and subsidies - capital (monetary allocations)	708 358	659 711	597 441	785 717	722 806
Surplus/(Deficit) for the year	870 656	739 687	740 823	1 115 517	1 289 561



1.2 Revenue by Source

Description	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand					
Revenue					
Exchange Revenue					
Service charges - Electricity	1 984 455	1 975 102	2 226 730	2 512 642	2 841 547
Service charges - Water	382 411	382 411	424 132	470 829	523 845
Service charges - Waste Water Management	156 158	156 158	165 527	175 624	186 777
Service charges - Waste Management	150 139	150 139	159 147	168 855	179 577
Sale of Goods and Rendering of Services	14 902	21 028	22 289	23 649	25 151
Agency services	33 467	33 467	35 475	37 639	40 029
Interest earned from Receivables	93 759	93 759	99 384	105 447	112 142
Interest earned from Current and Non Current Assets	42 987	49 987	52 986	56 218	59 788
Rental from Fixed Assets	13 138	18 043	19 125	20 292	21 580
Licence and permits	15 263	15 263	16 179	17 166	18 256
Operational Revenue	40 993	24 212	25 664	27 230	28 959
Non-Exchange Revenue					
Property rates	641 116	641 116	679 583	721 037	766 823
Surcharges and Taxes	-	-	-	-	-
Fines, penalties and forfeits	44 152	44 152	46 801	49 656	52 809
Licences or permits	3	3	3	3	4
Transfer and subsidies	1 666 130	1 799 472	1 839 725	1 894 181	1 936 082
Transfers and subsidies - capital (monetary allocations)	708 358	659 711	618 139	750 852	744 215
Interest	23 440	23 440	24 846	26 362	28 036
Total Revenue	6 010 869	6 087 460	6 455 737	7 057 682	7 565 620

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 90 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 2025/26 MTREF (classified by main revenue source):

Description	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework						
	Original Budget	Adjusted Budget	Budget Year 2025/26		Budget Year +1 2026/27		Budget Year +2 2027/28		
R thousand									
Revenue									
Exchange Revenue									
Service charges - Electricity	1 984 455	1 975 102	32%	2 226 730	35%	2 512 641	36%	2 841 547	38%
Service charges - Water	382 411	382 411	6%	424 132	7%	470 829	7%	523 845	7%
Service charges - Waste Water Management	156 158	156 158	3%	165 527	3%	175 624	2%	186 777	2%
Service charges - Waste Management	150 139	150 139	2%	159 147	2%	168 855	2%	179 577	2%
Sale of Goods and Rendering of Services	14 902	21 028	0%	22 289	0%	23 649	0%	25 151	0%
Agency services	33 467	33 467	1%	35 475	1%	37 639	1%	40 029	1%
Interest earned from Receivables	93 759	93 759	2%	99 384	2%	105 447	1%	112 142	1%
Interest earned from Current and Non Current Assets	42 987	49 987	1%	52 986	1%	56 218	1%	59 788	1%
Rental from Fixed Assets	13 138	18 043	0%	19 125	0%	20 292	0%	21 580	0%
Licence and permits	15 263	15 263	0%	16 179	0%	17 166	0%	18 256	0%
Operational Revenue	40 993	24 212	0%	25 667	0%	27 233	0%	28 962	0%
Non-Exchange Revenue			0%						
Property rates	641 116	641 116	11%	669 774	10%	710 630	10%	755 755	10%
Fines, penalties and forfeits	44 152	44 152	1%	46 801	1%	49 656	1%	52 809	1%
Licences or permits	3	3	0%	3	0%	3	0%	4	0%
Transfer and subsidies - operational	1 666 130	1 799 472	30%	1 860 423	29%	1 859 316	26%	1 951 491	26%
Interest	23 440	23 440	0%	24 846	0%	26 362	0%	28 036	0%
Total Operational Revenue	5 302 511	5 427 750	89%	5 848 490	91%	6 261 560	89%	6 825 749	90%
Transfers and subsidies - capital (monetary allocations)	708 358	659 711	11%	597 441	9%	785 717	11%	722 806	10%
Total Revenue	6 010 869	6 087 460	100%	6 445 931	100%	7 047 277	119%	7 548 555	100%
Revenue from Service Charges	2 673 163	2 663 810	49%	2 975 537	51%	3 327 950	53%	3 731 746	55%

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 44 per cent of the total revenue mix. In the 2024/25 financial year, revenue from services charges totalled R2.663 billion or 44 per cent. This increases to R2.975 billion, R3.327 billion and R3.731 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 29 per cent in 2025/26 and at 26 per cent in the outer years. Property rates are the third largest revenue source totalling 10 per cent or R669 million rand in 2025/26 and increases to R755 million by

2027/28. 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 per Division of Revenue Bill

MULTI YEAR BUDGET GRANTS AND SUBSIDIES AS PER DIVISION OF REVENUE BILL	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
OPERATIONAL GRANTS			
Equitable Share	1 481 181 000	1 548 132 000	1 618 222 000
TOTAL OPERATIONAL GRANTS			
Integrated Urban Development Grant	160 516 659	93 180 602	148 188 851
Public Transport Network Grant	146 709 248	154 535 472	163 280 592
Financial Management Grant (FMG)	2 400 000	2 500 000	2 600 000
Extended Public Works Programme (EPWP)	6 531 000	-	-
Infrastructure Skills Development Grant (ISDG)	7 500 000	7 450 000	9 200 000
Integrated National Electrification Programme Grant	-	-	-
Energy Efficiency and Demand Side Management Grant (EEDSM)	3 000 000	-	5 000 000
TOTAL OPERATIONAL GRANTS (CONDITIONAL)	326 656 907	257 666 074	328 269 443
TOTAL OPERATIONAL GRANTS	1 807 837 907	1 805 798 074	1 946 491 443

Listing of Projects on Operational Expenditure Budget

OPERATIONAL PROJECTS WITH VAT	Funding Source	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Sanitation Master Plan	CRR	R -	R 9 200 000	R -
Procurement of NO dumping boards	CRR	R 920 000	R 575 000	R 575 000
Implementation of IT Strategy(to OPEX)	CRR	R 1 380 000	R -	R -
Stormwater investigation in the city	CRR	R 1 150 000	R 1 725 000	R 9 200 000
Installation of Roads at ext 72 Stands (Unserviced land approved township)	IUDG	R -	R -	R 6 000 000
Retrofit 343 conventional streetlights with energy efficient LED lights - Materials and Supplies	EEDSM	R 2 940 000	R -	R 4 900 000
Rural Household Sanitation	IUDG	R 36 444 435	R 38 000 000	R 38 000 000
Leeto route maintenance	PTNG	R 9 466 550	R 9 814 750	R 10 486 450
Updating of Business & Financial Plan	PTNG	R 5 500 000	R 5 500 000	R 5 500 000
Implementation of Marketing Communications Strategy & Stakeholder Engagements for Phase 1A 1B & 2	PTNG	R 1 557 310	R 3 000 000	R 2 000 000
Updating of Technical Operational Plan	PTNG	R 4 000 000	R 1 500 000	R 7 000 000
Updating of Comprehensive Integrated Transport Plan (CITP)	PTNG	R 2 900 000	R 2 100 000	R 2 200 000
Updating of the Universal Development Access (Plan (UDAP)	PTNG	R 800 000	R 1 200 000	R 1 500 000
Leeto la Polokwane Phase 1A 1B & 2 Marketing Promotion	PTNG	R 2 600 000	R 2 900 000	R 3 000 000
Undertaking of Industry Transition	PTNG	R 5 500 000	R 4 800 000	R 4 900 000
Maintenance on Leeto Infrastructure	PTNG	R -	R -	R -
Taxi Industry Compensation	PTNG	R 50 000 000	R 58 000 000	R 57 875 324
6100 PROJECT	PTNG	R 6 500 000	R 7 000 000	R 7 500 000

OPERATIONAL PROJECTS WITH VAT	Funding Source	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Description		With VAT	With VAT	With VAT
6100 COMMISSION	PTNG	R 9 500 000	R 7 000 000	R 7 500 000
6100 COMMISSION 2	PTNG	R 5 412 364	R 7 960 000	R 8 500 000
PTNG - PERSONNEL AND LABOUR	PTNG	R 500 000	R 500 000	R 650 000
6170 MAINTENANCE INTELLIGENT TRANSPORT SYSTEM MODELLING	PTNG	R 4 200 000	R 4 200 000	R 4 500 000
National	PTNG	R 650 000	R 520 000	R 690 000
Paving of Road from Matsiokwane Village to Ngwanalaka crossing at Mafiane Ward 24	IUDG	R -	R -	R 12 800 000
Paving of internal street in Ga Dikgale Moshate	IUDG	R 1 000 000	R -	R -
Paving of Internal Street in Ga Ujane to D3363 (ward 40)	IUDG	R 729 252	R -	R -
Paving of Thlathlanganya Roads	IUDG	R -	R -	R 8 377 543
Upgrading of arterial road D3383 in Setumong via Mahoai to Kgomo school(Ward 43)	IUDG	R 924 580	R -	R -
Upgrading of arterial road D3355 from Monotwane to Matlala clinic (ward 41)	IUDG	R 4 387 586	R -	R -
Upgrading of arterial road D3413 Ramakgaphola to Gilead road D3390	IUDG	R -	R -	R 8 377 543
Upgrading of arterial road D3472 Ga-Setati to Mashobohlang D3332	IUDG	R -	R -	R 8 377 543
Upgrading of arterial road from Diitshweneng to Maja Moshate	IUDG	R 3 300 000	R -	R -
Upgrading of arterial road from Moetagare in to Setumong D3382	IUDG	R 4 504 867	R -	R -
Upgrading of arterial road from Phuti to Tjataneng	IUDG	R -	R -	R 8 377 543
Upgrading of arterial road in Magongwa village from road D3378 to road D19 (ward 42)	IUDG	R 5 400 000	R -	R -
Upgrading of arterial road in Tshware from Taxi rank via Tshware village to mamotshwa clinic(ward 30)	IUDG	R 6 240 000	R -	R -
Upgrading of D1809 from Gamaboi joining D3040 to Laastehoop	IUDG	R -	R -	R 8 377 543
Upgrading of road D3989 Ga-mamabolo to itireleng	IUDG	R -	R -	R 8 377 543
Upgrading of road from Ga Mamphaka to Spitzkop (ward 34)	IUDG	R 8 000 000	R 1 500 000	R -
Upgrading of road from Leokama to Moshung	IUDG	R -	R -	R 8 377 543
Upgrading of road from Ralema primary school via Krukutje Ga Mmasehla Ga legodi Mokgohloa to Molepo bottle store (ward 36)	IUDG	R -	R 8 913 043	R -
Completion of the links to SANRAL roads network	IUDG	R 385 000	R -	R 15 000 000
Tarring of Road from Tshabela to Moshate	IUDG	R 7 484 120	R -	R -
Upgrading of Access road to Feke	IUDG	R 3 100 000	R -	R -
Upgrading of access road in Ga Makgoba	IUDG	R 2 628 138	R -	R -
Upgrading of access Roads from Ga Thaba in Molepo Chuene Maja cluster	IUDG	R -	R 9 452 752	R -
Upgrading of Bus road from R71 to Dinokeng between Mshongoville Gashiloane to Matshela pata(ward 28)	IUDG	R -	R 7 500 000	R -
Upgrading of road D3432 from Ga-Mosi(Gilead road) via Sengatane to Chebeng(ward 16)	IUDG	R 2 440 577	R -	R -
Upgrading of road from Matobole to Silicon	IUDG	R 3 580 000	R -	R -
Upgrading of road from Mohlonong to Kalkspruit	IUDG	R 1 211 833	R -	R -
Upgrading of road from Monyoaneng to Lonsdale	IUDG	R 700 548	R -	R -
Upgrading of road from Nobody Traffic circle to Moshate Mothapo	IUDG	R 3 680 000	R -	R -
Upgrading of road from Phomolong to Makgwareng	IUDG	R 6 880 412	R -	R -
Upgrading of road from Spitzkop to Segwasi	IUDG	R 11 888 669	R 2 478 261	R -
Upgrading of road from Tibe to Marobala and Makgoba	IUDG	R 10 870 452	R -	R -

1.4 Expenditure by Type

Description	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
	Original Budget	Adjusted Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand					
Expenditure					
Employee related costs	1 341 147	1 202 360	1 384 505	1 460 653	1 542 449
Remuneration of councillors	47 455	91 869	66 479	70 135	74 063
Bulk purchases - electricity	1 303 666	1 303 666	1 469 753	1 550 590	1 637 423
Inventory consumed	328 513	312 719	344 497	363 444	383 797
Debt impairment	162 447	266 828	280 169	295 578	312 131
Depreciation and amortisation	386 920	386 920	406 266	428 610	452 613
Interest	42 724	44 124	40 124	37 331	34 422
Contracted services	978 409	1 286 361	1 244 383	1 312 824	1 386 342
Transfers and subsidies	10 480	47 380	60 480	63 806	67 380
Irrecoverable debts written off	124 473	18 381	-	-	-
Operational costs	413 979	387 167	392 298	413 874	437 051
Total Expenditure	5 140 213	5 347 773	5 688 954	5 996 847	6 327 670

The Municipality's expenditure framework for the 2025/26 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 2025/26 budget and MTREF (classified per main type of operating expenditure):

1.5 Summary of operating expenditure by standard classification item

Description	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework						
	Original Budget	Adjusted Budget	Budget Year 2025/26		Budget Year +1 2026/27		Budget Year +2 2027/28		
R thousand									
Expenditure									
Employee related costs	1 341 147	1 202 360	22%	1 374 635	24%	1 450 181	24%	1 531 312	24%
Remuneration of councillors	47 455	91 869	2%	66 479	1%	70 135	1%	74 063	1%
Bulk purchases - electricity	1 303 666	1 303 666	24%	1 469 753	26%	1 550 590	26%	1 637 423	26%
Inventory consumed	328 513	312 719	6%	344 497	6%	363 444	6%	383 797	6%
Debt impairment	162 447	266 828	5%	280 169	5%	295 578	5%	312 131	5%
Depreciation and amortisation	386 920	386 920	7%	407 814	7%	430 243	7%	454 337	7%
Interest	42 724	44 124	1%	40 124	1%	37 331	1%	34 422	1%
Contracted services	978 409	1 286 361	24%	1 252 766	22%	1 237 987	21%	1 310 331	21%
Transfers and subsidies	10 480	47 380	1%	60 480	1%	68 480	1%	68 355	1%
Irrecoverable debts written off	124 473	18 381	0%	-	0%	-	0%	-	0%
Operational costs	413 979	387 167	7%	408 390	7%	427 791	7%	452 824	7%
Total Expenditure	5 140 213	5 347 773	100%	5 705 108	100%	5 931 761	100%	6 258 994	100%

The budgeted allocation for employee related costs for the 2025/26 financial year totals R1 374 billion, which equals 24 percent of the total operating expenditure. Salary increases have been factored into this budget at a percentage increase of 5.5 per cent for the 2025/26 for the MTREF. Included in the R1 374 billion is the R 28 million for Leave Pay and R22 million for 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 irrecoverable debts written off and Debt Impairment was determined based on an annual collection rate and the Debt Write-off Policy of the Municipality. For the 2025/26 financial year this amount increased to R280 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.

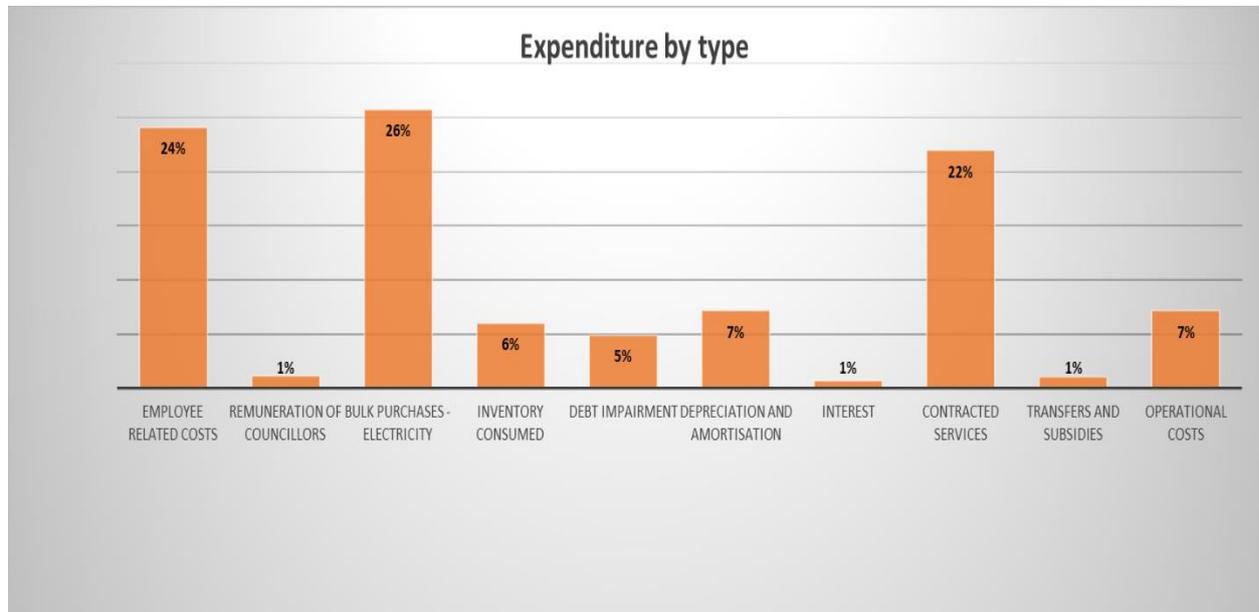
Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R406 million for the 2025/26 financial and equates to 7 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 per cent (R40 million) of operating expenditure.

Bulk purchases are directly informed by the purchase of electricity from Eskom and water from Lepelle Water. The annual price increases have been factored into the budget appropriations and directly inform the revenue provisions. Bulk purchases make up 26 per cent (R 1.47 billion) of operating expenditure. The expenditures include distribution losses.

Contracted services have increased to R 1.252 billion and they make up 22 per cent of the operating expenditure in 2025/26.

Other expenditure comprises of various line items relating to the daily operations of the municipality. This group of expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Printing and stationary, subsistence and travelling, attending of conferences and workshops have significantly been reduced or limited to zero growth. Other expenditure makes up 7 percent (R 408 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 2025/26 Division of Revenue Bill have been included in this medium-term budget.

GRANTS AND SUBSIDIES AS PER DIVISION OF REVENUE BILL			
Govt Gazette no 52061 of 7 February 2025)			
Infrastructure Grants	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Integrated Urban Development Grant (IUDG)	433 487 000	454 557 000	474 921 000
Regional Bulk Infrastructure Grant (RBIG)	155 509 000	255 509 000	207 387 000
Integrated National Electrification Programme Grant (INEP)	11 755 000	12 000 000	12 542 000
Public Transport Network Grant (PTNG)	189 331 000	196 295 000	209 729 000
Water Services Infrastructure Grant (WSIG)	65 000 000	70 022 000	95 396 000
Neighbourhood Development Partnership Grant (NDPG)	44 320 000	44 500 000	40 000 000
Energy Efficiency and Demand Side Management Grant (EEDSM)	3 000 000	-	5 000 000
Municipal Disaster Recovery Grant	4 765 000	-	-
Sub Total	907 167 000	1 032 883 000	1 044 975 000
Specific Purpose Current Grants			
Financial Management Grant (FMG)	2 400 000	2 500 000	2 600 000
Electricity Demand Side Management Grant (EDSM)	-	-	-
Infrastructure Skills Development Grant (ISDG)	8 000 000	8 000 000	9 500 000
Extended Public Works Programme (EPWP)	6 531 000	-	-
Sub Total	16 931 000	10 500 000	12 100 000
Equitable Share	1 481 181 000	1 548 132 000	1 618 222 000
Sub Total Municipality	2 405 279 000	2 591 515 000	2 675 297 000
Allocations- in-kind-Grants (Schedule 6)			
Integrated National Electrification Programme (Escom)	36 258 000	99 579 000	60 386 000
Neighbourhood Development Partnership Grant (Technical Assistance)	2 000 000	2 733 000	2 000 000
Sub Total	38 258 000	102 312 000	62 386 000
TOTAL	2 443 537 000	2 693 827 000	2 737 683 000

1.7 CAPITAL BUDGET PER DIRECTORATE

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

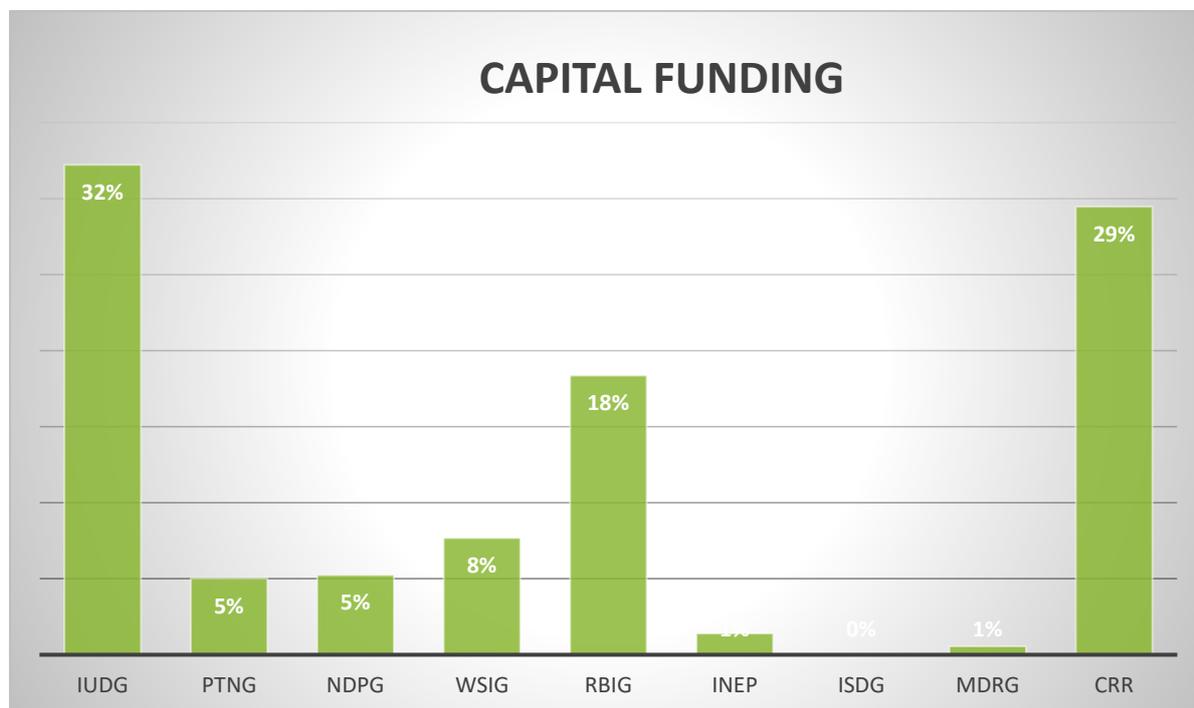
Many concerns were raised over the spending of conditional grants by the National Treasury over the past four financial years.

To mitigate these risks, the municipality has appointed a panel of consultants and contractors to ensure more effective spending of grants. This approach will reduce the turnaround times to implement the various projects

However, contract management is key and each project manager will have to ensure that they perform quality oversight and management as required by section 78 of the MFMA.

Capital expenditure

Total capital budget is **R 846 984 534** (incl. VAT) which is funded as follows:



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

MULTI YEAR CAPITAL BUDGET Vote Description	Budget Year +1 2025/26		Budget Year +1 2026/27		Budget Year +2 2027/28	
	VAT INCLUSIVE	%	VAT INCLUSIVE	%	VAT INCLUSIVE	%
Vote 1 - CHIEF OPERATIONS OFFICE	2 300 000	0%	2 530 000	0%	2 783 000	0%
Vote 2 - MUNICIPAL MANAGER'S OFFICE	-	0%	-	0%	-	0%
Vote 3 - WATER AND SANITATION	370 975 014	44%	484 575 950	45%	486 665 350	47%
Vote 4 - ENERGY SERVICES	80 755 000	10%	87 900 000	8%	96 032 000	9%
Vote 5 - COMMUNITY SERVICES	124 701 750	15%	139 744 250	13%	138 280 250	13%
Vote 6 - PUBLIC SAFETY	17 250 000	2%	18 975 000	2%	20 240 000	2%
Vote 7 - CORPORATE AND SHARED SERVICES	55 923 442	7%	68 929 437	6%	76 005 306	7%
Vote 8 - PLANNING AND ECONOMIC DEVELOPMENT	28 574 350	3%	30 317 850	3%	32 095 050	3%
Vote 9 - BUDGET AND TREASURY OFFICE	2 300 000	0%	2 530 000	0%	2 783 000	0%
Vote 10 - TRANSPORT SERVICES	42 621 752	5%	41 759 528	4%	46 448 408	4%
Vote 11 - HUMAN SETTLEMENT	-	0%	-	0%	-	0%
Vote 12 - ROADS AND STORMWATER	121 583 227	14%	197 289 348	18%	136 493 498	13%
Total	846 984 534	100%	1 074 551 363	100%	1 037 825 862	100%

Water and Sanitation Services is allocated 44% for infrastructure projects.

The Municipality is strategically focusing on renewing its assets with the sole objective of optimizing service delivery, the area of focus is on Wastewater Management and Water Networks. 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 a new Regional Waste Water Treatment Plant
- Building of Regional Water Schemes and acceleration of rural sanitation

The grants funds available for capital expenditure for the following 3 years are R 597 million, R 785 million and R 722 million respectively.

MULTI YEAR CAPITAL BUDGET	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Description	VAT INCLUSIVE	VAT INCLUSIVE	VAT INCLUSIVE
Intergrated Urban Development Grant	272 970 342	361 376 398	320 732 148
Public Transport Network Grant	42 621 752	41 759 528	46 448 408
Neighbourhood Development Grant	44 320 000	44 500 000	40 000 000
Water Services Infrastructure Grant	65 000 000	70 022 000	95 396 000
Regional Bulk Infrastructure Grant	155 508 999	255 509 000	207 387 000
Integrated National Electrification Programme Grant	11 755 000	12 000 000	12 542 000
Infrastructure Skills Development Grant	500 000	550 000	300 000
Municipal Disaster Recovery Grant	4 765 000	-	-
TOTAL GRANT CAPITAL BUDGET	597 441 093	785 716 926	722 805 556

The funds available for capital expenditure from **Cash Replacement Reserve** (Own funds) for the following 3 years are R 249 million, R288 million and R 315 million respectively. The following CRR funding is broken down by directorate.

MULTI YEAR CAPITAL BUDGET	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Description	VAT INCLUSIVE	VAT INCLUSIVE	VAT INCLUSIVE
Vote 1 - CHIEF OPERATIONS OFFICE	2 300 000	2 530 000	2 783 000
Vote 2 -MUNICIPAL MANAGER'S OFFICE	-	-	-
Vote 3 - WATER AND SANITATION	35 190 000	37 950 000	55 660 000
Vote 4 - ENERGY SERVICES	69 000 000	75 900 000	83 490 000
Vote 5 - COMMUNITY SERVICES	16 330 000	26 105 000	19 550 000
Vote 6 - PUBLIC SAFETY	17 250 000	18 975 000	20 240 000
Vote 7 - CORPORATE AND SHARED SERVICES	55 423 442	68 379 437	75 705 306
Vote 8 - PLANNING AND ECONOMIC DEVELOPMENT	6 900 000	7 590 000	8 349 000
Vote 9 - BUDGET AND TREASURY OFFICE	2 300 000	2 530 000	2 783 000
Vote 10 - TRANSPORT SERVICES	-	-	-
Vote 11 - HUMAN SETTLEMENT	-	-	-
Vote 12 - ROADS AND STORMWATER	44 850 000	48 875 000	46 460 000
TOTAL CAPITAL REPLACEMENT RESERVE	249 543 442	288 834 437	315 020 306

On 1st February 2024, Polokwane Municipality and COGHSTA signed the Level 2 Accreditation Implementation Protocol. The grant has since been gazetted in the Limpopo Provincial Treasury Gazette 3546 issued June 2024.

Transfer of Level 2 Human Settlement Development Grant per latest communique is as follows:-

MULTI YEAR BUDGET HUMAN SETTLEMENT DEVELOPMENT GRANT (HSDG)	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Description			
Operational			
Training and Benchmarkings	100 000	100 000	-
PRT/ ENGINEER	1 285 966	1 313 142	-
Total Operations	1 385 966	1 413 142	-
Housing Units	46 198 860	47 104 720	-
Number of houses	255	260	-
Cost per house	181 172	181 172	-
Rural Housing: pending Geo-Tech results and Council Approval	36 234 400	38 046 120	-
Urban Housing: (50 Units)	9 964 460	9 058 600	-
Total housing units expenditure	46 198 860	47 104 720	-
Total expenditure	47 584 826	48 517 862	-

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.

Assets Management Policy

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

Billing Policy

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

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

Borrowing Policy

The objectives of this Policy are to: -

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

Budget and Virement Policy

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

Cash Management and Investment Policy

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

Claims committee and loss Policy

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

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

Consumer deposit Policy

This policy aims to ensure that, amongst other things:

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

Cost Containment Policy

This policy aims to ensure that, amongst other things:

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

Credit Control and Debt Collection Policy

The objectives of Credit Control Policy are:

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

The objective of Debt Collection Policy is:

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

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.

Fare Policy and Fare Structure

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

- the determination of Fares charged on the Leeto la Polokwane
- the AFC System and how it functions.

- the Roles and Responsibilities of the AFC Contractor
- guide principles for establishment of a by-laws
- guide with the process which will result in Fare determination and collection for Leeto La Polokwane

Funding and Reserve Policy

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

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

Indigent and Social Assistance Policy

The objectives of this Policy are to: -

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

Inventory Policy

The accounting officer of a municipality must take all reasonable steps, in terms of section 65(2) of the Municipal Finance Management Act (Act 56 of 2003), to ensure that:

a) The municipality has and maintains an effective system of expenditure control, including procedures for the approval, authorisation, withdrawal and payment of funds.

b) The municipality has and maintains a management, accounting and information system which —

- (i) recognises expenditure when it is incurred.
- (ii) accounts for creditors of the municipality; and
- (iii) accounts for payments made by the municipality.

- c) The municipality's available working capital is managed effectively and economically in terms of the prescribed cash management and investment framework.
- d) The municipality's policy is implemented in a way that is fair, equitable, transparent, competitive and cost-effective.

Implement appropriate internal controls and effective inventory management system to ensure that goods placed in stores are secured and only used for the intended purposes.

Determining and setting of inventory levels that includes minimum and maximum stock levels and lead times whenever goods are placed in stock.

Monitoring and review of service provider's performance to ensure compliance with specifications and contract conditions.

It complements the SCM Policy and establishes a control framework for inventory management.

Panel Allocation Procedure Manual

The objectives of this Allocation Manual are centred around establishing a transparent, fair, and accountable framework for allocating service providers within the Municipality. Emphasizing transparency and fairness, the manual aims to ensure equal opportunities for all service providers through an equitable allocation method. It seeks to promote healthy competition among service providers, prevent monopolies, and encourage diversity. The manual is committed to empowering local businesses, particularly historically disadvantaged enterprises, contributing to economic development and fostering sustainable community growth.

It complements the SCM Policy and establishes a control framework for allocation of work to give effect to the provisions of section 217 of the Constitution of the Republic of South Africa, 1996;

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.

Organisational and Senior Managers Performance Management Policy

- 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

Petty Cash Procedure Manual (New)

- Section 13(2) of the Local Government Municipal Finance Management Act, 2003 (Act No. 56 of 2003) requires that a municipality establish an appropriate and effective cash management and investment policy in accordance with any framework that may be prescribed.
- This policy and procedure manual is issued under the authority of SCM Regulation 15 issued in terms of MFMA.
- It complements the SCM Policy and establishes a control framework for petty cash as an acquisition and payment instrument.
- This policy and procedure manual is consistent with the Act and the gazetted framework

Property Rates Policy

The key objectives of the policy are to:

- ensure that all owners of rateable property are informed about their liability to pay assessment rates;
- specify relief measures for ratepayers who may qualify for relief or partial relief in respect of the payment of rates through exemptions, reductions and rebates contemplated in section 8 of this policy and section 15 of the Act;
- set out the criteria to be applied by the Council if it increases rates and levies differential rates on different categories of property;
- provide for categories of public benefit organisations, approved in terms of Section 30(1) of the Income Tax Act, 1962 (Act no 58 of 1962) as amended, which ratepayers are eligible for exemptions, reductions and rebates and therefore may apply to the Council for relief from rates;
- recognise the state, organs of state and owners of public service infrastructure as property owners;
- not discourage the development of property;
- ensure that all persons liable for rates are treated equitably as required by the Act;
- determine the level of increases in rates; and
- Provide for exemption, rebates and reductions

Subsistence and Travel Policy

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

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

Supply Chain Management Policy

The objective of the supply chain management policy is

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

Tariff Policy

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

Unauthorised, Irregular, Fruitless and Wasteful Expenditure Policy

This policy aims to ensure that, amongst other things:

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

- In terms of section 62 of the Municipal Finance Management Act No. 56 of 2003 (herein referred to as “MFMA”), the accounting officer is responsible for managing the financial affairs of Polokwane Municipality (POLOKWANE MUNICIPALITY) and he/she must, for this purpose, inter alia:
 - (a) Take all reasonable steps to ensure that unauthorised, irregular; fruitless and wasteful expenditure and other losses are prevented; and
 - (b) Ensure that disciplinary or, when appropriate, criminal proceedings are instituted against any official or councillor of Polokwane Municipality who has allegedly committed an act of financial misconduct or an offence in terms of Chapter 15 of the MFMA.
- This is to ensure the effective, efficient and transparent systems of financial, risk management and internal control.

RECOMMEND

1. That the draft annual budget of the municipality and municipal entity (Polokwane Housing Association) for the financial year 2025/26 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 2025: 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 2025/26.
 - Asset Management Policy
 - Billing Policy
 - Borrowing Policy
 - Budget and Virement Policy.
 - Cash management and Investment Policy
 - Claims committee and loss Policy.
 - Consumer Deposit Policy
 - Cost Containment Policy
 - Credit control and debt collection Policy
 - Customer Care Policy
 - Expenditure Management Policy
 - Fare Policy and Fare Structure
 - Funding and reserves Policy
 - Indigent and Social Assistance Policy
 - Integrated Customer Care Policy
 - Inventory Policy
 - Leave Policy
 - Organisational and Senior Managers Performance Management Policy
 - Petty Cash Procedure Manual
 - Property Rates Policy
 - Subsistence and Travelling Policy
 - Supply chain management Policy
 - Tariff Policy
 - Unauthorised, Irregular, Fruitless and Wasteful Expenditure Policy
5. That the Draft MSCOA Roadmap be approved.

Part B: Legislative Mandate

IDP – Schedule of Community consultations

Background to Public Participation

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

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

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

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

Discussion

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

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

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

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

The table below indicates the 2024/25 Draft IDP/Budget Public Participation schedule that will be held in all the seven (7) Municipal Clusters during the month of April.

The dates for the 2024/25 Draft IDP/Budget Public Participation meetings have been scheduled as follows:

Date	Municipal Cluster / Sector	Wards No	Time	Venue
WEEK 1				
03 April 2025	Traditional Leaders	N/A	10h00 -13h00	New Peter Mokaba Stadium (Press Theatre)
WEEK 2				
07 April 2025	Aganang Cluster	40,41,42,43,44,45	10h00 -13h00	Jupiter Sweepers Sports Ground at Jupiter Village Ward 41
08 April 2025	Sebayeng /Dikgale Cluster	24,29,32,33,30,31	10h00 -13h00	Peace Makers Sports Ground Ward 33
09 April 2025	City Cluster	19,20,21,22,23,39	18h00 - 20h00	Jack Botes Hall
10 April 2025	Mankweng Cluster	06,07,25,26,27,28,34	10h00 -13h00	Monywaneng Stadium
WEEK 3				
14 April 2025	Moletjie Cluster	09,10,15,16,18,35,36,38	10h00 -13h00	Moletjie Moshate
15 April 2025	SDA 1	08	14h00 – 17h00	Greenside Primary School
WEEK 4-.....Note :				
18 April 2025 is Good Friday ,the 17 will not do as people are Travelling				

Date	Municipal Cluster / Sector	Wards No	Time	Venue
22 April 2025	Molepo /Chuene /Maja Cluster	1,2,3,4,5	10h00 -13h00	Subiaco Sports Ground
23 April 2025	Seshego Cluster	11,12,13, 14,17,37	10h00 -13h00	Ngoako Ramahlodi Sports Complex
24 April 2025	Municipal Councillors Consultation	All Municipal Councillors	10h00 -13h00	New Peter Mokaba Stadium (Press Theatre)

Submission of Comments and Inputs by Community Members

The 2025/26 Draft IDP and Budget will be placed on the municipal website: www.polokwane.gov.za.

Copies of Draft IDP and Budget will also be Placed at all 7 clusters Municipal Libraries and Tribal Offices after adoption by Council.

Comments period will be open from 1st – 30th April 2024 (**30 days**). Communities will also be able to Submit their Comments and inputs on the **2025/26** draft IDP and Budget using media platforms and alternative methods that has been made available by the Municipality.ie

1.Email or WhatsApp LINE

Community members will be able Submit their comments through email to the Manager: IDP or Use WhatsApp line that has been created specifically to Receive Comments: i.e.

- **Manager : IDP Email :** Victorn1@polokwane.gov.za
- **WhatsApp line:** 065 922 4017.

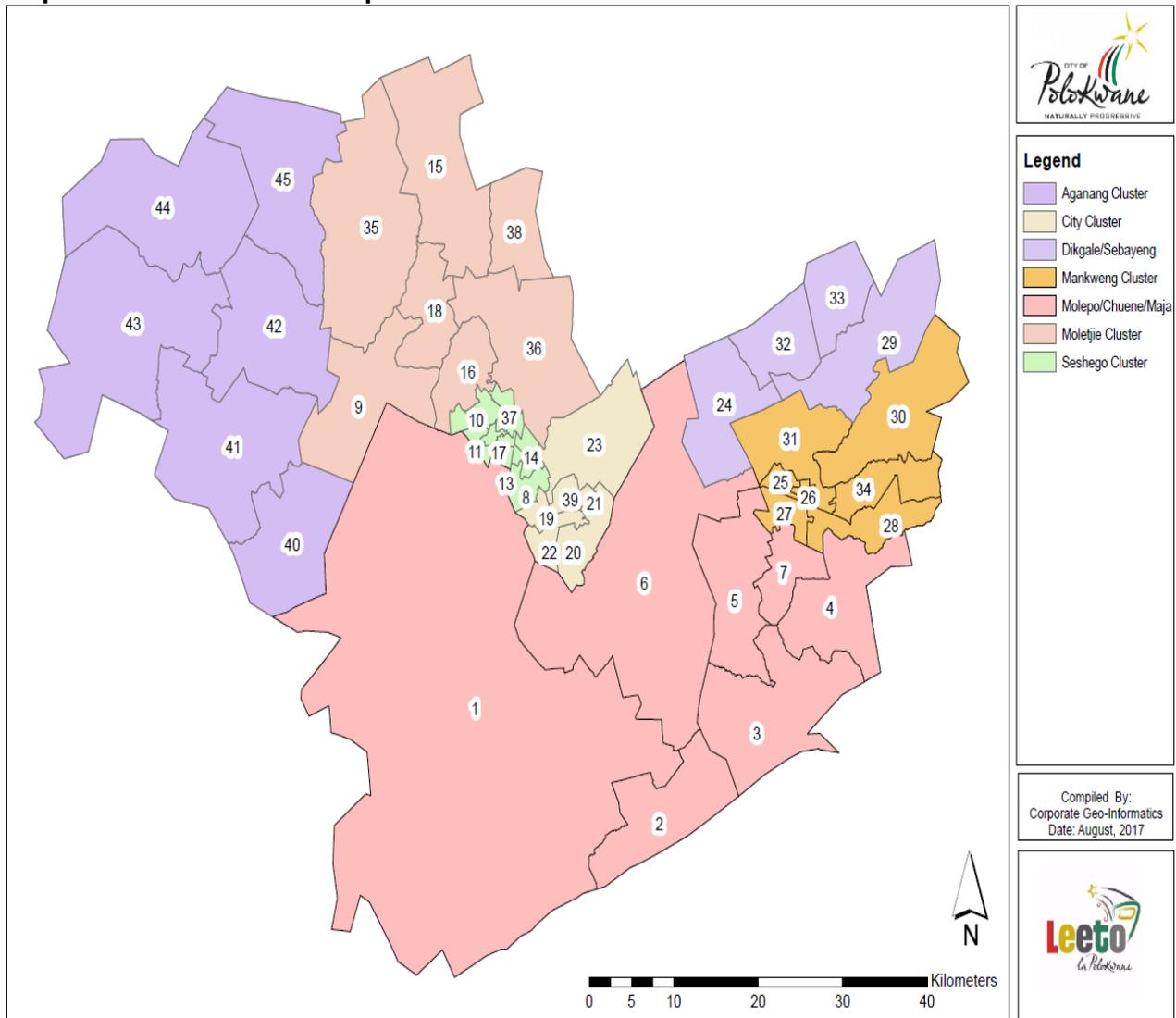
Polokwane municipality is made up of **45 wards**, which are grouped into **7 Clusters** for administrative purpose, namely:

	Clusters Name	Wards No.
1	Mankweng Cluster	06,07,25,26,27,28, 34
2	Moletjie Cluster	09,10,15,16,18,35, 36,38

	Clusters Name	Wards No.
3	Molepo / Chuene / Maja Cluster	1,2,3,4,5
4	Sebayeng / Dikgale Cluster	24,29,32,33,30,31
5	Aganang Cluster	40,41,42,43,44,45
6	City Cluster	08;19,20,21,22,23,39
7	Seshego Cluster	11,12,13, 14,17,37

Polokwane Cluster Map Reflecting Location of 45 Wards

Map: Polokwane Cluster Map



Source: Polokwane G.I.S SBU:

Legislation compliance status

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

1. In year reporting

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

2. Internship programme

The Municipality is participating in the Municipal Financial Management Internship programme and has employed 14 interns undergoing training in various divisions of the Budget and Treasury Office.

3. Budget and Treasury Office

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

4. Audit Committee

An Audit Committee has been established and is fully functional.

5. Service Delivery and Implementation Plan

The detail SDBIP document is at a draft stage and will be finalised after approval of the 2025/26 MTREF in June 2025 directly aligned and informed by the 2025/26 MTREF.

6. Annual Report

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

7. MFMA Training

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

PART C - BUDGET INPUTS PER DIRECTORATE**Chief Operations Office**

Risk Management

PROPOSED STRATEGIC RISKS FOR 2025/26

#	Risk	Mitigating action
1	Ageing of infrastructure (Water and Sanitation, Energy, Roads and Storm water, Facilities and public toilets)	<ul style="list-style-type: none"> • Awareness on illegal connections • Review of the Maintenance plan. • Filling of critical vacancies. • Installation of CCTV cameras at sub stations • Preventative maintenance • Reporting of illegal land use to Land use section • Development and approval of the bulk contribution policy to enforce developers to contribute to the upgrading of the infrastructure development • Continuous preventative and Adhoc maintenance of facilities • Procurement of fleet • Continuous maintenance of current fleet
2	Water losses	<ul style="list-style-type: none"> • Procurement of meters on a risk-based approach • Review bylaws Asbestos cement (AC) pipes replacement, phase 2 planning
3.	Electricity losses (technical and non-technical losses)	<ul style="list-style-type: none"> • Procurement of prepaid meters • Continuous reporting of illegal connections to impose penalty • Installation of early warning systems for cable theft and vandalism • Installation of high security meter boxes at identified hot spot areas • Community awareness of cable theft
4.	Inadequate Sewer Treatment Capacity	<ul style="list-style-type: none"> • Refurbishment of the plant is ongoing. • Regional plant construction is underway.
5.	Water Scarcity	<ul style="list-style-type: none"> • Reclamation of wastewater effluent • Upgrading the bulk water supply infrastructure by Lepelle Northern Water • Development of Ground water sources • Conduct awareness campaigns to save water and for rainwater harvesting • Establishment of Polokwane Water Utility to effectively Operate and Maintain all the water & Sanitation Infrastructure
6.	Theft and vandalism of municipal infrastructure	<ul style="list-style-type: none"> • Appointment of more Bi- Law enforcement officers • Installation of additional CCTV cameras, Street light services and new streetlights • Installation of high mast lights and perimeter fencing • Procurement of patrol vehicles

#	Risk	Mitigating action
7.	Poor performance of allocated grants	<ul style="list-style-type: none"> • Alignment the IDP process with internal project planning process. • Proper project costing • Blacklisting poor performing services providers • Monthly contractors/consultants' meetings • Regular monitoring by conducting site visits
8.	Cyber-attack	<ul style="list-style-type: none"> • Strengthen security awareness campaign on ICT policies • Replacement of unsupported systems • Skills development and training on cyber security • Continuous server room maintenance • Ensure the Anti-virus & Firewall are up to date. • Deployment of security patches • Develop and Implement ICT ageing Infrastructure maintenance and replacement pla
9.	Negative Audit Outcome	<ul style="list-style-type: none"> • GRAP Training • Continuous compilation of quarter Financial Statements • Continuous audit steering committee meetings • Implementation of document management system
10	Fraud and Corruption	<ul style="list-style-type: none"> • Signing of fraud pledge • Intensify fraud awareness • Implementation of Municipal Fraud hotline
11	Cash Flow constraints	<ul style="list-style-type: none"> • Revenue generation committee • Budget benchmarking and midyear assessment by NT • Cost containment measures in place • Investment committee in place • Budget adjustment • Letters are issued to defaulters on leases • Termination of defaulting leasers • Imposing application fees on all land development application • Building plans are not accepted without payments • Payment of trading permits
12	Slow economic growth and development	<ul style="list-style-type: none"> • Adoption of investment incentive policy • Implementation of investment incentive policy • Implementation of the EGDP (economic growth and development plan) 2030 economic plan.
13	Unsustainability of the Integrated Public Transport Network (IPTN)	<ul style="list-style-type: none"> • Marketing of Leeto to ensure full Utilisation by the community. • Public Private Partnerships for funding

INTERNAL AUDIT PROGRAMS

In line with the requirements of Section 165 of the MFMA, the Internal Audit Unit has identified the following projects for implementation as part of its audit plans for the financial year 2025/26. The objective of this program would be amongst other things to address Management's highest-priority risks as listed under the municipality's Top 10 Risks:

1. **Water scarcity and water losses** – this project will assess the level at which water facilities are being maintained to meet the existing and projected water use needs; and also be able to provide assurance to Management on the extent to which water conservation strategies are being adhered to.
2. **Electricity losses:** To assess the level of the illegal connections and its impact to the electricity losses, the strategies to reduce the electricity losses
2. **Projects implementation and management** – to assess project management controls and where improvements are required provide recommendations that will enhance the project management practices and performance outcomes on allocated grants.
3. **Assets Management and loss control** – to assess the controls around cable theft, vandalism of the municipal infrastructure, tempering of the electric meters and etc.
4. **Contingent Asset and Liabilities** – to assess the completeness of the contingent asset and liability register and verify the amounts with the third party (Attorneys)
5. **Revenue Management** – to assess the level to which revenue enhancement strategies are implemented and the effects of the non-functional meters on the municipal revenue.
6. **Review of the Draft Annual Financial Statements** – to assess the adequacy of the application of the accounting standards and pronouncements that are applicable to the municipality as per directive 5 issued by Accounting Standards Board.
7. **Vulnerability assessment** – to assess the internet-facing perimeters as well as the network for any exploitable vulnerabilities and/or cyber-attacks.
8. **Integrated Public Transport Network Management Review:** To assess the sustainability of the bus transport system and its funding model.
9. **Individual Performance Assessment:** To assess that excellent performance is rewarded and intervention to address poor performance.
10. **Grants Audit:** to assess the municipality's compliance with the terms, conditions and financial reporting requirements of grants
11. **Operation Clean Audit (OPCA):** To assess the level of the implementation of action plan on both the AGSA action plan and Internal Audit action plan.
12. **Financial Management Capability Maturity Model (FMCMM):** To assess the maturity of the financial management model and implementation of the action plan.

In the current year, some of the value-add projects that were conducted by Internal Audit included the following but not limited to:

- Integrated Public Transport Network
- Individual Performance Assessment
- Project verification
- Local Economic Development Audit
- Municipal Firearm Review

Planning and Economic Development

1. Catalytic Projects

1.1. Limpopo Academic Hospital

City of Polokwane and Edupark donated Remaining Extent of Erf 6861 Pietersburg Extension 30, measuring 19.90 Hectares. The aforesaid Donation was in line with a Council Resolution dated 28th of February 2012. The donation agreement has been signed and to be registered at deeds office. The construction of the hospital has commenced and will consist of 488-bed hospital providing over 20 services. Those services, amongst others, include all disciplines of surgery, trauma, burns, oncology, gynaecology, neonatal care, paediatrics and emergency medicine.

Preliminary estimates shows that the project is expected to generate 1 220 part-time jobs during the construction phase and create 2 461 full-time equivalent jobs in Polokwane and surrounding areas, once the hospital is fully operational. The project would cost approximately R5 - billion funded by the National Health Department on behalf of the provincial health department.



	“INSTITUTION”	“RES 3”
Coverage	60%	60%
FAR	1.0	1.2
Height	5 storeys	2 storey
Parking	1420 bays, Annexure 74	



ACADEMIC HOSPITAL DESIGNS



Bulk Underground Services Installation

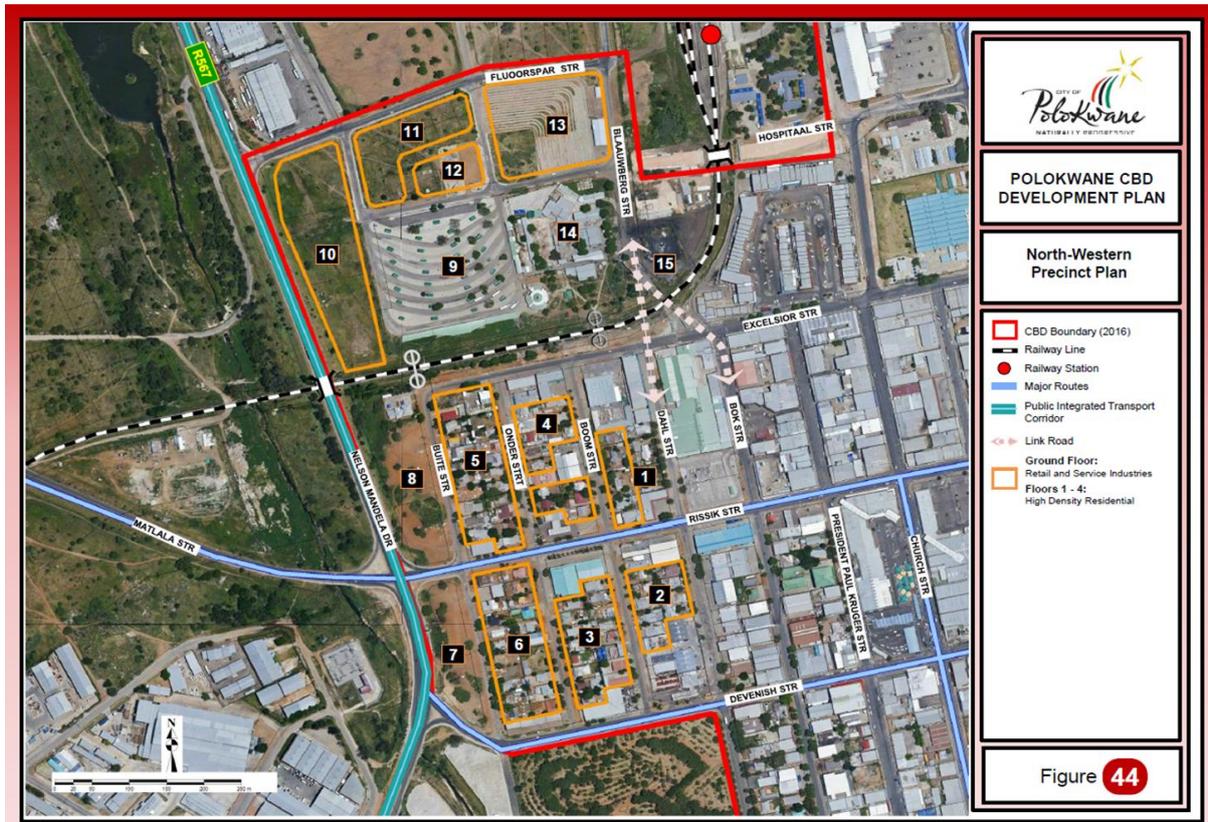


Health Minister, Dr Joe Phaahla, and other government officials turned the first sod to mark the birth of the ground-breaking new Limpopo Central Hospital

1.2. IDENTIFICATION OF LAND FOR STUDENT ACCOMMODATION

Erf 20802 – 20815 and 20818 – 20821 Polokwane Extension 106 zoned Residential 3 have already been advertised for **student accomodation**. Some other erven in Polokwane Extension 79 also advertised for high density residential developments. Additionally, Council has adopted the **CBD Urban Renewal Strategy,2016 which is currently under review, one of its** objectives was to identify a strategy to curb illegal accommodation and devise a means for student accommodation. The area in downtown CBD is in such a decay state, and vulnerable students are residing here in appalling state.

The list of five institutions namely the **University of Limpopo, UNISA Polokwane Campus, TUT Polokwane Campus, Capricorn FET College, Boston City Campus and Business College** which developers and the Municipality could partner with in order to meet the demand for student accommodation within the CBD. Only three of these institutions currently have accommodation available - **University of Limpopo located in Mankweng, TUT Polokwane Campus and Capricorn FET College** both located in Polokwane Town.

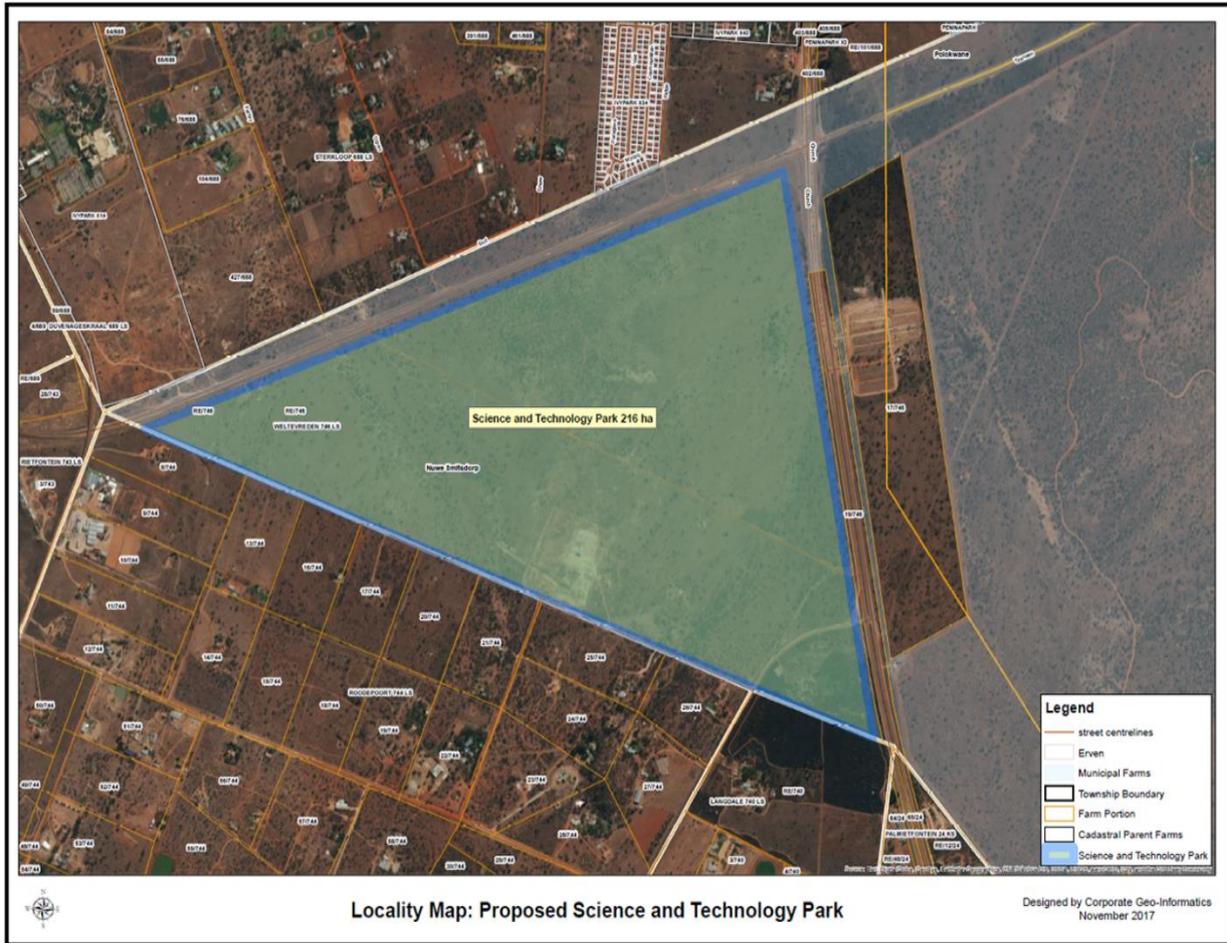


**Multiple storey library for the city at number 8
 1-6 for the High density and student accommodation
 7- Two-three storey Taxi holding area
 10- Student Accommodation (high density)
 11-13 for Bus Lay over facilities**

Most illegal land uses which are located within the north-western part of the CBD as depicted (Buite, Boom, Bok, Dahl, Devenish, Excelsior and Onder Street). The Illegal land uses mostly relate to student boarding accommodation and rental units, (approximately 33 properties), Some of the most serious problems associated with illegal land uses are illegal water/ electricity connections and temporary partitions within building structures. Amongst others, large numbers of people (up to 20 and more) use existing houses for informal accommodation purposes. Plans to acquire the subject land is one of the priorities for affordable student housing and or social housing. Block 1 to 6. The **Map above** indicate the location of block 1- 6.

Number 7 to 8 can be open for the mixed use for the city main library, open market on the 2- 4th floor while the ground floor can be used as City parking or taxi holding as currently being used.

1.3. Science and Research Park



Science and Research Park to be established at Weltevreden Farm at the southern part of the new interchange at N1-By-pass. The Municipality has already awarded the land amount to 274ha land for development of the Science Park of which the studies has already commenced. Limpopo connection is currently conducting Environmental Impact Assessment (EIA) and engineering capacity assessment. The development form part of the Dilokong Corridor in support of the National Development Plan (NDP). The general plan has been submitted to Surveyor General for approval.

1.4. Arts and Cultural Hub

KEY SITE FORCES

1. Bakone Malapa Museum
2. Stone Boulder & ridge
3. Natural Amphitheatre
4. Views
5. Access



Bakone Malapa arts and cultural hub as proposed will support the issues of artists in terms of the film and recording studio, theatre, incubation stall.

This will increase tourism at the Municipal facility. That will form belt of the sport precinct as proposed in the SDF, that stretches from Peter Mokaba stadium. The township has been approved, and bulk engineering services are to be provided by Polokwane Municipality funded under the IUDG. This project is part of implementing the Capital Expenditure Framework.

1.5. Industrial Park or SEZ N1 North Corridor



- **Industrial Park or SEZ N1 North Corridor** site identification around the **airport** will be a key towards **application for the expansion of the Municipal Boundary further to the North.**

- Since the northern part of the City border with the **Molemole Municipality** just **5-10KM** from the City, it is prudent that Polokwane Municipality start with application to request the expansion of its Boundary (land) to at least **40km** from the current boundary to includes the SEZ or Industrial Park development.
- Municipality has received Lots of proposals for Townships by private developers of which that is encouraging in the area for Facilities such as Tertiary education facility (admin block, faculty departments, on campus student housing, warden housing, recreational facilities). Public garage, convenient shopping centre and food court to be assessed based on the Spatial Development Framework of the Municipality. The revised SDF has included the extending of the urban edge for support of the proposed SEZ/Industrial Park and Development within the earmarked areas. The initiatives will support Job creation and Economic Growth.

1.6. Agro processing



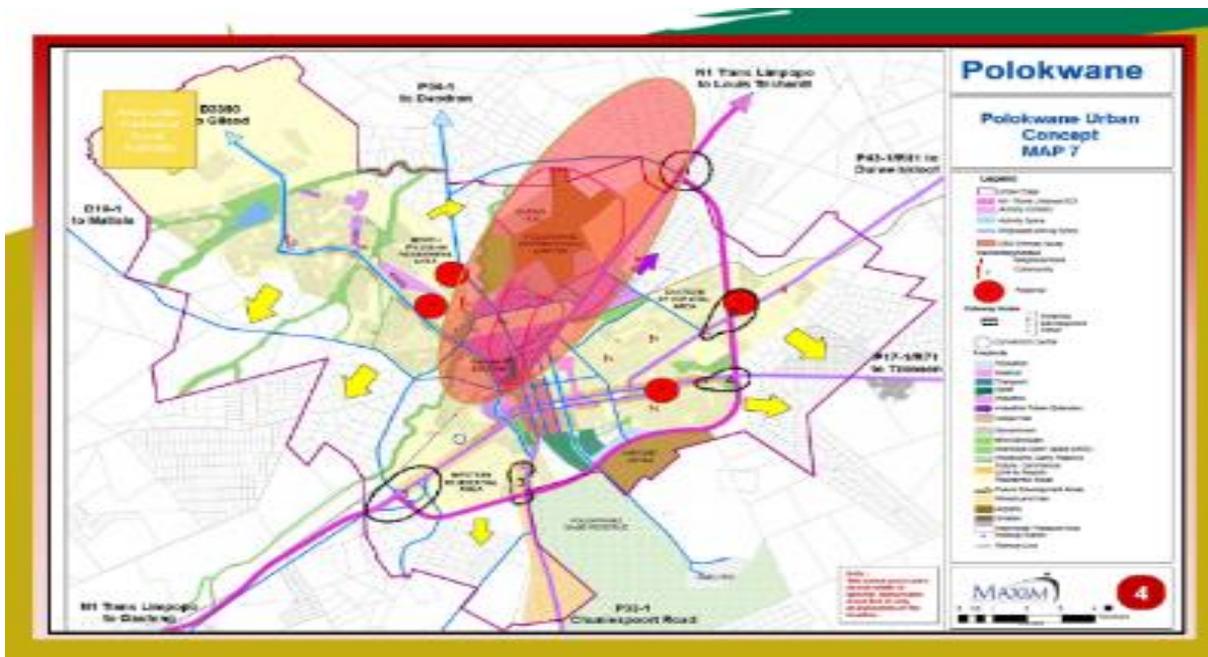
- **Agro-processing** - the support for the proposed development concept is centred on the **Logistic and Agro-processing** taking advantage of the transport modes available that includes:
 - **Air network (airport).**
 - **Rail network (railway Station).**
 - **Road's network (Bus, taxi station).**

There is a need to develop infrastructure masterplan to service the identified site, including the support for project packaging, costing, cost-benefit modelling and investment attraction strategy

Support for funding mobilization through engagements with DTIC, IDC and any other relevant stakeholder.

- The Municipality will take advantage over the identified **Musina /Makhado SEZ and Tubatse SEZ** as Logistic Hub.
- Polokwane as a Capital City of Limpopo Province is also a gateway to Africa and rest of the World.
- Several MOU were signed for trade with the African Countries and the Municipality intend to participate in the market to boost in the **Economic Growth** through Manufacturing and processing of **raw materials**.

1.7. Transit Oriented Development (TOD):



TOD precinct –will be development phases as part of supporting the **SEZ**: airport corridor or industrial parks. The TOD precinct development will include **truck inn**. All the roads from the SADC connects to Polokwane CBD. The massive industrial sites connect with the said modes of transport. Good positioning of the Land use with are compactable with each other and further be supported by the vast land available for future development. The Council has already release land for the feasibility by the Directorate Transportation to establish the **Truck inn**.

1.8. Softball stadium



- **International Softball stadium** - Polokwane Municipality has receive funding from **SRSA** through the **UIDG** to **design and construct** an international softball stadium over the **next 3 years**.
- **30M** was budget allocated for the 2020/21 **FY**.
- Polokwane Municipality has made a **pocket of land available** within its **sport precinct hub** for this development.
- The Concept designs have been approved with all stakeholders.
- The municipality is engaging **DCOG** support on maximisation of this project to showcase Real-time spatial transformations,

1.9. Post incubation Hub



- **Post incubation Hub** - the intension is to lease and develop a park with the aim of providing the alternative and opportunity to the incubates and investors that we attract during our marketing.
- The installation of services is complete. The perimeter fencing and access road is also complete. The municipality will be going out on public to advertise for long-term development leases for certain erfs of the industrial park.

1.10. Eco-Estate at Game reserve



- ❖ **Eco-Estate at Game reserve** -proposal for the **Eco-estate** will boost the Polokwane Game reserve for **tourism and accommodation facilities** and attract **investors** on the South eastern part of the City as the **future expansion** of the City.
- ❖ This will be a **high marketed residential development** where man is in contact with nature.
- ❖ The township process is underway and surveys are being conducted.
- ❖ The Environmental Scoping report submitted to the Department in order to obtain environmental Authorization.

2. Progress on priority/ Catalytic Land Development Programme.

CATALYTIC PROJECT NAME	PROJECT STATUS QUO DATE	PROJECT OWNER & PROGRESS (MUNICIPAL OR PROVINCIAL DEPARTMENT)	INVESTMENT TO DATE and (area of projects as per the Spatial Plans)
23 August 2021			
1. Science Park	<ul style="list-style-type: none"> Conveyance Notaries is appointed for the drafting of the lease agreement and negotiation (Public to Public Partnership approach) The Record of Decision positive Basic Township establishment studies are finalised and lodgement of the Township has been done and approved by the Municipal Planning Tribunal. 	LEDA- Limpopo connection	Planning 90 % for Planning Within the Functional Area 1
2. Arts and Cultural Hub	Township application approved by the Municipal Planning Tribunal on 02/02/2024 after hearing the objections raised. The status currently is that the conditions of Township Establishment and Layout Plan have been approved, awaiting the professional Land Surveyor to finalise the township by Lodging the necessary documents with the Surveyor General and the opening of the Township Register.	Municipality and Department of Sports Arts and Culture. <ul style="list-style-type: none"> ❖ Land zoning and donation to the department (municipal). ❖ Development of the Provincial Theatre (Public Works Department) has commenced with the construction of the theatre and earmarking its completion for February 2026 	Planning and Social 98% on Planning Progress on Bulk engineering services designs is at 75%, Bulk designs for roads & stormwater, water and Sewer have been submitted awaiting final designs for electricity The project is within the Functional Area 1
3. SEZ (Agro-processing and logistic) N1 North Corridor	Feasibility study finalised and approved by Council. The municipality is engaging Department of Public Works for the purpose of land disposal.	Polokwane Municipality (Budgeted)	Planning and Social 100% for planning Within the Functional Area 1

CATALYTIC PROJECT NAME	PROJECT STATUS QUO DATE	PROJECT OWNER & PROGRESS (MUNICIPAL OR PROVINCIAL DEPARTMENT)	INVESTMENT TO DATE and (area of projects as per the Spatial Plans)
	<p>A meeting was co-ordinated between the relevant stakeholders (OTP International Relations, British High Commission, CoGTA, COGHSTA, SALGA, LEDET, DALRRD and Polokwane Municipality) and a site visit was done on the 22 April 2024.</p> <p>Part of the work that will be done will be to review the pre-feasibility study and provide recommendations for improving financial viability, develop infrastructure masterplan to service identified industrial site including support for project packaging, costing, cost-benefit modelling and investment attraction strategy.</p>		
4. Softball stadium	Planning Completed and construction has commenced	Polokwane Municipality and National Department of Sports	Planning and Economic 100% Planning done. 56% in Construction
5. Post incubation Hub	The bulk services, access road and perimeter fencing are complete.	Municipality but to seek funding from Department of Small Business Development	Economic and Planning 100% spent for planning. 100% spent on Construction and supervision. Within the Functional Area 1

CATALYTIC PROJECT NAME	PROJECT STATUS QUO DATE	PROJECT OWNER & PROGRESS (MUNICIPAL OR PROVINCIAL DEPARTMENT)	INVESTMENT TO DATE and (area of projects as per the Spatial Plans)
	23 August 2021		
6. Academic hospital	<p>Conveyancers finalise deed of donation to the Department of Public works. Zoning already approved.</p> <p>Site Development Plans approved by Council.</p> <p>Construction of the Hospital is underway.</p>	Department of Public Works, Health and social Development/Education.	<p>Planning</p> <p>100% for Planning</p> <p>5% construction</p> <p>Within the Functional Area 1</p>
7.Urban renewal- Municipal Tours	<p>Planning for the project has commenced in 2021/2022 Financial Year as budgeted. (subject to Budget availability)</p>	Polokwane Municipality	<p>Planning</p> <p>For appointment of the service provider-</p> <p>Within the Functional Area 1</p>
8.Housing – Mixed housing (Social, Gap and Student housing) (Municipal entity)	<p>Annandale extension 2 construction has commenced for the provision of rental housing.</p> <p>Student housing at 106 and 108 underway.</p>	Municipal entity	<p>Planning, Social and Economic</p> <p>100%</p> <p>Within the Functional Area 1</p>
9.Urban renewal projects- Transit Oriented Development (TOD): <u>Truck inn (Municipal).</u>	<p>Truck inn land availability approved by Council. Feasibility already approved. Incorporated in the reviewed ITPS and to be part of the freight Plan as project to be implemented in 2021/2022.</p>	Polokwane Municipality	<p>Planning and Economic</p> <p>100% feasibility completed and 0% for implementation.</p> <p>Within the Functional Area 1</p>
10.Urban renewal projects in the CBD - Mixed housing around Buite and Bok Streets (Municipal)	<p>Assessment of the land ownership is in progress and development of incentive for developers to be finalised. Application of UDZ underway and to be supported by Council Resolution.</p>	Polokwane Municipality/Private Developers	<p>Planning and Economic</p> <p>Consultation with Land Owners</p> <p>Within the Functional Area 1</p>

CATALYTIC PROJECT NAME	PROJECT STATUS QUO DATE	PROJECT OWNER & PROGRESS (MUNICIPAL OR PROVINCIAL DEPARTMENT)	INVESTMENT TO DATE and (area of projects as per the Spatial Plans)
	23 August 2021		
11. Polokwane Mixed Housing Development (leased properties)	Polokwane extension 136, 138 and Bendor 126, East Ridge X 3 approved for mixed use development.	Leased properties for revenue enhancement	Planning and Economic 95% Township Planning approved

Source: PLK Town Planning SBU

3. Illegal Land Uses

The state of illegal land use within the Municipality is increasing at an alarming rate and ranges from high density residential, commercial and industrial use in areas not designated for such use. Planning and Economic development through City Planning together with Building and Housing section initiated a Land Use survey project within the Municipal Jurisdiction to detail the status of illegal land uses.

Further to the Land use survey, Municipal interventions to deal with Illegal Land Uses is carried out through the following policies

- Polokwane Municipal Bylaw 2017
- Operational Manual to deal with Illegal Land Uses, 2019
- Polokwane Integrated Land Use Scheme, 2022

The policies mentioned above empower the municipality to deal with contraventions of land use scheme in the following manner:

Step 1: Site inspection to confirm Illegal land use

Step 2: Issuing of first notice (*A notice is an official warning, calling upon the offender to stop the unauthorized use. The usual time given for complying is 7(seven) days*)

Step 3: Issuing of second notice if Illegal land use is not ceased

Step 4: The matter is then referred to legal services for legal action/finance for Non-permitted billing

Step 5: Legal Action-Council's attorneys will launch civil proceedings against the offender to interdict him from continuing with the unauthorized use, if this action is successful in court, the attorneys will obtain a court order

The permanent approach and strategy to deal with illegal land uses

are:

- a) Regularization/Formalization of Land Uses that are permitted by the Land Use Scheme
- b) Issuing of harsher penalties through non-permitted billing for Land uses that are not permitted by the Land Use Scheme. This strategy is currently being implemented and is working as a deterrent.
- c) Continuation of Bylaw enforcement raids comprising of all business units in the municipality to deal with contravention of scheme zoning, illegal connection, unapproved structures, non-payment of municipal services and the general non-compliance to municipal Bylaws. Bylaw enforcement operations currently taking place on a weekly basis.

5. IUDF Implementation to Date

COGTA introduced a consolidated grant (**IUDG**) for Intermediate City Municipalities (ICM). **Polokwane** and **uMhlathuze** were identified as the **two pilot** municipalities. The ICM program aims at supporting the Municipalities in areas of Spatial Planning, Infrastructure/Capital projects and preparing financial access to the new **IUDG grant**. As such, the municipalities were requested to develop a **Capital Expenditure Framework**, which is a **long-term infrastructure plan** that flows from a **Spatial Development Framework (SDF)**. The process of developing the Capital Expenditure Framework was approached by dividing it in **3 different CEF Modules**.

- 1) **Module 1: Planning**,
 - 2) **Module 2: Infrastructure**,
 - 3) **Module 3: Finance**
- 1) **Module 1: Planning** was more focused with the Spatial Transformation Agenda, which involved dividing the municipal in functional areas, in this instance went further to priority development areas. Development strategies for the above-mentioned areas has been developed. The Functional Areas as outlined in the Spatial Development Framework are part of the CEF submission.
 - 2) **Module 2: Infrastructure** was more focused on technical assessments, which involves, **backlogs and capacity** being guided by development strategies completed in **Module 1 of Planning**. The module will indicate the backlogs, existing and required capacity of bulks and networks in the coming years.
 - 3) **Module 3: Finance** is more focused on the long-term financial plan (**assumptions and projections**), which involves a fit on the development strategies for functional areas by **identified by planning**, together with the backlogs and need **outlined by**

infrastructure. An analysis should also be provided to ensure staying within affordability margin.

1.1. Capital Expenditure Frameworks (CEF) Status Quo

Polokwane Municipality has concluded all three modules and the review of the CEF, 2025, it is to be approved by Polokwane Council as a Business plan to be aligned with the IDP and Budget. **Source: Cogta Guide IUDG Process Roadmap**

1.2. Capital Expenditure Framework (CEF) Success and Challenges

Success	Challenges
<ul style="list-style-type: none"> • Approved CEF aligned with the IDP. • Well defined spatial targeted area in line with the SDF. • Well defined projects with funding (External and Leases). • Possibility of attracting investors in ideal location. • Driving the spatial agenda of the City. 	<ul style="list-style-type: none"> • Alignment and unfunded budget due to community needs analyses. • Unequal Share due to Municipal community's composition (Urban 30% and Rural 70%). • Financial sustainability due to culture of non-payment. • Budget vs Community needs. • Prioritisation of projects and their return.

Source: PLK Town Planning SBU

1.3. Impact of the adjustments budget on CEF priority projects

The adjustment of the CEF and **resubmission** to National Treasury. Reducing the planned projects guided by available budget. Community redress on the planned and pronounced projects. Rescheduling of the Projects and planned program of implementation have been moved to outer **years**.

1.4. IUDF Levers

After careful consideration of the **Smart City Pillars** of the Municipal **long-term vision**, the **IUDF levers** are well presented in the projects that are to be implemented within the **Capital Expenditure Framework**. All **9 levers** as presented below has sharpens our approach when integrating the Municipal Planning and the other sphere of government as presented on the catalytic projects.

1.5. Challenges experienced in endeavour to seek integration and collaboration.

(A) Misalignment of Planning Cycle for Municipalities and Sector Departments.

The introduction of the **IUDF and DDM** in dealing with the alignment of the budget and intergovernmental projects pave the positive input to foster such relationship. Alignment of the Spatial Planning and project from the national, province, district and local municipality **SDF** as categorised by the **SPLUMA** is becoming a key in directing where investment should be prioritised.

(B) Priority Interventions that must be addressed dealing with the community needs.

Priority should be given to Municipality Funded mandate projects in the IDP and Unfunded mandate Projects Should be referred to the Relevant Department to address the need (e.g., Library). Such projects should be addressed by the DDM. Effectiveness of the forums on the priority projects and monitoring. Grants alignment vs Priority needs on the ground.

WATER AND SANITATION

PLANNED UPGRADES OF THE WASTEWATER TREATMENT PLANTS

The City has three (3) Wastewater Treatment Plants i.e.

1. Polokwane,
2. Seshego and
3. Mankweng.

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

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

New Regional Wastewater treatment 20MI/day (Contractor is on site)



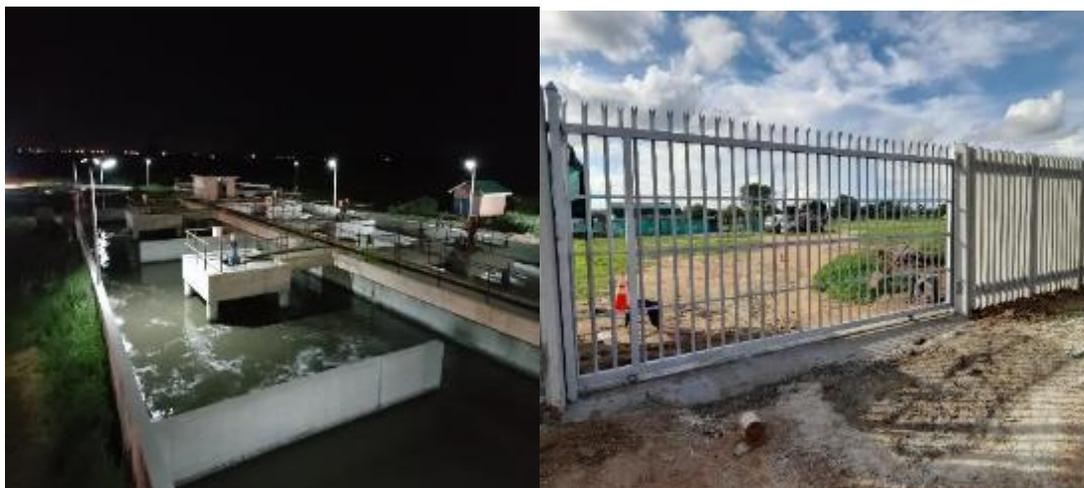
Seshego Wastewater Treatment Plant (Phase 1_Refurbishments – Completed)



Mankweng Wastewater Treatment Plant (Phase 1_Refurbishments – Completed)



Polokwane Wastewater Treatment Plant (Phase 1 & 2_Refurbishments – Completed)



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

In line with the approved SDBIP, the municipality intends to increase the percentage of Households with access to sanitation by 1.04% (2594 HH) by 30 June 2025.

In line with the approved SDBIP, the municipality intends to increase the percentage of Households with access to Water by 0,31% (773 HH) by 30 June 2025.

CORPORATE AND SHARED SERVICES

Information and Communication Technology Capital Budget

Information and Communication Technology Capital Budget

Network Upgrade

The City of Polokwane has a resolution to decentralize services to cluster offices for easy access for community members. As a result, there is a need for upgrading network connectivity to the cluster offices to ensure that employees deployed to these offices have efficient access to all the ICT services offered at the Municipal Civic Centre. The municipality managed to replace Core switch which serve as the primary switch within the network, providing superior reliability in comparison to other switches. The municipality allocated budget to upgrade network connectivity where wireless solutions (e.g WIFI) will be implemented in phases within all cluster offices, specifically libraries

Implementation of ICT Strategy

ICT Strategy outlined list of services to be implemented and one of the system required is the procurement of System vulnerability tool that will be used to assess security risks on computers, servers and network thus to ensure that our ICT environment are updated with the latest patches and to protect against external cyber security threats.

Online facility and boardroom booking solution

ICT has also embarked on implementing an online facility and boardroom booking solution. The aim is to streamline the booking process and provide improved overall operations in order to improve service to the both the citizens and internal employees.

Integrated citizen APP

ICT has also embarked on implementing a centralised Customer care contact to enable citizens to access services on a single platform. Phase 1 of the app has been implemented where citizen log calls for support to allow technician to attend to the call. The next phases will include integration with other services for Revenue Management aspects where user will be able to pay for services online (bills, traffic fines), integrate finance module to updates accounts/Traffic/Bus tickets with payments, Integration to CCTCV network: central monitoring of visuals, Integration to DHA: To validate South African Identity numbers, Integration to GIS: auto determination of the address and Location Co-ordinates and Integration to Tracking solutions for tracking water tanks, and Integrated to tracking solution for water tankers tracking and any other fleet.

Amongst others, system will provide service Citizens App to report crime related activities within their locality. Provision of a link to Community Services Law enforcement Officers & SAPS as well as Offline capability & reverse billing for Fire & Ambulance

Provision of Laptops, PCs and Peripheral Devices

The municipality is embarking on a project to upgrade and replace the old computers and laptops hardware. The Information and Communication Technology space is constantly evolving with new innovative systems not limited to software applications. Most of the time if not always when these applications are introduced, there is a need to upgrade or replace the computers and/or Laptop hardware due to compatibility issues.

Fleet Management Services Capital Budget

Acquisition of Fleet

Fleet Management Services Capital Budget

Acquisition of Fleet

In the 2024/2025, Fleet Management Services was allocated a budget of R 21,257,964 to procure 9 units through RT57 contract, comprising of the following:

- 5 x Graders – 1 delivered awaiting delivery of 4 graders
- 1 x Waste Compactor truck – awaiting delivery
- 3 x Mini Busses – 1x14 Seater bus delivered awaiting delivery of 1x22 Seater Bus and 1x 6 Seater Bus.

However, with the allocated budget in the previous financial year we still have additional requests and needs for fleet. The municipality has a total of 641 fleet units consisting of a mixed fleet of self-propelled and non-self-propelled, 416 owned fleet, with 225 units that is 59% of the overall fleet that had aged (i.e.: as far as 10-20yrs) that is guided by the Fleet Policy.

Fleet Management Unit have conducted needs analysis within affected SBU's taking priority of Essential Services SBU's. The SBU is not allocated a budget for the coming Financial Year, and Fleet request Budget for 2025/2026 be made available for leasing of fleet mixed units through full maintenance lease option for a period of 5 years (60 months).

Fleet management services achievements during 2024/2025 financial year:



14 Seater Bus for Fleet Management

Grader for Roads and Storm Water

Human Resource Management:

- Planned number of vacancies to be filled in accordance to the operational requirements of the municipality; 750
- Training to be provided to staff members - 650

TRANSPORTATION SERVICES DIRECTORATE

Leeto La Polokwane

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

Systems Planning and Operations

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

The focus area during the 2025/26 financial year would be to improve the phase 1A operations and to expand into other phases.



Intelligent Transport Systems Modelling

Intelligent Transport Systems are utilised to improve the safety, mobility and efficiency in Leeto La Polokwane Operations. Currently there are two Intelligent Transport Systems which are fully developed and operational in the Leeto La Polokwane control center, namely: Automated Fare Collection (AFC) and Public Transport Management System (PTMS). The Municipality has met the full requirements for an Account-Based Ticketing (ABT) compliant Automated Fare Collection (AFC) cashless system in line with the National Department of Transport’s requirements. During the 2025/26 financial year, the Intelligent transport systems will be monitored, maintained, and improved on an ongoing basis to ensure sufficient monitoring of the public transport operations.

Other improvements to the Leeto La Polokwane Bus Service's ridership, safety, and convenience are planned for 2025/26, including route and system optimisation, as well as WIFI on routes and buses.



Public Transport Regulation and Monitoring

Polokwane Municipality is a Transport Planning Authority, and the city thus continues providing comments on operating licence applications from the Limpopo Provincial Regulatory

Entity (LPRE) wherein the Public Transport Operating Licence Committee provides guidance to the Municipal Manager.

The Public Transport Regulation and Compliance sub-unit has the responsibility to monitor Leeto La Polokwane operations to ensure that the Vehicle Operating Company (VOC) adheres to the signed Vehicle Operating Company Agreement (VOCA) signed between the Polokwane Municipality and the VOC, Esilux (Pty) Ltd. The interim contract has been extended, and the process Agreement for negotiation of long-term and programme for the 12 year contract, are in place.

Leeto La Polokwane system marketing remains one of the catalysts towards Leeto La Polokwane brand positioning, thus increasing ridership and sustainability of the system. Stakeholder relations and customer relationship management (CRM), customer education, and information-sharing initiatives remain the key areas of focus going forward.

The Systems Planning and Operations workstream will be conducting travel demand surveys in May 2025 as part of planning for further phases.

In the 2024/25 financial year, the Industry Transition workstream shall prioritize negotiation and conclusion of the long-term VOCA in line with Section 41(3) of the National Land Transport Act, 2009, pending conclusion of 3-year contract outstanding matters.

IPTN Completed Infrastructure Projects

- 4.65km of dedicated Bus route completed.
- 31.49km of CBD routes have been rehabilitated in Polokwane City.
- 20.41km bus routes have been upgraded in Seshego.
- The upgrading of the Daytime Layover facility (interim depot) is completed.
- 17km of Non-mo non-motorized port facilities have been completed.
- 0.25km dual bidirectional carriageways for the Bus station.
- Upgrading & rehabilitation of the Transit Mall Phase 1.

Projects under implementation 2024/2025 FY

- The widening of the Sandriver Bridge on the Trunk Route
- The construction of the Depot Civil works in Seshego (New contract)
- The Construction of the Bus Station Upper structure and ablution facility
- Public Transport Facility upgrade (PT facility upgrade)

4.5. Roads and Storm water Directorate

The SBU is intending to upgrade roads from gravel to paving of internal streets and upgrade from gravel to surfacing of access roads **8km**, Patch **55 000m²** of potholes, construct **3 low** level bridges, construct 0.8km of storm water, construct, grade 3400km and rehabilitate **3,5km** of roads.



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

Molepo Chuene Maja Cluster

2 km of roads is projected for upgrading from gravel to paving and surfacing.

1 low level bridge to be constructed.

Mankweng Cluster

2km of roads is projected for upgrading from gravel to paving and surfacing.

0,4km of storm water to be upgraded.

Dikgale Sebayeng Cluster

2 km of roads is projected for upgrading from gravel to paving and surfacing.

Moletjie Cluster

2 km of roads is projected for upgrading from gravel to paving and surfacing.

The projects are at Preliminary and Design stage.

1 low level bridge to be constructed.

Seshego Cluster

4.5km of roads are earmarked for Paving in Seshego cluster

0,4km of storm water will be upgraded.

1 low level bridge to be constructed

Aganang Cluster

2km of roads is projected for upgrading from gravel to paving and surfacing.

The projects are at Preliminary and Design stage.

City Cluster

1.5km of roads is projected for upgrading from gravel to paving and surfacing.

Rehabilitate 3,5km of road.



Routine maintenance (Speed hump marking)

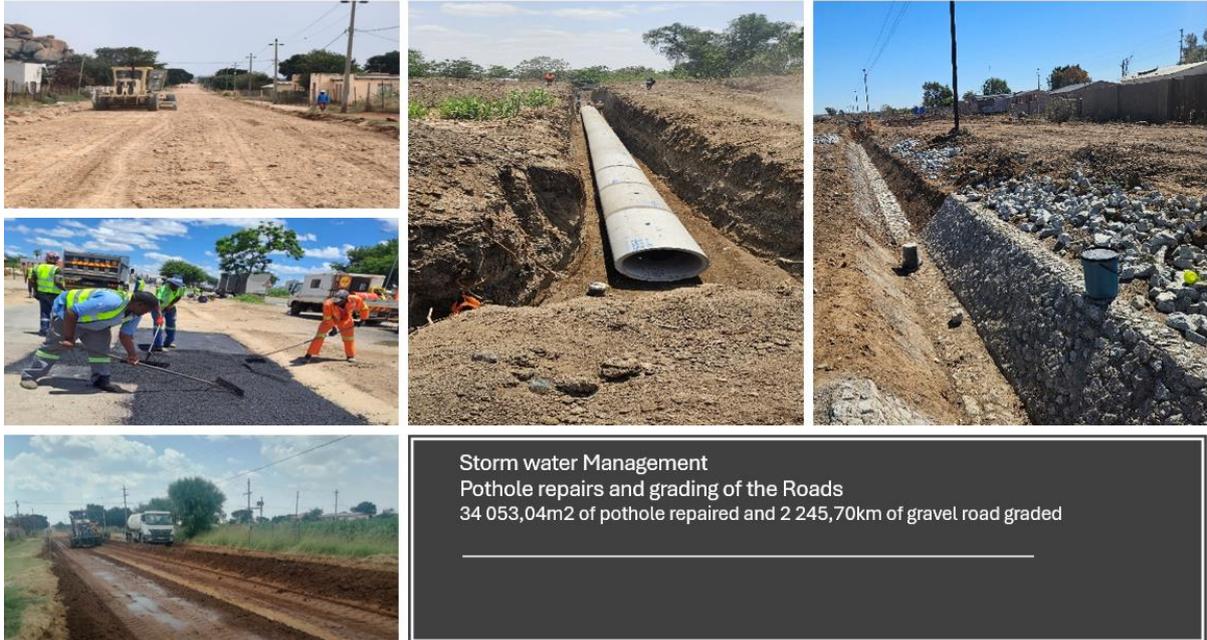
Polokwane Municipality has embarked on a road safety and reduction of road fatalities around its clusters through erection of speed humps at access points to strategic service centres to keep a uniform and low speed along residential streets and pedestrian cross walk point.

12 speed humps were erected in 2024/2025

Construction of Low-level bridges:

Roads and Storm water was allocated **R1 317 000,00** from National Department of Public Works Roads and Infrastructure to improve and provide safe as well as reliable structure to cross over the rivers and tributaries in rural communities.





The City of Polokwane has been experiencing frequent flash flood each time during the rainy season as results of inadequate stormwater system. Seemly the current storm water conveyance and collection structures are extremely strained and unable to bear an increased runoff caused by the recent Climent changes and disruptive rainfalls. The stormwater conveyance infrastructures are extremely confined and overflow speedily due to continuous heavy rainfalls. Stormwater systems require to be upgraded to allow speedy removal of excess water from paved surfaces and residential areas to prevent flooding. It was discovered that the existing most of the storm water conveyance systems are feeding into a Sterkloop stream which is very narrow to convey the current increased stormwater.

Long term plan to address flooding around Polokwane Municipality:

The stream needs to be widened and construct new attenuation points along the upstream to temporarily contain the flow and reduce the peak flows on the conveyance storm water infrastructures.

Existing plans:

Detailed designs and studies were conducted and completed on prime areas which were prone to flooding such as Ivy Park near Ridge and Emperor Street, Sterk park to Flora Park (flooding of Savannah Mall), flooding along Nikkel street adjacent to Jumbo Cash and Carry, Flooding in Futura Industrial area along Chroom street, Flooding along Asbes street adjacent to Waste Water Treatment plant, flooding in Seshego area and Polokwane Ext 76.

Achievement

0,8km of storm water system was upgraded in areas which were prone to flooding, thus Ext 76 and Nikkel street near Jumbo Cash and Carry.



Coghsta through Provincial and National Disaster Management Centre has established a disaster relief grant that focuses on preventing and reducing the risk of disaster.

1,37km of road rehabilitated through Municipal Disaster Relief Grant in 2024/25 financial year which were allocated to provide protection and relief to the flood damaged infrastructure.

The Municipality was able to construct bridges in Madietane and Christina, upgraded storm water system along Buite clinic through the disaster relief intervention which were usual prone to flooding and drowning during rainfalls.

ENERGY SERVICES



2024/2025 ACHIEVEMENTS TO-DATE

1. Converted all prepaid meters from KRN1 to KRN2

- 2. As at March 2025, a total of 706 households were electrified at Seshego Zone 8 Extension 133 (386 urban households) and Moremadi Park (320 rural households).



Successful electrification of Moremadi Park (320 households electrified and energised)

- 3. As part of revenue protection, the directorate continues with meter audits, converting conventional credit meters to prepaid and/or smart meters, and replacement of bypassed electricity meters.



Bulk smart meter

Bridget prepaid meter

Conventional meters

- 4. The Municipality's Head Quarters was illuminated with three (3) solar powered high mast lights to improve visibility and security around the precinct.



5. Rerouted frequently stolen medium voltage feeder cables between Epsilon and Nirvana Substations to stabilise the supply of electricity.
6. Retrofitted high mast lights at Mankweng with LED lights to preserve energy and improve illumination.



2025/2026 OBJECTIVES

1. Electrification of about 1800 households (800 urban and 1200) as part of increasing access to basic services.
2. Reduction of electricity losses to below 11% through among others the following:
 - a) Replacement of faulty meters with smart meters.
 - b) Replacement of existing fibre/steel meter boxes with protective enclosures to control access to meters and connections.
 - c) Retrofitting of grid powered public lights with solar powered lights.
 - d) Continuous meter audits and analysis of consumption/pre-paid buying patterns.

3. Improve electricity consumption related revenue through:
 - a) Replacement of all by-passed electricity meters.
 - b) Increase customer base by more than 800 new households.
 - c) Removal and normalising of illegal electricity connections.
 - d) Installation of protective enclosures.
4. Improve electricity distribution network availability and reliability through execution of proactive maintenance, upgrading radial circuits to ring circuits, and restoration of 90% of interrupted services within 7,5 hours.
5. Improve the public lights (high masts and streetlights) illumination level to 90%.

COMMUNITY SERVICES / PUBLIC SAFETY

TRAFFIC AND LICENSING

ACHIEVEMENTS

Successfully implemented capital projects:

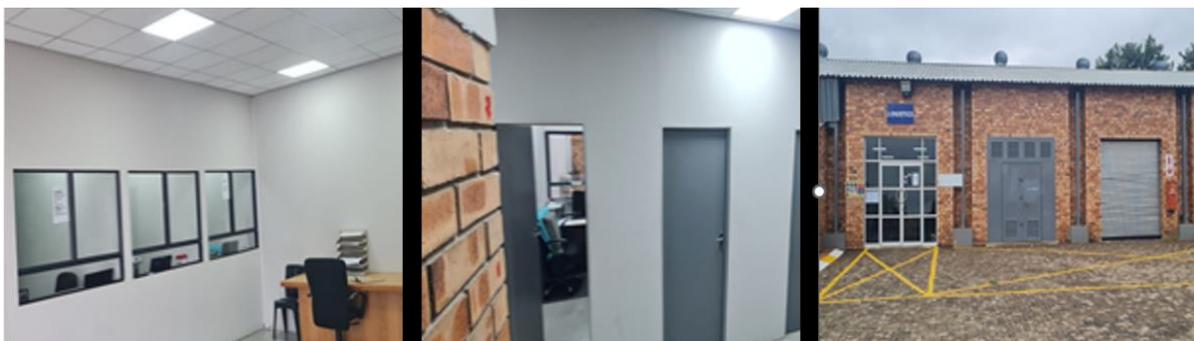
1. Upgrading of city Traffic and Licensing facility.
2. Installed the mobile container units for Mankweng Learners licences

Upgrading of city Traffic and Licensing

Testing centre



LOGISTICS



Licensing waiting area



Resuscitate the Aganang Traffic and Licensing centre which was closed due to robbery



Safer city projects

1. Ensured By-law enforcement team on weekly basis collaborating with other internal and external stakeholders towards a safer and cleaner environment for Polokwane residents.

By-law and pound operations

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

- By removing illegal motor mechanics,
- Inspections- local businesses for expired goods
- Cable theft and
- Monitoring Leeto la Polokwane bus route and terminals

Traffic control at Congested intersections and road constructions

- Nelson Mandela / Vermikuliet street

- Emdo/ Pietersburg’s Drive/ Dendron intersection
- R71 Dalmada ring route
- R71 Paledi Mall- Mankweng

Licensing services

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

Conducted learners and driving licence test at the two stations (Polokwane and Aganang)

Events

Traffic control at events.

Weekly stadium precinct patrols and traffic control during major matches and events.

- Assisted during major marathons (Mall of the north, Polokwane marathons etc)

BY-LAW ENFORCEMENT AND SECURITY

Achievements

SBU has successfully completed the project of installing CCTV cameras and is as per the pictures below.

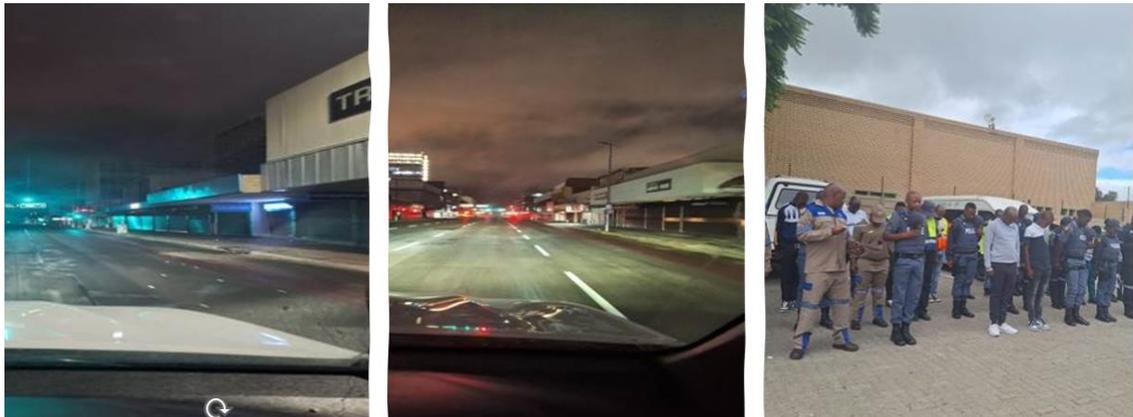


The SBU has implemented the 24/7 shift system with Security Officers to protect Municipal properties, the Control Centre responding to emergency calls, the CCTV Operators monitoring the CCTV cameras, while Law Enforcement Officers are patrolling critical infrastructure to prevent theft and vandalism, especially electric and water infrastructure. Since the establishment of the shift system in law enforcement, no main substation was tampered with. Numerous crime prevention and safer city operations were conducted in collaboration with other law enforcement agencies and internal stakeholders, and continuing weekly. Community Safety Forum stakeholder consultations were conducted successfully. The SBU will continue to work in collaboration with other Municipal SBU's and other external agencies in conducting:

- Safer City crime prevention operations,
- City cleansing operations,
- School safety campaigns,
- Revenue protection raids,
- Provide safety and security at municipal events and functions,

ACHIEVEMENTS

- Joint safer city crime prevention operation to address nuisance
- Sustained inner city after the removal of vagrants - night
- Area previously hijacked by vagrants and are removed and the area is sustained



The SBU has successfully increased capacity by filling two positions of Control Centre Technicians, and two Operators Emergency Communications.

DISATER MANAGEMNT AND FIRE SERVICES

Achievements

The SBU is operating 24/7 and responded to incidents as per reported calls, that includes performing extrications in car crashes and extinguishing all types of fires.

Fire prevention programme like re-blading of farms and plots were done, servicing of fire hydrants and extinguishers for municipal buildings still to be done and procurement foams for fire fighting in line with budget allocations.

High ropes and rescue equipment were purchased for the purpose of rescuing people from entrapment and Hydraulic has been procured for saving road accidents victims. will be procured in the coming financial year.

The SBU has conducted awareness campaigns to creches, communities and further facilitated training and conducted drills in both private and sector departments.

Fire Services Sub-Unit will in the coming financial year continue to acquire rescue tools and fire equipment like battery automated hydraulics, rescue equipment, pumps, breaking tools, multi-purpose branches and fleet.

Disaster Management section will conduct municipal wide risk assessment, awareness, evacuation training and drills. It will ensure compliance for events in line Safety at Sports and Recreational Event and render emergency relief to victims of incidents and conduct situational assessment in case of any disaster.



WASTE MANAGEMENT SBU

ACHIEVEMENTS

1. Improvement of waste collection in City by renewal of contractors and introduction of in-house waste collection with five new purchased compactors in Seshego and Mankweng. Cleaning and clearing of illegal dumping and servicing of rural skips using new Two (02) grab trucks.
2. Planning for extension of Weltevreden Landfill site is completed and designs concluded for construction of new cell to accommodate disposed waste. Consultant appointed for commencement.
3. Procurement of 20x skip containers.



4. Construction of transfer stations

- Westenburg transfer station planning completed, and designs concluded
- Molepo transfer station planning completed, and designs concluded
- Chuene and Maja transfer stations planning concluded

SPORT AND RECREATION

The SBU has completed the following capital projects for basic community services:

Nirvana Swimming Pool

Nirvana Swimming pool reopened in December 2024 after almost 7 years of maintenance closure.

- The main refurbishments were installation of plant room and was completed in June 2024.
- Installation of pool pipes (completed) October 2024
- Grouting and Sealing of the pool surface (completed) October 2024

Town Pool, Capital project is ongoing to complete heat pumps. The project will be concluded in the 3rd quarter however new Scum channels have been installed September 2024

The Upgrading of Seshego Stadium:

The stadium was finally reopened in February 2025 after 22 years of closure to non-compliance to PSL standards. The scope of work completed was refurbishment of pitch, drainage systems, change rooms refurbishment, turnstiles, building compliance to Fire and construction of athletic track. The facility is currently a home team venue for PSL outfit Magesi Football Club.



Old Peter Mokaba Stadium

The stadium hosted substantial number of events from Athletics especially schools within the district, football matches throughout August 2024 till now. The venue hosted major events (football) from December 2024 because the new stadium has been on pitch rehabilitation process. The facility is venue for Polokwane City FC and alternative home ground to Baroka FC and Magesi FC with Sekhukhune United FC completing the list.

New Peter Mokaba Stadium

The facility hosted major events including political rally and major football matches before 21 December 2024. Mkhadzi One Woman Show was held on the 21 December and was a major success despite the damage to the football pitch. The pitch has since been refurbished and ready for PSL sanctioned matches in March 2025.

Another national event has been planned for the 21 March 2025, where South African National Senior Men's Team will be playing against Lesotho National Team for the FIFA World Cup 2026 Qualifier. The facility will play host and the City is bound to benefit from the local economic opportunities presented by hosting such a match.

Sport is used in promotion and marketing of Polokwane through presentation of major events in order to establish Polokwane as the sport hub of the Limpopo Province. The municipality continues to provide a marketing platform for the City through the hosting of the national sporting activities such as the premier league and cup matches, annual city marathon, annual charity golf tournament, CAF matches, festivals and other major events. The national event

attracts TV coverage beyond the borders of the country, giving a glimpse into the sporting facilities that exist within our city.

The following facilities are in constant demand and use:

New Peter Mokaba Stadium. The facility hosts professional football teams and national events. The facility has added more games in 2024/2025.

Old Peter Mokaba Stadium. The facility hosts professional and semi-professional teams including development teams participating in competitions. The facility is currently home ground for Polokwane City FC, Magesi FC, alternative home ground venue for Baroka Football Club plying their trade in the second tier of the PSL league. The facility also hosts provincial and national athletics. Its use is not constraint now.

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

B & C Rugby field. The facility is used by Black Leopards F.C, Polokwane City and Dorp Rugby Club as their practice venue.

Seshego Stadium. Main stadium field pitch has been refurbished to enable the facility to qualify for the PSL standard. The B field is used by three development teams, Mighty F.C (amateur in regional league) and Polokwane Over 60 soccer teams. The facility has been approved by PSL to host Betway Premiership in the 2024/2025 season.

Ngoako Ramahlodi Indoor Sport Centre. The facility hosts more none sport and recreation activities (funerals, weddings, meetings) than sport and recreation related activities.

Polokwane Recreation Centre. The facility hosts gymnastics, karate, cage fighting, badminton, squash, and gymnasium. The facility steel structure need refurbishment. The air conditioning system plant has been serviced. The squash courts playing surface and court lights requires replacements and retrofitting to be energy efficient.

Polokwane Netball and Volleyball courts. The courts host community development clubs and corporate teams. The 2025/2026 budget will take into consideration the need to refurbish the courts within municipality.

Korfball and Ring Tennis facility. The facility hosts community development clubs. The korfball playing surface and lights need to be refurbished and part of the 2025/2026 budget will take care of such refurbishments considering the request to host National Tournament in 2025.

Cricket Club. The facility is leased out to Limpopo Impala Cricket (only the club house, Field A and B) for a period of 9 years and 11 months. The facility is currently overused as majority of the development football teams within Polokwane Municipality are using it for practice and sometimes matches throughout. The development teams should be moved to alternative venues such as Nirvana and Westernburg.

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

Westernburg Stadium is used by community-based development teams. The parameter fence needs rehabilitation. A budget will be made available in 2025/2026 financial year.

Zone 6 Grounds. The field is used by community development teams and regional league teams. The two soccer fields are not in a good playable condition due faulty irrigation system. The toilet facilities need rehabilitation. in 2025/2026 budget consideration.

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

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

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

Manamela Stadium. The facility is used by the community and for a sport and recreation programmes. The soccer field is fitted with artificial grass. The need for ablution facility is long overdue and plans are afoot to budget for the outer financial year.

Polokwane Swimming Pool. The facility is open to the public the whole year due to a water heating system and also host local, provincial and national swimming competitions. The heating system malfunctions most of the time due to lack of proper maintenance plan. The ablution facilities experience blockages when used to full capacity. The main Olympic pool has leaks that leads to water loss. The entire pool 's plant rooms and chlorine gas rooms need to be refurbished including the purchasing of pool maintenance equipment. The damaged plastic scum channels are being replaced with new ones over the period 2023/2024 and 2024/2025. The borehole system need to be connected to the main water supply line to assist during water shortages. The parking area has since be fenced off for access control. The entire pool building has just been painted in 2024. In 2024/2025 the facility is being refurbished:

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

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

Seshego Swimming Pool. The pool is currently operational despite maintenance challenges in the plant room. The borehole water needs to be connected to the main system to assist

during water shortage. Purchasing of swimming pool maintenance equipment and machinery is critical to better service the communities.

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

Halls

Mankweng Hall-The hall is used for community related activities like weddings, meetings, funerals and as pay point for SASSA. The major challenge currently is the building wall that has collapsed however the insurance is working with facility maintenance to remedy the problem.

Jack Botes Hall-The hall is used by the community, government, and business sector. The hall is in high demand due to its location in the city centre. The roof needs to be refurbished to stop leakages. The emergency exit and entrance doors need to be fixed as they don't close properly. The air vent smoke extraction system is faulty and malfunctions during fire safety inspections. The control room fire communication system also needs service.



Ext 44/78 Construction of Grandstand 2024

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

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

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

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

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

One -Stop Centre (Matlala) hall-the hall is closed due to damaged roof (3-5 years)

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

General Challenges

- 1.Over utilisation of facilities
- 2.No occupation certificate and Safety grading certificates.
- 3.Vandalism caused as a result of shortage of security
- 4.Maintenance plans are reactive

Newly Developing/Developed Facilities

Mankweng Stadium: Facility is incomplete and requires structural remedy and additional funding

Maja Chuene Sport Complex: Facility currently does not have Occupational certificate due to lack water provision which hinders operation.

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

International Softball Stadium: The facility is currently incomplete, and Council has allocated budget for its completion in the MTERF. Construction work commenced in October 2024.

Dikgale Sports Complex: Project delayed being implemented due to non-appointment of contractor

Extension 44/78 Sports Complex: Phase two of the project being concluded in the 2023/2024 financial year. The construction of grandstand and changerooms poised to be completed in the current financial year.

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

CULTURAL SERVICES

Library Book Collection

Purchase of library books to replenish our collection development with various latest resource books for Municipal Libraries within our 8 functional centers as follows: City CBD Library; Mankweng Library; Moletjie Library; Nirvana Library; Seshego Library; Molepo Library; Matlala library and Westernburg Library.

Installation of Irish House Museums Shelves

Museums stores objects of various types as part of future use for various purposes. Six shelves have been purchased for the following reasons:

- To store files for the offices as part of filing equipment
- For achieving documents for future research
- Storage of topographic maps
- Storage of clothing which will be used for future exhibitions and as well as anthropological and archaeological objects
- Storage of objects



Art Collection

The current art collection of the Polokwane municipality does not reflect the true cultural demographics of the cultural landscape in Polokwane, Limpopo and the country as a whole. Due to the shallowness of the current collection in terms of content, it sometimes becomes difficult for the current collection through curated exhibitions to address issues that are in the current public domain.

There's a need to diversify the art collection in order to make it relevant to the changing times. These new works of art will assist in diversifying the valuable art collection in representing the population as a whole. Our Curator has benchmarked with some leading art institutions across the country i.e. The Wits Art Museum, The Johannesburg Art Gallery, Iziko Museums, the ArtBanksa and he (our Curator) currently serves as a member of the art acquisition/purchasing committee. Curatorial approach requires/demands that works of art that are to be purchased (particularly for a public institution like the Polokwane Art Museum) that particular artwork should be raising or highlighting or narrating aspects of national/regional, International and even local importance i.e. subject matters such as issues around health, Indigenous knowledge health, environment/ global warming, Race, Religion, land, heritage, history, gender equality, social, justice, status of the politics, human rights etc. Artworks procured during the 2024/2025 financial cycle:

LIST OF ARTWORKS

NAME AND SURNAME	PRICE	MEDIUM
1. Frans Phooko (a) & (b)	R28 000	Oil on Canvas
2. Darron Tlamama	R14 500	Metal, plaster and polish
3. Johannes Segogela	R25 000	Painted Wood and metal
4. Thato Motana (a) & (b)	R11 000	Charcoal, collage, and mixed medium on exam paper
5. Simon Moshapo	R22 000	Wood
6. Lerole Dikgale	R 5000	Steel and wood

7. Kgodisho Moloto	R11 000	Metal and video performance
8. Paul Thavhana	R20 000	wood

Theft Detector Systems

A high-risk gap within the libraries insofar as the existence/absence of functional/non-functional theft detector systems exists. The Auditors performed a walk-through test on the theft detector system at all our libraries and found that the systems are not current and fully functional. This situation exists throughout all our 9 (nine) libraries within the municipality. There is an urgent need to procure and install theft detector systems in all our libraries to mitigate the risk of book thefts.

ENVIRONMENTAL MANAGEMENT

The Environmental management has several projects during the financial year and these projects will improve our infrastructure significantly and will add to revenue generation and improve service delivery.

With the limited budget allocated the unit managed to achieve the following;

Refurbishment of Game Reserve

The budget allocation of R 1300 000 was made available to start the project, the contractor is onsite and the first phase of refurbishment will be completed by the end of financial year.



This project needs additional funding to complete it fully. It will be implemented in phase over period of three years. On the picture the work to refurbish chalets is underway.

Greening programme

The Greening Programme is aimed at contributing towards the President's call to plant 2 million trees a year. Polokwane Municipality is planting trees in all clusters, schools, health facilities, entrances, sidewalks, cemeteries, parks.

The initiative assists in mitigation of climate change. It is a norm in the municipality that in every event, tree planting takes place. A total of 193 trees were planted at Disteneng and 1990 throughout the municipality.



Environmental Education during tree planting

PART D – MSCOA ROADMAP

MSCOA ROADMAP

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

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

mSCOA objectives

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

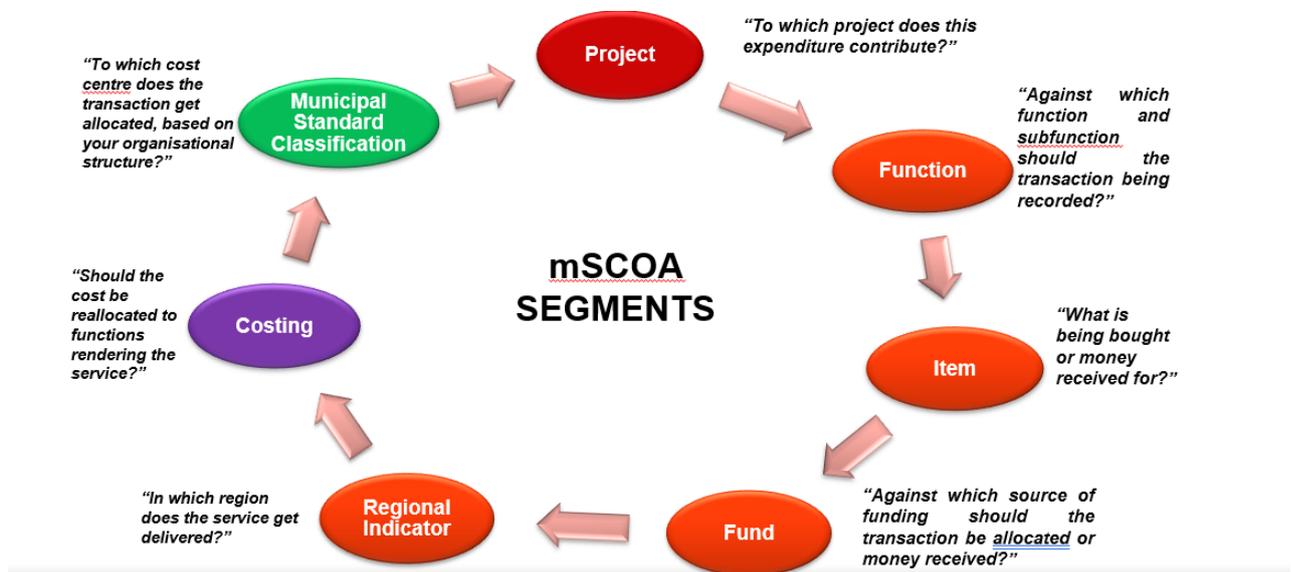
Improved transparency, accountability and governance through uniform recording of transactions at posting account level detail

mSCOA benefits

- Creates stability and consistency by providing a defined structure in the standard set of accounts
- Accurate recording of transactions, therefore reducing material misstatements
- Reduce the month/year end reconciliation processes and journals processed – more accurate and timely financial management impacting positively on audit opinions
- Improved quality of information for budgeting and evidence-based financial management in municipalities to allow for informed decision making

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

mSCOA segments



Summary as per Road Map

Pillar	Number of planned activities	Not Yet Started	In progress	Concluded	Concluded - Ongoing Activity	Not Applicable
ICT Architecture	12	2	7	2	1	0
Governance and Institutional Arrangments	11	2	7	2	0	0
System Functionality	10	2	7	1	0	0
User Proficiency and Training	11	2	7	2	0	0
Other Focus Area as may be determined by the municipality	11	1	7	3	0	0
Other Focus Area as may be determined by the municipality	11	0	7	4	0	0
Other Focus Area as may be determined by the municipality	12	0	7	5	0	0

Detailed Activities in progress

Pillar	Focus Area	Activity
1.ICT Architecture	ICT Architecture	Hardware Does the information from entities seamlessly integrated with the core EMS
	ICT Architecture	Software Are backups performed on a regular basis
	ICT Architecture	Software Are obsolete operating systems such as windows Swever2003,2008 and 2012being used
	ICT Architecture	Licence Is the ICT infrastructure (i.e. hardware, software and licences) adequate to run systems s
	ICT Architecture	Security Define, establish and enforce minimum Information Security skills
	ICT Architecture	Security Define, establish and enforce minimum ICT and Information Security skills for key ICT designations required for mSCOA
	ICT Architecture	Security Define, establish and enforce minimum Information Security requirements
	ICT Architecture	Security Define, establish and enforce minimum data backup and disaster recovery guidelines
3.System Functionality	System Functionality	Periodically assess sites for compliance with minimum required seamless integration
	System Functionality	Regulate integration methods
	System Functionality	Municipalities should submit road maps to resolve identified gaps.
	System Functionality	Provide periodic monitoring of resolutions to identified compliance gaps
5. Business Components	Business components	Asset Management Asset Management -Financial asset maintenance
	Business components	Asset Management Insurance Register
	Business components	Budget and IDP Directly linked and informed from the IDP and Project driven and mSCOA segmented
6. Business Process	Other 2	Corporate Governance Annual Financial Statements
	Other 2	Municipal Budgeting Directly linked and informed from the IDP and Project driven and mSCOA segmented
	Other 2	Municipal Budgeting Integrated development plan (IDP) maintenance
	Other 2	Full Asset life Cycle Asset Management - Financial asset maintenance
7.Business Process	Other 3	Full Asset life Cycle Insurance Register
	Other 3	Human Resources and Human Resources (HR) Management (Incl Leave Management) Time Management -Time and attendance