

# DRAFT ANNUAL BUDGET OF POLOKWANE MUNICIPALITY

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



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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
<b>R thousand</b>			
<b>Revenue</b>			
<b>Exchange Revenue</b>			
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%
<b>Non-Exchange Revenue</b>			
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%
<b>Total Revenue</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>



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 to 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 From 1/07/2023	Approved Tariff From 1/07/2024	Proposed Tariff From 1/07/2025	Proposed increase
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) KI or part thereof (where A is the sum of the number of customers served by such communal meter) per KI	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 KI	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 KI	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 KI	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 KI	R36.18	R40.49	11.91%
(vi)	Thereafter, for consumption in excess of 100KI, per KI:	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 5KI per KI 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 30Kl; per Kl:	R30.46	R34.08	11.91%
(ii)	For the following 20Kl; per Kl:	R40.00	R44.76	11.91%
(iii)	For the following 50Kl; per Kl:	R45.71	R51.15	11.91%
(iv)	For the following 19 900Kl; per Kl:	R51.43	R57.55	11.91%
(v)	Thereafter for consumption in excess of 20 000Kl, per Kl	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) 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%

#### 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 30Kl, per Kl:	R30.46	R34.08	11.91%
(ii)	For the following 20Kl, per Kl:	R40.00	R44.76	11.91%



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

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 (m<sup>2</sup>) 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 <sup>2</sup> or part thereof, of surface area of the erf:	R136.54	R144.73	R153.41	6%
	(ii) Thereafter, per 500m <sup>2</sup> or part thereof, up to 2 000m <sup>2</sup> of the surface area of the erf:	R22.12	R23.45	R24.86	6%

	(iii) Thereafter, per 1 000m <sup>2</sup> or part thereof, of the surface area of the erf:	R17.96	R19.03	R20.18	6%
	(iv) Maximum charge (887 000m <sup>2</sup> ):	R15,927.33	R16,882.97	R17,895.94	6%
<b>2</b>	<b>ADDITIONAL CHARGES: RESIDENTIAL</b>				
<b>2.1</b>	<b>Dwelling houses and flats</b>				
<b>a</b>	(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>b</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
<b>3.1</b>	<b>BASIC CHARGE</b>				
	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%
<b>3.2</b>	<b>ADDITIONAL CHARGES</b>				
<b>a</b>	The owner of any Nonresidential erf or piece of land, with improvements,				
	(i) For the first 500m <sup>2</sup> or part thereof, of surface area of the erf:	R135.09	R143.19	R151.78	6%
	(ii) Thereafter, per 500m <sup>2</sup> or part thereof, up to 8000m <sup>2</sup> of the surface area of the erf:	R135.09	R143.19	R151.78	6%
	(iii) Thereafter, per 1 000m <sup>2</sup> or part thereof, of the surface area of the erf:	R21.08	R22.35	R23.69	6%
<b>b</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	Current amount payable	Proposed amount payable	Difference increase	Proposed increase
Land area (m2)	R	R	R	%
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

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



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	<b>Dwelling houses and flats</b>				
	(a) On an erf with a surface area not exceeding 500m <sup>2</sup>	R55.29	R58.61	R62.12	6%
	(b) All erven with a surface area in excess of 500m <sup>2</sup> :				
	(i) For the first 500m <sup>2</sup> of the surface area of the erf	R88.48	R93.79	R99.41	6%
	(ii) Thereafter, for the following 500m <sup>2</sup> or part thereof, of the surface area of the erf	R59.43	R63.00	R66.78	6%
	(iii) Thereafter, per 500m <sup>2</sup> 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 <sup>2</sup> )	R756.30	R801.68	R849.78	6%
2.2	<b>Flats</b>				
	PER UNIT				
	(a) On an erf with a surface area not exceeding 500m <sup>2</sup>	R55.29	R58.61	R62.12	6%
	(b) Up to and including 500m <sup>2</sup> of the surface area of the erf	R88.48	R93.79	R99.41	6%
	(c) Thereafter, for the following 500m <sup>2</sup> or part thereof, of the surface area of the erf	R59.43	R63.00	R66.78	6%
	(d) Thereafter, per 500m <sup>2</sup> 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	<b><u>ADDITIONAL CHARGES: NON-RESIDENTIAL</u></b>				
	<b>This charge shall apply to nonresidential properties, with improvements</b>				
	(i) For the first 300m <sup>2</sup> or part thereof, of surface area of the erf:	R468.06	R496.15	R525.92	6%
	(ii) Thereafter, per 300m <sup>2</sup> or part thereof, up to 9300m <sup>2</sup> of the surface area of the erf:	R130.00	R137.80	R146.07	6%

(iii) Thereafter, per 1 000m <sup>2</sup> 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
<b>Expenditure</b>			
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.

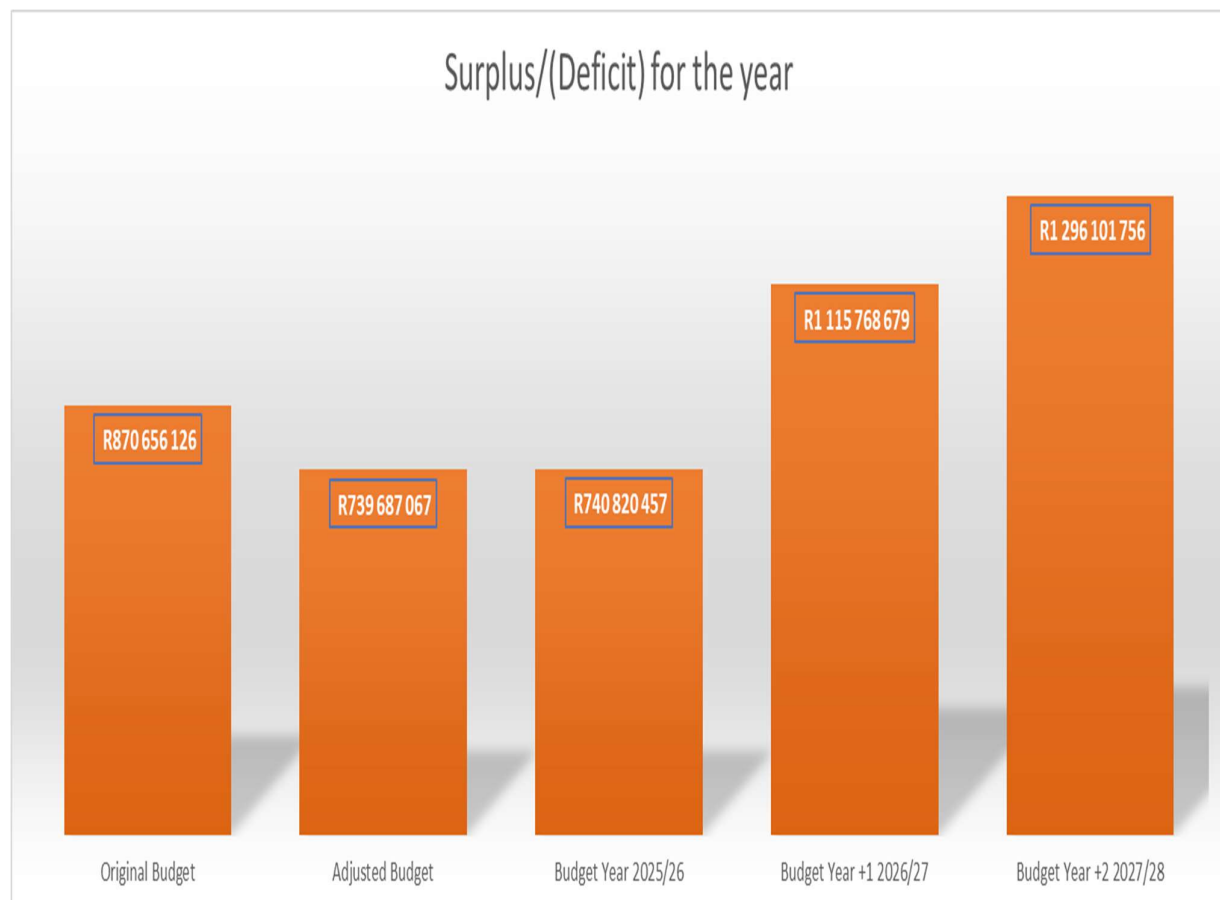
Although we are observing a recovery (both in economic terms and the rate of infections) on the pandemic front, the negative impact on the economy is still been felt. High unemployment and slow economic recovery should be a cause of concern.

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 R thousand	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  R thousand	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
<b>Revenue</b>					
<b>Exchange Revenue</b>					
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
<b>Non-Exchange Revenue</b>					
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
<b>Total Revenue</b>	<b>6 010 869</b>	<b>6 087 460</b>	<b>6 455 737</b>	<b>7 057 682</b>	<b>7 565 620</b>

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

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

- National Treasury's guidelines and macroeconomic policy;
- Growth in the Municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 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	
<b>R thousand</b>									
<b>Revenue</b>									
<b>Exchange Revenue</b>									
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%
<b>Non-Exchange Revenue</b>									
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%
<b>Total Operational Revenue</b>	<b>5 302 511</b>	<b>5 427 750</b>	<b>89%</b>	<b>5 848 490</b>	<b>91%</b>	<b>6 261 560</b>	<b>89%</b>	<b>6 825 749</b>	<b>90%</b>
Transfers and subsidies - capital (monetary allocations)	708 358	659 711	11%	597 441	9%	785 717	11%	722 806	10%
<b>Total Revenue</b>	<b>6 010 869</b>	<b>6 087 460</b>	<b>100%</b>	<b>6 445 931</b>	<b>100%</b>	<b>7 047 277</b>	<b>119%</b>	<b>7 548 555</b>	<b>100%</b>
<b>Revenue from Service Charges</b>	<b>2 673 163</b>	<b>2 663 810</b>	<b>49%</b>	<b>2 975 537</b>	<b>51%</b>	<b>3 327 950</b>	<b>53%</b>	<b>3 731 746</b>	<b>55%</b>

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

Revenue generated from rates, services charges and operational grants forms a significant percentage of the revenue basket for the Municipality. Service charges revenues comprise more than 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
<b>OPERATIONAL GRANTS</b>			
Equitable Share	1 481 181 000	1 548 132 000	1 618 222 000
<b>TOTAL OPERATIONAL GRANTS</b>			
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
<b>TOTAL OPERATIONAL GRANTS (CONDITIONAL)</b>	<b>326 656 907</b>	<b>257 666 074</b>	<b>328 269 443</b>
<b>TOTAL OPERATIONAL GRANTS</b>	<b>1 807 837 907</b>	<b>1 805 798 074</b>	<b>1 946 491 443</b>

#### 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 Matfane 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-Selati to Mashobohlang D3332	IUDG	R -	R -	R 8 377 543
Upgrading of arterial road from Ditshweneng 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 Tjajjaneng	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 Krukuje 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 Tshebela 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 Mshongville 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 Tlilibe to Marobala and Makgoba	IUDG	R 10 870 452	R -	R -

#### 1.4 Expenditure by Type

Description  R thousand	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
<b>Expenditure</b>					
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
<b>Total Expenditure</b>	<b>5 140 213</b>	<b>5 347 773</b>	<b>5 688 954</b>	<b>5 996 847</b>	<b>6 327 670</b>

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  R thousand	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	
<b>Expenditure</b>									
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%
<b>Total Expenditure</b>	<b>5 140 213</b>	<b>5 347 773</b>	<b>100%</b>	<b>5 705 108</b>	<b>100%</b>	<b>5 931 761</b>	<b>100%</b>	<b>6 258 994</b>	<b>100%</b>

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.

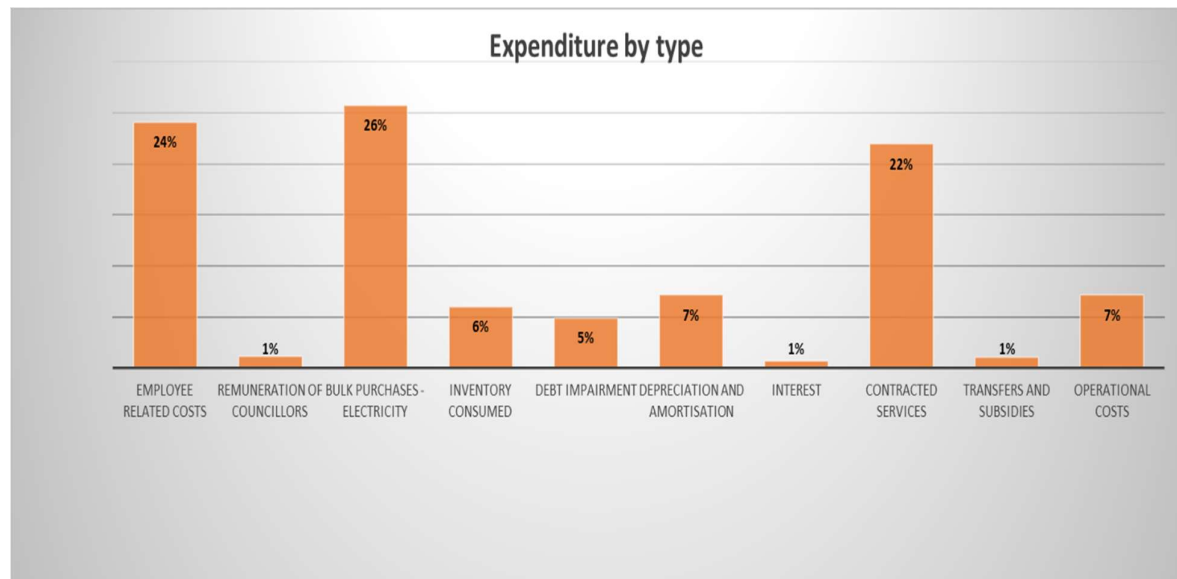
Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R406 million for the 2025/26 financial and equates to 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	-	-
<b>Sub Total</b>	<b>907 167 000</b>	<b>1 032 883 000</b>	<b>1 044 975 000</b>
<b>Specific Purpose Current Grants</b>			
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	-	-
<b>Sub Total</b>	<b>16 931 000</b>	<b>10 500 000</b>	<b>12 100 000</b>
<b>Equitable Share</b>	<b>1 481 181 000</b>	<b>1 548 132 000</b>	<b>1 618 222 000</b>
<b>Sub Total Municipality</b>	<b>2 405 279 000</b>	<b>2 591 515 000</b>	<b>2 675 297 000</b>
<b>Allocations- in-kind-Grants (Schedule 6)</b>			
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
<b>Sub Total</b>	<b>38 258 000</b>	<b>102 312 000</b>	<b>62 386 000</b>
<b>TOTAL</b>	<b>2 443 537 000</b>	<b>2 693 827 000</b>	<b>2 737 683 000</b>

## 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.

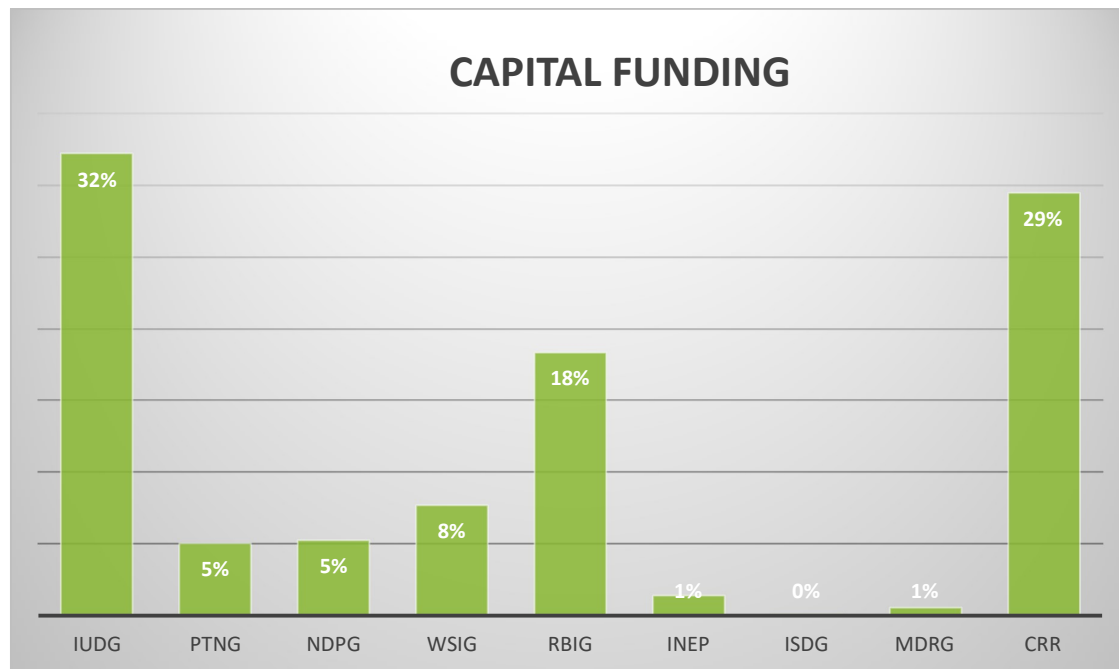
To mitigate these risks, the municipality has appointed a panel of consultants and contractors to ensure more effective spending of grants. This approach will reduce the turnaround times to implement the various projects

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	Budget Year +1 2025/26		Budget Year +1 2026/27		Budget Year +2 2027/28	
Vote Description	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%
<b>Total</b>	<b>846 984 534</b>	<b>100%</b>	<b>1 074 551 363</b>	<b>100%</b>	<b>1 037 825 862</b>	<b>100%</b>



**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	-	-
<b>TOTAL GRANT CAPITAL BUDGET</b>	<b>597 441 093</b>	<b>785 716 926</b>	<b>722 805 556</b>

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
<b>TOTAL CAPITAL REPLACEMENT RESERVE</b>	<b>249 543 442</b>	<b>288 834 437</b>	<b>315 020 306</b>

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 communiqué 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			
<b>Operational</b>			
Training and Benchmarkings	100 000	100 000	-
PRT/ ENGINEER	1 285 966	1 313 142	-
<b>Total Operations</b>	<b>1 385 966</b>	<b>1 413 142</b>	<b>-</b>
<b>Housing Units</b>	<b>46 198 860</b>	<b>47 104 720</b>	<b>-</b>
<b>Number of houses</b>	<b>255</b>	<b>260</b>	<b>-</b>
<b>Cost per house</b>	<b>181 172</b>	<b>181 172</b>	<b>-</b>
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	-
<b>Total housing units expenditure</b>	<b>46 198 860</b>	<b>47 104 720</b>	<b>-</b>
<b>Total expenditure</b>	<b>47 584 826</b>	<b>48 517 862</b>	<b>-</b>

## 2. OVERVIEW OF BUDGET RELATED POLICIES

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

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

### **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
<b>WEEK 1</b>				
<b>03 April 2025</b>	Traditional Leaders	<b>N/A</b>	10h00 -13h00	<b>New Peter Mokaba Stadium (Press Theatre)</b>
<b>WEEK 2</b>				
<b>07 April 2025</b>	Aganang Cluster	<b>40,41,42,43,44,45</b>	10h00 -13h00	<b>Jupiter Sweepers Sports Ground at Jupiter Village Ward 41</b>
<b>08 April 2025</b>	Sebayeng /Dikgale Cluster	<b>24,29,32,33,30,31</b>	10h00 -13h00	<b>Peace Makers Sports Ground Ward 33</b>
<b>09 April 2025</b>	City Cluster	<b>19,20,21,22,23,39</b>	18h00 - 20h00	<b>Jack Botes Hall</b>
<b>10 April 2025</b>	Mankweng Cluster	<b>06,07,25,26,27,28, 34</b>	10h00 -13h00	<b>Monywaneng Stadium</b>
<b>WEEK 3</b>				
<b>14 April 2025</b>	Moletjie Cluster	<b>09,10,15,16,18,35, 36,38</b>	10h00 -13h00	<b>Moletjie Moshate</b>
<b>15 April 2025</b>	SDA 1	<b>08</b>	<b>14h00 – 17h00</b>	<b>Greenside Primary School</b>
<b>WEEK 4-.....Note :</b>				
<b>18 April 2025 is Good Friday ,the 17 will not do as people are Travelling</b>				

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

### 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](http://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 **1<sup>st</sup> – 30<sup>th</sup> 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](mailto:Victorn1@polokwane.gov.za)
- **WhatsApp line:** [065 922 4017](https://wa.me/0659224017).

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

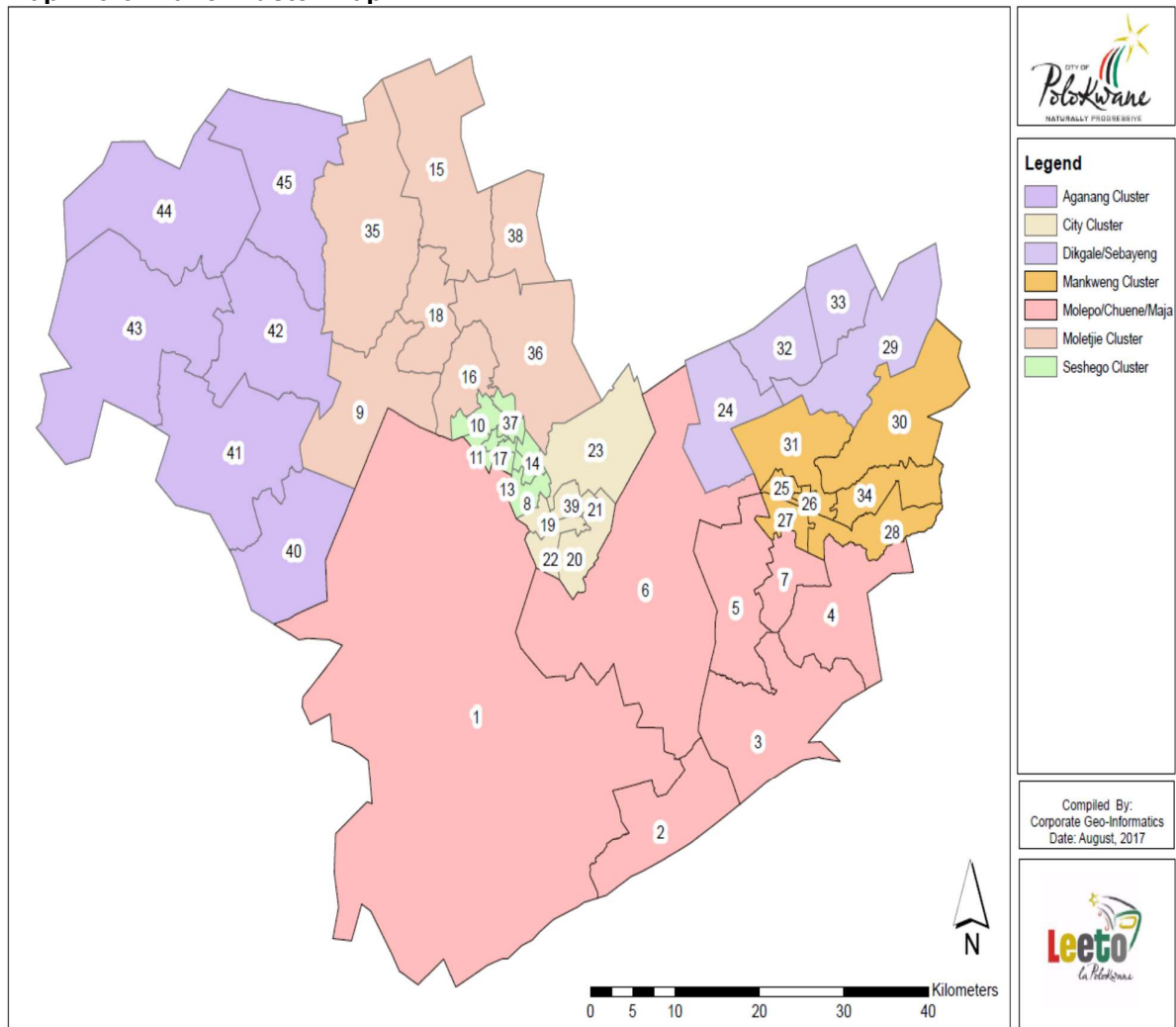
	Clusters Name	Wards No.
1	<b>Mankweng Cluster</b>	06,07,25,26,27,28, 34
2	<b>Moletjie Cluster</b>	09,10,15,16,18,35, 36,38



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

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

## **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 28<sup>th</sup> 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.





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



#### ACADEMIC HOSPITAL DESIGNS



#### Bulk Underground Services Installation



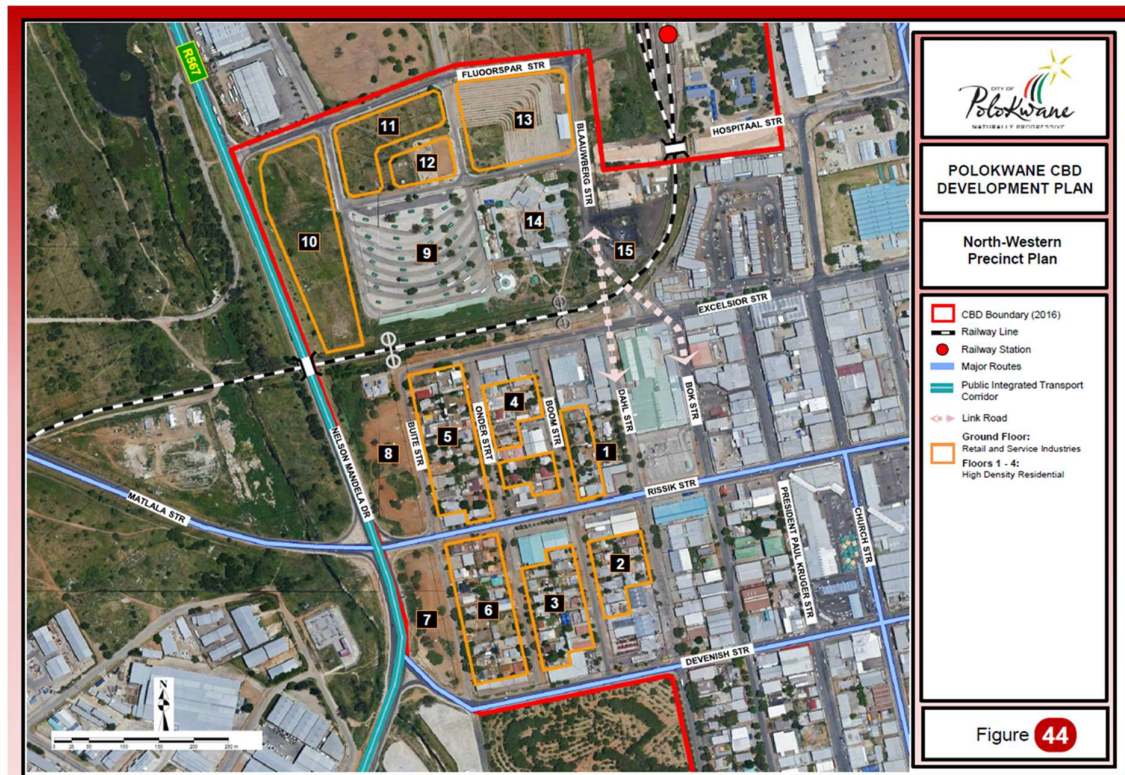


**Health Minister, Dr Joe Phaahla, and other government officials turned the first sod to mark the birth of the ground-breaking new Limpopo Central Hospital**

## 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 accommodation**. 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.



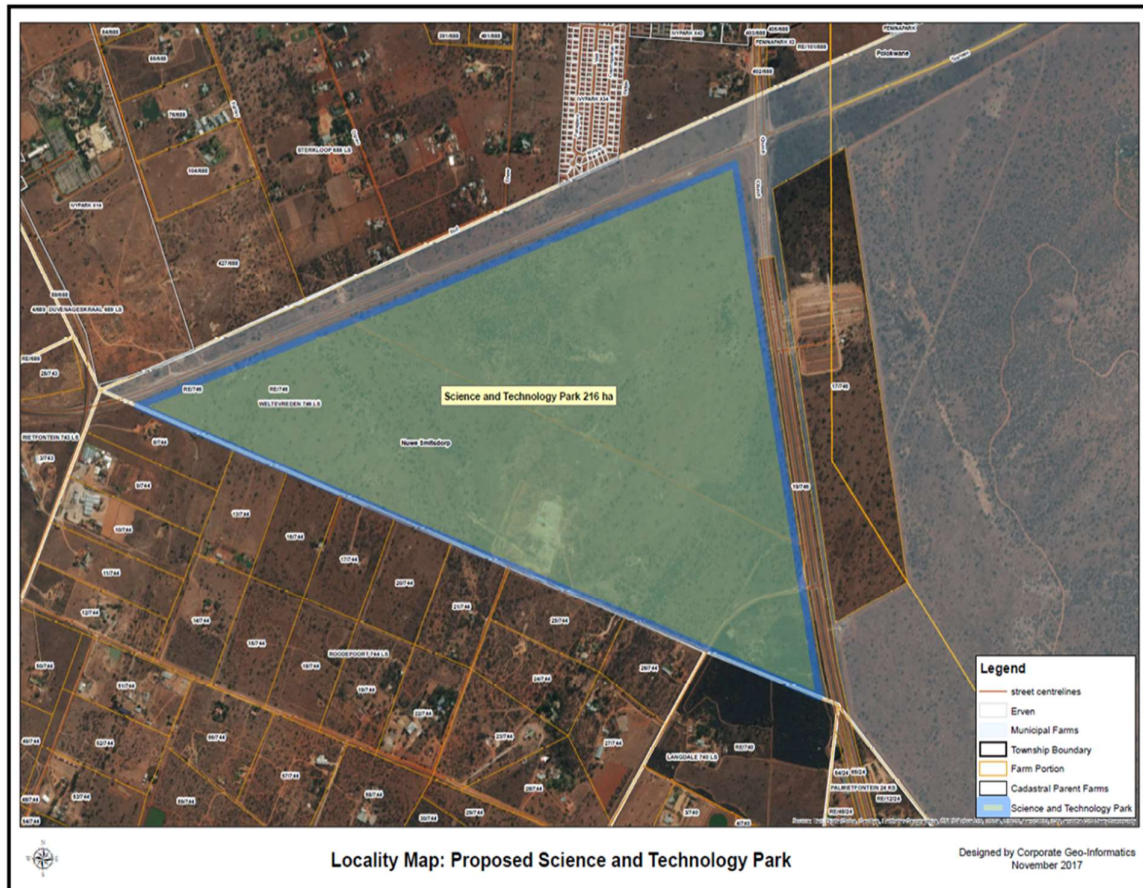
**Multiple storey library for the city at number 8**  
**1-6 for the High density and student accommodation**  
**7- Two-three storey Taxi holding area**  
**10- Student Accommodation (high density)**  
**11-13 for Bus Lay over facilities**

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 2-4<sup>th</sup> floor while the ground floor can be used as City parking or taxi holding as currently being used.

### 1.3. Science and Research Park



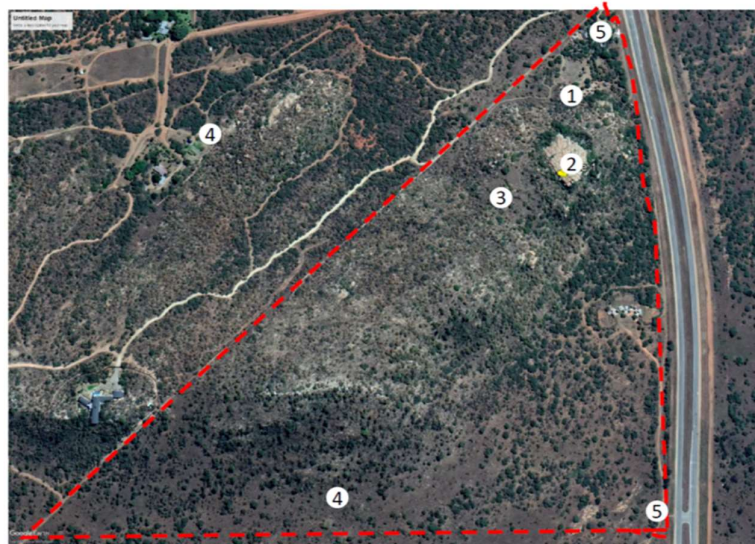


Science and Research Park to be established at Weltevreden Farm at the southern part of the new interchange at N1-By-pass. The Municipality has already awarded the land amount to 274ha land for development of the Science Park of which the studies has already commenced. Limpopo connection is currently 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).**

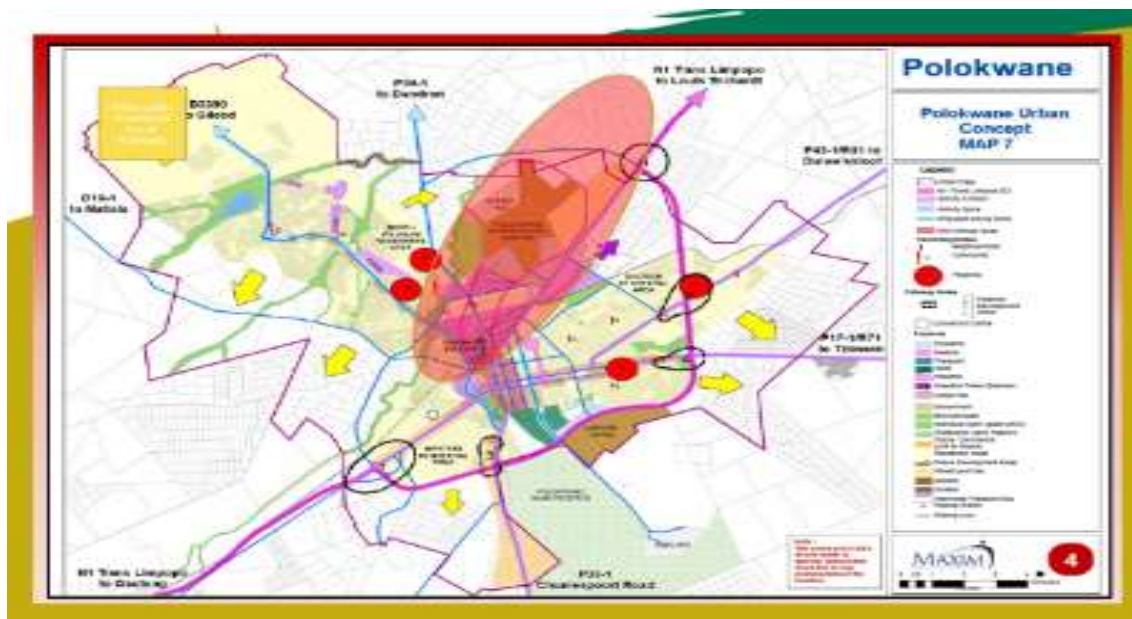
There is a need to develop infrastructure masterplan to service the identified site, including the support for project packaging, costing, cost-benefit modelling and investment attraction strategy

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 received 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"> <li>Conveyance Notaries is appointed for the drafting of the lease agreement and negotiation (Public to Public Partnership approach)</li> <li>The Record of Decision positive</li> <li>Basic Township establishment studies are finalised and lodgement of the Township has been done and approved by the Municipal Planning Tribunal.</li> </ul>	LEDA- Limpopo connection	Planning  90 % for Planning  Within the Functional Area 1
2. Arts and Cultural Hub	<p>Township application approved by the Municipal Planning Tribunal on 02/02/2024 after hearing the objections raised.</p> <p>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.</p>	<p>Municipality and Department of Sports Arts and Culture.</p> <ul style="list-style-type: none"> <li>❖ Land zoning and donation to the department (municipal).</li> <li>❖ Development of the Provincial Theatre (Public Works Department) has commenced with the construction of the theatre and earmarking its completion for February 2026</li> </ul>	<p>Planning and Social</p> <p>98% on Planning</p> <p>Progress on Bulk engineering services designs is at 75%, Bulk designs for roads &amp; stormwater, water and Sewer have been submitted awaiting final designs for electricity</p> <p>The project is within the Functional Area 1</p>
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)	<p>Planning and Social</p> <p>100% for planning</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		
	<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	<p>Planning and Economic</p> <p>100% Planning done.</p> <p>56% in Construction</p>
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	<p>Economic and Planning</p> <p>100% spent for planning.</p> <p>100% spent on Construction and supervision.</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		
<b>6. Academic hospital</b>	<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>
<b>7. Urban renewal- Municipal Tours</b>	Planning for the project has commenced in 2021/2022 Financial Year as budgeted. (subject to Budget availability)	Polokwane Municipality	<p>Planning</p> <p>For appointment of the service provider-</p> <p>Within the Functional Area 1</p>
<b>8. Housing – Mixed housing (Social, Gap and Student housing) (Municipal entity)</b>	<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>
<b>9. Urban renewal projects- Transit Oriented Development (TOD): <u>Truck inn (Municipal).</u></b>	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.	Polokwane Municipality	<p>Planning and Economic</p> <p>100% feasibility completed and 0% for implementation.</p> <p>Within the Functional Area 1</p>
<b>10. Urban renewal projects in the CBD - Mixed housing around Buite and Bok Streets (Municipal)</b>	Assessment of the land ownership is in progress and development of incentive for developers to be finalised. Application of UDZ underway and to be supported by Council Resolution.	Polokwane Municipality/Private Developers	<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"> <li>• Approved CEF aligned with the IDP.</li> <li>• Well defined spatial targeted area in line with the SDF.</li> <li>• Well defined projects with funding (External and Leases).</li> <li>• Possibility of attracting investors in ideal location.</li> <li>• Driving the spatial agenda of the City.</li> </ul>	<ul style="list-style-type: none"> <li>• Alignment and unfunded budget due to community needs analyses.</li> <li>• Unequal Share due to Municipal community's composition (Urban 30% and Rural 70%).</li> <li>• Financial sustainability due to culture of non-payment.</li> <li>• Budget vs Community needs.</li> <li>• Prioritisation of projects and their return.</li> </ul>

**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 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 000m<sup>2</sup> 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.

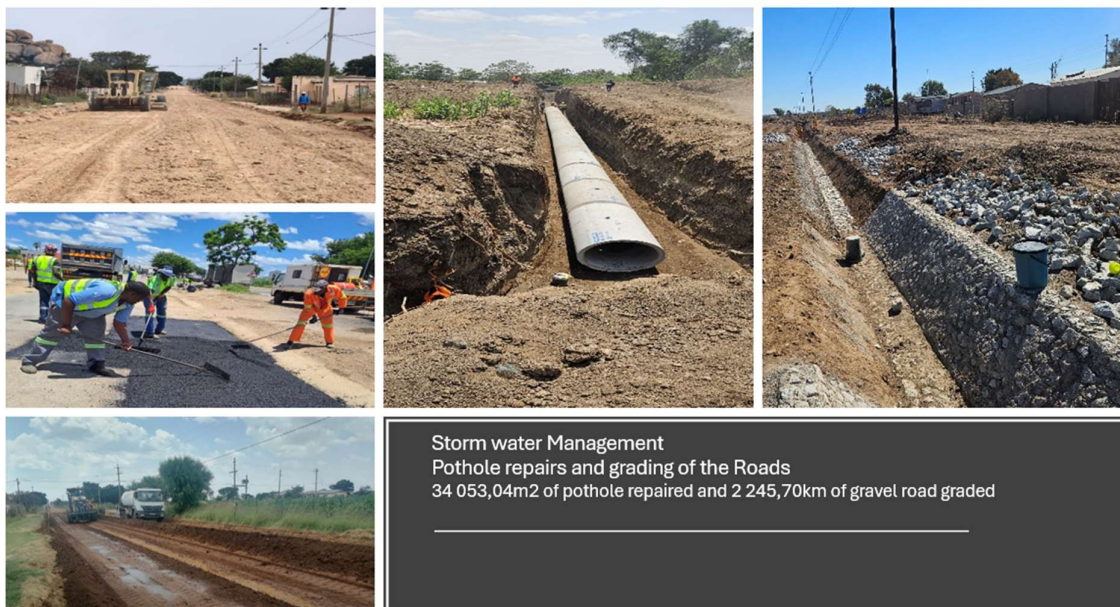
**12 speed humps** were erected in 2024/2025

### **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.



9 low level bridges are currently under construction for 2024/2025.



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.

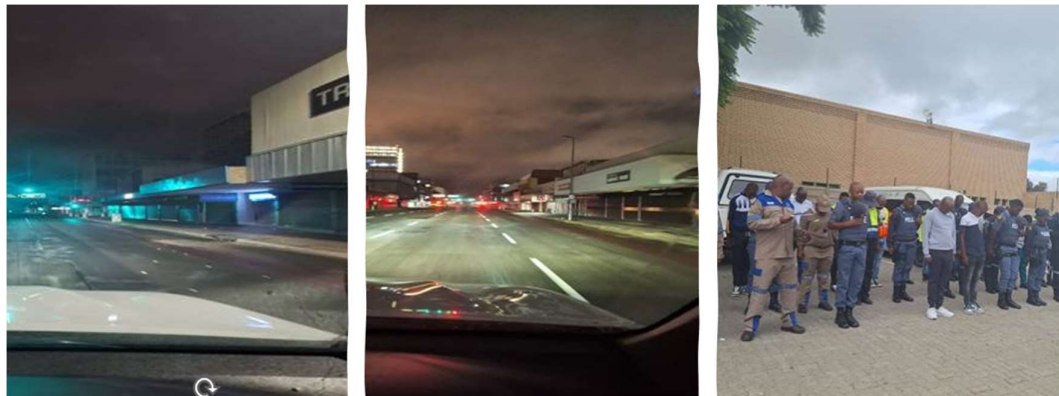


The SBU has implemented the 24/7 shift system with Security Officers to protect Municipal properties, the Control Centre responding to emergency calls, the CCTV Operators monitoring the CCTV cameras, while Law Enforcement Officers are patrolling critical infrastructure to prevent theft and vandalism, 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.

### DISASTER MANAGEMENT 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

- Westernburg 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 3<sup>rd</sup> 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.

**Korfbal and Ring Tennis facility.** The facility hosts community development clubs. The korfbal 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 considertaion.

**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:

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

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

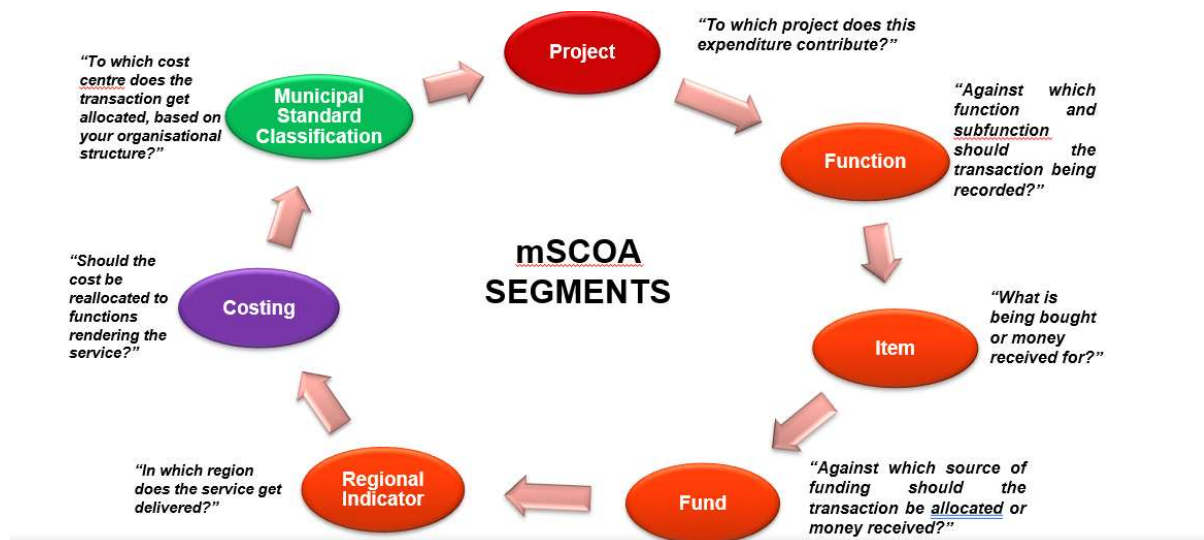
Improved transparency, accountability and governance through uniform recording of transactions at posting account level detail

#### 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
<b>1.ICT Architecture</b>	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
	ICT Architecture	Security	Define, establish P2P networks for distributed communication by municipalities on mSCOA updates and transitions
<b>3.System Functionality</b>	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
<b>5. Business Components</b>	Business components	Asset Management	Asset Management -Financial asset maintenance
		Asset Management	Insurance Register
	Business components	Budget and IDP	Directly linked and informed from the IDP and Project driven and mSCOA segmented
		Corporate Governance	Annual Financial Statements
<b>6. Business Process</b>	Other 2	Municipal Budgeting	Directly linked and informed from the IDP and Project driven and mSCOA segmented
		Municipal Budgeting	Integrated development plan (IDP) maintenance
	Other 2	Full Asset life Cycle	Asset Management - Financial asset maintenance
		Full Asset life Cycle	Insurance Register
<b>7.Business Process</b>	Other 3	Human Resources and	Human Resources (HR) Management (Incl Leave Management)
		Human Resources and	Time Management -Time and attendance

# **Annexure A:**

# **DRAFT CAPITAL BUDGET**

MULTI YEAR CAPITAL BUDGET	Funding Source	Budget Year 2025/26		Budget Year +1 2026/27		Budget Year +2 2027/28	
Description		VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE
<b>Facility Maintenance- Corporate and Shared Services</b>							
Civic Centre refurbishment	CRR	-	-	2 000 000	2 300 000	3 500 000	4 025 000
Renovation of Municipal offices at Seshego Zone 1	CRR	500 000	575 000	-	-	-	-
Renovation of Municipal offices at Seshego Zone 3	CRR	900 000	1 035 000	-	-	-	-
Renovation of Municipal offices at Seshego Zone 8	CRR	400 000	460 000	-	-	-	-
Upgrading of Seshego Library	CRR	-	-	1 000 000	1 150 000	-	-
Refurbishment of Municipal Public toilets	CRR	-	-	1 500 000	1 725 000	1 500 000	1 725 000
Refurbishment of New Council Chamber	CRR	1 900 000	2 185 000	-	-	-	-
Refurbishment of Aganang Municipal Hall	CRR	2 000 000	2 300 000	-	-	-	-
Refurbishment of Westernburg Hall	CRR	-	-	1 000 000	1 150 000	500 000	575 000
Refurbishment of Nirvana Hall	CRR	-	-	1 000 000	1 150 000	500 000	575 000
Refurbishment Aganang Cluster offices: Mhlonong	CRR	800 000	920 000	-	-	-	-
Municipal Furniture and Office Equipment's	CRR	500 000	575 000	500 000	575 000	1 000 000	1 150 000
Provision of Disability access in all Municipal Buildings	CRR	-	-	1 000 000	1 150 000	-	-
Fencing of Municipal Offices at Seshego Zone 1	CRR	-	-	500 000	575 000	-	-
Fencing of Municipal Offices at Seshego Zone 3	CRR	-	-	1 000 000	1 150 000	-	-
Fencing of Municipal Offices at Seshego Zone 8	CRR	-	-	500 000	575 000	-	-
Refurbishment of Waste Management offices Ladanna	CRR	-	-	-	-	2 000 000	2 300 000
Mankweng Unit C Municipal Offices	CRR	-	-	-	-	1 000 000	1 150 000
<b>Total Facility Maintenance - Corporated and Shared Service</b>		<b>7 000 000</b>	<b>8 050 000</b>	<b>10 000 000</b>	<b>11 500 000</b>	<b>10 000 000</b>	<b>11 500 000</b>
<b>Roads &amp; Stormwater -</b>							
Refurbishment of Damaged Road signage in the City CBD	CRR	1 000 000	1 150 000	1 500 000	1 725 000	1 500 000	1 725 000
Refurbishment of Street Names Boards in the City CBD	CRR	1 500 000	1 725 000	1 500 000	1 725 000	2 000 000	2 300 000
Upgrading of Storm Water in Seshego	CRR	6 000 000	6 900 000	-	-	4 000 000	4 600 000
Upgrading of storm water system in Mankweng Unit G next to LG	CRR	-	-	3 000 000	3 450 000	3 000 000	3 450 000
Construction of storm water on Makanye road	CRR	-	-	5 000 000	5 750 000	2 000 000	2 300 000
Procurement of a new low bed truck (Graders Transport)	CRR	5 000 000	5 750 000	-	-	5 500 000	6 325 000
Procurement of a jetpatcher trucks and 2x bakkies	CRR	6 000 000	6 900 000	-	-	8 000 000	9 200 000
Procurement of pressure jetting truck	CRR	-	-	8 000 000	9 200 000	-	-

Procurement of Bowmag Roller and Mechanical broom	CRR	1 000 000	1 150 000	-	-	-	-
Rehabilitation of Oost street	CRR	4 500 000	5 175 000	2 000 000	2 300 000	-	-
Rehabilitation of Campell street	CRR	3 000 000	3 450 000	2 000 000	2 300 000	-	-
Rehabilitation of Boom from Devenish to Excelsior	CRR	-	-	2 500 000	2 875 000	-	-
Rehabilitation of Bok street	CRR	-	-	2 500 000	2 875 000	-	-
Rehabilitation of Railway street	CRR	-	-	1 500 000	1 725 000	-	-
Upgrading of Beryl road from gravel to Asphalt surfacing parallel to the railway line leading to Celtic Lodge Estate	CRR	1 000 000	1 150 000	3 000 000	3 450 000	4 000 000	4 600 000
Upgrading of stormwater in Ivypark (Emperor)	CRR	5 000 000	5 750 000	5 000 000	5 750 000	4 400 000	5 060 000
Stormwater investigation in the city	CRR	-	-	-	-	-	-
Upgrading of Storm Water Storm Water in Sterpark; Flora Park; and Fauna	CRR	5 000 000	5 750 000	5 000 000	5 750 000	6 000 000	6 900 000
Paving of AKI streets in RDP section SDA1 (Luthuli)	IUDG	-	-	9 528 428	10 957 692	-	-
Paving of Bloodriver main road via Mulautsi high school to agriculture	IUDG	-	-	8 000 000	9 200 000	-	-
Paving of Dwars Street Connecting ext 40 and 78(Ward 08)	IUDG	213 043	245 000	-	-	-	-
Paving of internal ring roads to University road in Toronto	IUDG	-	-	9 008 878	10 360 210	-	-
Paving of internal street from Solomondale to D3997 (ward 32)	IUDG	2 086 957	2 400 000	-	-	-	-
Paving of internal street in Mankweng Unit A to Pulamadibogo street from	IUDG	-	-	5 668 395	6 518 654	-	-
Paving of internal streets in Seshego Zone 2	IUDG	1 692 557	1 946 441	-	-	-	-
Paving of internal streets in Seshego Zone 5	IUDG	580 783	667 901	-	-	-	-
Paving of internal streets in Seshego Zone 6	IUDG	1 953 490	2 246 514	-	-	-	-
Paving of internal streets in Seshego Zone 8	IUDG	1 652 174	1 900 000	-	-	-	-
Paving of streets in Benharris from Zebediela to D19(ward 08)	IUDG	-	-	6 608 696	7 600 000	-	-
Rehabilitation of Rabie street	IUDG	1 259 540	1 448 471	3 043 478	3 500 000	-	-
Rehabilitation of Bok street	IUDG	313 043	360 000	3 043 478	3 500 000	-	-
Rehabilitation of Burger street	IUDG	97 230	111 814	3 043 478	3 500 000	-	-
Rehabilitation of Jorisen from Munnik ave to Dahl	IUDG	395 761	455 125	3 043 478	3 500 000	-	-
Upgrading of streets in Nirvana extension	IUDG	1 315 966	1 513 361	-	-	-	-
Construction of Storm Water in Ga Semanya	IUDG	-	-	-	-	5 217 391	6 000 000
Paving of internal street from University road to Makanye primary	IUDG	260 870	300 000	-	-	-	-
Paving of internal streets at Mankgaile Ga-Mokoatedi to D4040 until GaRachidi	IUDG	333 913	384 000	-	-	-	-
Paving of internal streets in Seshego Zone 3	IUDG	2 311 704	2 658 460	-	-	-	-
Paving of streets in Thakgalang	IUDG	-	-	-	-	7 284 820	8 377 543
Planning for construction of service road in Dalmada	IUDG	-	-	-	-	14 926 183	17 165 110
Rehabilitation of Dorp street	IUDG	13 844	15 921	3 043 478	3 500 000	-	-



Rehabilitation of Boom from Devenish to Excelsior	IUDG	1 069 565	1 230 000	3 043 478	3 500 000	-	-
Rehabilitation of Railway street	IUDG	-	-	3 043 478	3 500 000	-	-
Upgrading of Storm water Channel at Thutu Street at Seshego zone 4	IUDG	-	-	2 782 609	3 200 000	-	-
Upgrading of Storm Water Storm Water in Sterpark; Flora Park; and Fauna	IUDG	-	-	9 231 145	10 615 817	-	-
Upgrading of stormwater in Ivypark (Emperor)	IUDG	-	-	15 184 326	17 461 975	-	-
Paving of Sekoala primary school road to Mehlakong (ward 29)	IUDG	8 000 000	9 200 000	-	-	-	-
Paving of internal street in Ga Rankhuwe)	IUDG	491 495	565 219	-	-	-	-
Upgrading of Beryl from Veldspaat to Mangnesiet	IUDG	-	-	3 043 478	3 500 000	16 078 996	18 490 845
Flood Repair and Stormwater upgrade in Futura Street to Sandriver stream	MDRG	4 143 478	4 765 000	-	-	-	-
Hospital View Additional Roads	NDPG	1 739 130	2 000 000	10 434 783	12 000 000	-	-
Hospital View Roads 1 and 2	NDPG	1 739 130	2 000 000	-	-	-	-
Hospital Link Road	NDPG	869 565	1 000 000	-	-	-	-
Upgrading of Triangle Park	NDPG	4 347 826	5 000 000	-	-	-	-
Polokwane X108 Design, and implementation of internal engineering	NDPG	7 060 870	8 120 000	6 504 348	7 480 000	4 347 826	5 000 000
Polokwane X108 Design, and implementation of internal engineering	NDPG	7 130 435	8 200 000	8 695 652	10 000 000	4 347 826	5 000 000
Polokwane X108 Design, and implementation of internal engineering	NDPG	5 217 391	6 000 000	8 695 652	10 000 000	4 347 826	5 000 000
Streetscape design and construction of access streets and pedestrian walkways within x108, east of F8 portion of	NDPG	-	-	4 365 217	5 020 000	-	-
Planning, Design, and Construction of public space NMT, street scaping, and lighting to create Ecological Boulevard and Phase 1 small-scale trading	NDPG	-	-	-	-	7 826 087	9 000 000
Upgrading of grave1 road to tar at 28th Street in Zone A Seshego	NDPG	3 478 261	4 000 000	-	-	4 347 826	5 000 000
Upgrading of grave1 road to tar at 29th Street in Zone A Seshego	NDPG	3 478 261	4 000 000	-	-	4 347 826	5 000 000
Upgrading of grave1 road to tar at 30th Street in Zone A Seshego	NDPG	3 478 261	4 000 000	-	-	4 347 826	5 000 000
Construction of Safe Hub	NDPG	-	-	-	-	869 565	1 000 000
<b>Total Roads &amp; Stormwater -</b>		<b>105 724 545</b>	<b>121 583 227</b>	<b>171 555 955</b>	<b>197 289 348</b>	<b>118 689 998</b>	<b>136 493 498</b>
<b>Water Supply and reticulation - Water and Sanitation Services</b>							
Installation of Prepaid Water Meters (City Seshego and Mankweng Cluster)	CRR	9 508 003	10 934 203	9 808 903	11 280 238	11 000 000	12 650 000
Aganang Bulk Water Transfer Scheme	CRR	2 000 000	2 300 000	1 500 000	1 725 000	10 000 000	11 500 000
Honey Sucker	CRR	-	-	1 200 000	1 380 000	1 200 000	1 380 000
Construction of Rooderpoort Reservoir	CRR	-	-	-	-	10 000 000	11 500 000
Procurement of Honey Sucker	CRR	-	-	1 200 000	1 380 000	1 200 000	1 380 000
SCADA	CRR	5 000 000	5 750 000	-	-	-	-
Polokwane Bulk water supply(Sebayeng Diepriver wellfields)	CRR	2 000 000	2 300 000	-	-	-	-
Replacement of AC Pipes – Phase 2	CRR	2 000 000	2 300 000	-	-	-	-

Polokwane Bulk water supply Dap Naude Pipeline upgrade	CRR	2 000 000	2 300 000	-	-	-	-
Water conservation demand management and Rezoning	CRR	2 000 000	2 300 000	-	-	-	-
Waste Water Reclamation	CRR	-	-	5 000 000	5 750 000	5 000 000	5 750 000
Development of Malmane Wellfields	CRR	-	-	8 000 000	9 200 000	10 000 000	11 500 000
Olifantspoort RWS (Mmotong wa Perekisi)	IUDG	2 636 174	3 031 600	6 666 919	7 666 957	8 695 652	10 000 000
Mothapo RWS	IUDG	5 276 101	6 067 516	6 849 245	7 876 632	7 169 845	8 245 322
Moletjie East RWS	IUDG	10 378 894	11 935 728	6 500 117	7 475 135	9 535 652	10 966 000
Sebayeng/Dikgale RWS	IUDG	5 973 406	6 869 417	6 389 414	7 347 826	7 130 435	8 200 000
Houtriver RWS	IUDG	6 024 492	6 928 166	6 918 715	7 956 522	8 695 652	10 000 000
Chune Maja RWS	IUDG	8 678 885	9 980 718	6 162 571	7 086 957	8 695 661	10 000 011
Molepo RWS	IUDG	6 285 497	7 228 322	6 794 429	7 813 593	7 239 257	8 325 145
Laastehoop RWS	IUDG	5 678 766	6 530 581	6 331 510	7 281 236	8 744 365	10 056 020
Mankweng RWS	IUDG	7 573 597	8 709 637	6 827 864	7 852 044	8 984 739	10 332 450
Boyne RWS	IUDG	5 833 812	6 708 884	9 224 953	10 608 696	8 695 652	10 000 000
Aganang RWS (2)(Rammobola)	IUDG	1 940 774	2 231 890	268 475	308 746	-	-
Aganang RWS (2)(Madietane)	IUDG	7 329 334	8 428 734	6 105 860	7 021 739	6 891 087	7 924 750
Bakone RWS (3) (Ramokadikadi)	IUDG	6 463 385	7 432 893	8 128 544	9 347 826	-	-
Kalkspruit Water Supply (Aganang Ward 42)	IUDG	7 348 979	8 451 326	5 589 081	6 427 443	-	-
Mashashane Water Works and water supply scheme	IUDG	4 873 377	5 604 383	5 237 911	6 023 598	8 695 652	10 000 000
Drilling of Boreholes in all Municipal Clusters	IUDG	7 944 539	9 136 220	11 304 348	13 000 000	12 324 046	14 172 653
Polokwane Bulk Water Supply (Sandriver Water Treatment Works)	RBIG	28 646 422	32 943 385	-	-	-	-
Polokwane Bulk Water Supply (Sandriver North Wellfields)	RBIG	22 678 334	26 080 085	-	-	-	-
Polokwane Bulk water supply(Sebayeng Diepriver wellfields)	RBIG	-	-	69 565 217	80 000 000	869 565	1 000 000
Replacement of AC Pipes – Phase 2	RBIG	-	-	7 826 087	9 000 000	30 434 783	35 000 000
Polokwane Bulk water supply Dap Naude Pipeline upgrade	RBIG	17 391 304	20 000 000	40 000 000	46 000 000	41 828 304	48 102 550
Water conservation demand management & Rezoning	RBIG	-	-	-	-	4 347 826	5 000 000
Moletjie North RWS	WSIG	7 033 164	8 088 139	4 347 826	5 000 000	4 366 957	5 022 000
Moletjie South RWS(Vaalkop)	WSIG	7 809 650	8 981 097	9 527 410	10 956 522	5 217 391	6 000 000
Moletjie South RWS (Bellingsgate and Sepanapudi)	WSIG	6 956 522	8 000 000	11 176 397	12 852 857	14 238 261	16 374 000
Badimong RWS	WSIG	2 085 970	2 398 866	4 347 826	5 000 000	5 217 391	6 000 000
Bakone RWS (2)	WSIG	-	-	-	-	-	-
Aganang RWS (3) (Rapitsi)	WSIG	542 780	624 197	2 079 657	2 391 605	5 217 391	6 000 000
Aganang RWS (3) (Kgabo Park)	WSIG	7 262 406	8 351 767	2 079 657	2 391 605	4 347 826	5 000 000
Aganang RWS (3) (Wash Bank)	WSIG	2 629 737	3 024 197	7 637 051	8 782 609	4 347 826	5 000 000
Aganang RWS (3) (Ga-Piet)	WSIG	-	-	-	-	8 695 652	10 000 000
Aganang RWS (3) (Mabiloane)	WSIG	-	-	-	-	8 695 652	10 000 000

Segwasi RWS	WSIG	100 854	115 982	-	-	-	-
Bakone RWS (2) (Ga-Phoffu)	WSIG	1 256 190	1 444 618	-	-	-	-
Bakone RWS (2) (Ntlotlane)	WSIG	17 366 206	19 971 137	-	-	-	-
Bakone RWS (2) (Moetagare)	WSIG	-	-	8 976 870	10 323 401	8 695 652	10 000 000
Bakone RWS (2) (Boratapelo)	WSIG	-	-	8 976 870	10 323 401	8 695 652	10 000 000
Chuene Maja (Fynbos)	WSIG	3 478 261	4 000 000	1 739 130	2 000 000	5 217 391	6 000 000
<b>Total Water Supply and reticulation - Water and Sanitation Services</b>		<b>249 985 816</b>	<b>287 483 688</b>	<b>310 288 860</b>	<b>356 832 188</b>	<b>320 331 217</b>	<b>368 380 900</b>
<b>Sewer Reticulation - Water and Sanitation Service</b>							
Sewer Combination Trucks/Super Suckers	CRR	6 091 997	7 005 797	6 291 097	7 234 762	-	-
Regional Waste Water Treatment Plant Phase 2B	RBIG	44 574 185	51 260 312	48 102 836	55 318 261	94 160 391	108 284 450
Regional Waste water treatment plant phase 2C	RBIG	8 891 493	10 225 217	19 288 469	22 181 739	8 695 652	10 000 000
Refurbishment of Polokwane WWTW phase 2	RBIG	6 956 522	8 000 000	26 163 388	30 087 896	-	-
Refurbishment of Seshego WWTW Phase 2	RBIG	6 086 957	7 000 000	11 235 743	12 921 104	-	-
<b>Total Sewer Reticulation - Water and Sanitation</b>		<b>72 601 153</b>	<b>83 491 326</b>	<b>111 081 532</b>	<b>127 743 762</b>	<b>102 856 043</b>	<b>118 284 450</b>
<b>Energy Services - Energy</b>							
Installation of solar high mast lights in Rural Clusters	CRR	5 000 000	5 750 000	5 000 000	5 750 000	5 000 000	5 750 000
Installation of solar high mast lights in Seshego Cluster	CRR	-	-	2 000 000	2 300 000	2 000 000	2 300 000
Upgrading of SCADA System	CRR	-	-	-	-	2 000 000	2 300 000
Installation of New Bakone to IOTA 66kV double circuit GOAT line	CRR	-	-	-	-	2 000 000	2 300 000
Construction of Matlala 66/11kV Distribution Substation	CRR	-	-	22 500 000	25 875 000	30 000 000	34 500 000
Construction of 66kV line between Alpha and Matlala Substations	CRR	2 500 000	2 875 000	-	-	2 000 000	2 300 000
Retrofitting high mast lights with solar lights in Rural Clusters	CRR	-	-	2 500 000	2 875 000	-	-
Solar high mast lights at Extension 78 and Seshego Zone 8 Extension	CRR	3 000 000	3 450 000	2 000 000	2 300 000	-	-
Installation of solar high mast lights (City Entrances)	CRR	2 500 000	2 875 000	-	-	-	-
Replacement of 11kV Oil Circuit Breakers to latest Technology Breakers	CRR	-	-	-	-	-	-
Replacement of 11kV oil switchgears with latest technology switchgear	CRR	2 500 000	2 875 000	2 500 000	2 875 000	2 500 000	2 875 000
Retrofitting streetlights with solar powered light fittings along the Dendron	CRR	1 500 000	1 725 000	-	-	-	-
Retrofit streetlights with solar powered light fittings along the CBD streets	CRR	2 000 000	2 300 000	2 500 000	2 875 000	2 000 000	2 300 000
Retrofit high mast lights with solar lights at Westernburg (Grand Canyon	CRR	1 250 000	1 437 500	-	-	-	-
Design of 66kV line between Matlala and Sigma Substations	CRR	-	-	-	-	4 000 000	4 600 000
Design of Dendron 66/11kV Substation	CRR	-	-	-	-	4 000 000	4 600 000
Construction of Peter Mokaba Solar Panel	CRR	-	-	-	-	5 000 000	5 750 000
Procurement of specialised testing equipment for maintenance teams	CRR	2 000 000	2 300 000	1 500 000	1 725 000	1 500 000	1 725 000
Procurement of Specialized 4x4 Cherry Picker for 66kV Overhead Line	CRR	-	-	-	-	3 500 000	4 025 000

Installation of early warning online remote monitored security system	CRR	-	-	-	-	2 000 000	2 300 000
Replacement of fences around 66kV Substations	CRR	-	-	-	-	1 500 000	1 725 000
Replacement of fences around 11kV Switching Stations	CRR	-	-	-	-	600 000	690 000
Replacement of conventional meter boxes with protective enclosures	CRR	10 000 000	11 500 000	5 000 000	5 750 000	-	-
Replacement of 20MVA power transformer at Sigma Substation	CRR	-	-	8 000 000	9 200 000	-	-
Upgrading of power system protection relays at substations	CRR	2 000 000	2 300 000	1 500 000	1 725 000	-	-
Designs for Electrification of Urban Households in Extensions 78 and 133	CRR	3 000 000	3 450 000	2 000 000	2 300 000	-	-
Electrification of Urban Households in Seshego Zone 8 Extension 133	CRR	7 500 000	8 625 000	-	-	-	-
Upgrading of medium voltage radial feeders	CRR	10 000 000	11 500 000	3 000 000	3 450 000	3 000 000	3 450 000
Electrification of Urban Households (INEP top up)	CRR	5 250 000	6 037 500	6 000 000	6 900 000	-	-
Electrification of Urban household's in Seshego Zone 8 Extension 133	INEP	6 134 783	7 055 000	-	-	5 217 391	6 000 000
Electrification of Urban household's in Seshego Zone 8 Extension 133	INEP	-	-	10 434 783	12 000 000	5 688 696	6 542 000
Electrification of Urban household's in Seshego Zone 78 Extension	INEP	4 086 957	4 700 000	-	-	-	-
<b>Total Energy Services - Energy</b>		<b>70 221 739</b>	<b>80 755 000</b>	<b>76 434 783</b>	<b>87 900 000</b>	<b>83 506 087</b>	<b>96 032 000</b>
<b>Disaster and Fire - Public Safety</b>							
Acquisition of fire Equipment	CRR	500 000	575 000	500 000	575 000	500 000	575 000
Miscellaneous equipment and gear/ Ancillary equipment	CRR	500 000	575 000	500 000	575 000	500 000	575 000
Hydraulic equipment	CRR	3 000 000	3 450 000	3 000 000	3 450 000	3 000 000	3 450 000
Electric submersible portable pump	CRR	-	-	-	-	-	-
Multipurpose branches Monitors	CRR	200 000	230 000	-	-	-	-
Rescue ropes/high angle	CRR	600 000	690 000	500 000	575 000	400 000	460 000
New skid units	CRR	-	-	500 000	575 000	600 000	690 000
<b>Total Disaster and Fire - Public Safety</b>		<b>4 800 000</b>	<b>5 520 000</b>	<b>5 000 000</b>	<b>5 750 000</b>	<b>5 000 000</b>	<b>5 750 000</b>
<b>Traffic &amp; Licencing - Public Safety</b>							
Purchase of alcohol testing device /Machine/Equipment)	CRR	-	-	1 000 000	1 150 000	-	-
Upgrading of City traffic and licensing centre	CRR	1 000 000	1 150 000	1 000 000	1 150 000	1 000 000	1 150 000
Procurement of 2 x equipped mobile unit	CRR	-	-	-	-	-	-
Construction of Mankweng Traffic and Licensing Testing Centre	CRR	4 000 000	4 600 000	5 000 000	5 750 000	5 000 000	5 750 000
Procurement of office furniture's (customers and employees)	CRR	400 000	460 000	-	-	-	-
Procurement of automatic number plate recognition	CRR	500 000	575 000	500 000	575 000	500 000	575 000
<b>Total Traffic &amp; Licencing - Public Safety</b>		<b>5 900 000</b>	<b>6 785 000</b>	<b>7 500 000</b>	<b>8 625 000</b>	<b>6 500 000</b>	<b>7 475 000</b>
<b>Environmental Management - Community Services</b>							
Refurbishment of Game Reserve facilities	CRR	2 000 000	2 300 000	3 000 000	3 450 000	2 000 000	2 300 000

Purchase of land for New Mankweng Cemetery	CRR	700 000	805 000	2 000 000	2 300 000	-	-
Development of Heroes Acre in Silicon Cemetery	CRR	500 000	575 000	2 000 000	2 300 000	1 000 000	1 150 000
Grass cutting equipment's	CRR	2 500 000	2 875 000	2 500 000	2 875 000	2 000 000	2 300 000
Refurbishment of Main Water Fountain at Civic Centre Park	CRR	-	-	-	-	500 000	575 000
Construction of Ablution Facilities at Mankweng Parks (Ward 25 and 26)	IUDG	1 304 348	1 500 000	-	-	-	-
Greening programme	IUDG	2 608 696	3 000 000	4 347 826	5 000 000	4 347 826	5 000 000
Greening Programme for Disteneng	IUDG	869 565	1 000 000	1 739 130	2 000 000	2 173 913	2 500 000
Development of a regional parks In Rural Areas	IUDG	1 739 130	2 000 000	2 608 696	3 000 000	4 347 826	5 000 000
Upgrading of Tom Naude Park	IUDG	3 478 261	4 000 000	4 347 826	5 000 000	4 347 826	5 000 000
<b>Total Environmental Management - Community Services</b>		<b>15 700 000</b>	<b>18 055 000</b>	<b>22 543 478</b>	<b>25 925 000</b>	<b>20 717 391</b>	<b>23 825 000</b>
<b>By - Laws Enforcement and Security - Public Safety</b>							
Installation of CCTV cameras and Fibre Network	CRR	2 000 000	2 300 000	2 000 000	2 300 000	2 000 000	2 300 000
Provision two way radios	CRR	400 000	460 000	200 000	230 000	200 000	230 000
Provision of Access Control Systems and equipment	CRR	700 000	805 000	500 000	575 000	800 000	920 000
Supply and delivery of mobile guard houses	CRR	500 000	575 000	400 000	460 000	500 000	575 000
Purchase of Firearms	CRR	600 000	690 000	400 000	460 000	200 000	230 000
CCTV and Access control maintenance tool Kit	CRR	-	-	500 000	575 000	400 000	460 000
Purchase of patrol vehicles	CRR	-	-	-	-	2 000 000	2 300 000
Purchase of Safe	CRR	100 000	115 000	-	-	-	-
<b>Total By - Laws Enforcement and Security - Public Safety</b>		<b>4 300 000</b>	<b>4 945 000</b>	<b>4 000 000</b>	<b>4 600 000</b>	<b>6 100 000</b>	<b>7 015 000</b>
<b>Waste Management - Community Services</b>							
240 litre bins	CRR	1 000 000	1 150 000	1 000 000	1 150 000	1 500 000	1 725 000
6 and 9 M3 Skip containers	CRR	1 000 000	1 150 000	1 000 000	1 150 000	1 000 000	1 150 000
Procurement of Concrete Street Bins	CRR	500 000	575 000	1 000 000	1 150 000	1 000 000	1 150 000
Gates and parameter fence at Webster depot	CRR	500 000	575 000	-	-	-	-
Vaalkop transfer stations Electrification	CRR	-	-	600 000	690 000	-	-
Makotopong transfer stations Electrification	CRR	-	-	600 000	690 000	-	-
Ladanna waste Management office refurbishment	CRR	-	-	-	-	500 000	575 000
Extension of landfill site(Weltevreden)	IUDG	8 695 652	10 000 000	16 208 043	18 639 250	26 086 957	30 000 000
Seshego transfer station	IUDG	2 608 696	3 000 000	1 739 130	2 000 000	-	-
Westernburg Transfer Station	IUDG	1 739 130	2 000 000	1 739 130	2 000 000	-	-
Molepo Transfer Station	IUDG	4 173 913	4 800 000	2 608 696	3 000 000	-	-
Ga- Maja transfer station(Planning)	IUDG	3 478 261	4 000 000	1 739 130	2 000 000	-	-
Ga- Chuene transfer station(Planning)	IUDG	3 478 261	4 000 000	1 739 130	2 000 000	-	-



Rehabilitation of Weltevreden landfill site	IUDG	4 347 826	5 000 000	13 043 478	15 000 000	15 496 706	17 821 212
Construction of rural waste transfer stations	IUDG	-	-	-	-	3 478 261	4 000 000
<b>Total Waste Management - Community Services</b>		<b>31 521 739</b>	<b>36 250 000</b>	<b>43 016 739</b>	<b>49 469 250</b>	<b>49 061 923</b>	<b>56 421 212</b>
<b>Sport &amp; Recreation - Community Services</b>							
Grass Cutting equipment's	CRR	1 000 000	1 150 000	1 000 000	1 150 000	1 000 000	1 150 000
Upgrading of Seshego Stadium	CRR	-	-	-	-	-	-
Procurement of Conference Tables and Chairs for (Peter Mokaba Stadium) Executive lounge (1st floor )	CRR	-	-	1 000 000	1 150 000	500 000	575 000
Chuene Maja sports complex	CRR	1 000 000	1 150 000	-	-	-	-
Upgrading of Nirvana stadium	CRR	1 500 000	1 725 000	2 000 000	2 300 000	2 000 000	2 300 000
Refurbishment of the Seshego Swimming Pool	CRR	-	-	500 000	575 000	1 000 000	1 150 000
Upgrading of Show ground facility	CRR	-	-	500 000	575 000	1 000 000	1 150 000
Refurbish roof and walls at Netball and Volleyball Courts	CRR	-	-	2 000 000	2 300 000	-	-
Construction of Sebayeng / Dikgale Sport Complex	IUDG	3 024 130	3 477 750	3 478 261	4 000 000	-	-
Construction of Softball stadium in City Cluster	IUDG	42 255 652	48 594 000	30 434 783	35 000 000	34 268 729	39 409 038
Construction of Mankweng Stadium	IUDG	8 695 652	10 000 000	13 043 478	15 000 000	8 695 652	10 000 000
Construction of Molepo Sports Complex	IUDG	1 739 130	2 000 000	-	-	-	-
Construction of Laastehoop Sports Complex	IUDG	-	-	-	-	-	-
<b>Total Sport &amp; Recreation - Community Services</b>		<b>59 214 565</b>	<b>68 096 750</b>	<b>53 956 522</b>	<b>62 050 000</b>	<b>48 464 381</b>	<b>55 734 038</b>
<b>Cultural Services - Community Services</b>							
Book Collections	CRR	1 000 000	1 150 000	1 000 000	1 150 000	1 000 000	1 150 000
Theft detection systems for Municipal libraries	CRR	1 000 000	1 150 000	1 000 000	1 150 000	1 000 000	1 150 000
<b>Total Cultural Services - Community Services</b>		<b>2 000 000</b>	<b>2 300 000</b>	<b>2 000 000</b>	<b>2 300 000</b>	<b>2 000 000</b>	<b>2 300 000</b>
<b>ICT - Corporate and Shared Services</b>							
Procurement of Laptops PCs and Peripheral Devices	CRR	1 597 031	1 836 586	1 500 000	1 725 000	1 000 000	1 150 000
Network Upgrade	CRR	1 794 062	2 063 171	1 000 000	1 150 000	1 000 000	1 150 000
Procurement and Implementation and maintenance of mobile speed	CRR	-	-	-	-	2 000 000	2 300 000
Development and implementation of Enterprise Architecture framework	CRR	-	-	4 000 000	4 600 000	2 000 000	2 300 000
Procurement of Network Vulnerability Scanning tool and licencing	CRR	-	-	1 000 000	1 150 000	-	-
Procurement Implementation and management of SCADA Solution	CRR	-	-	-	-	7 000 000	8 050 000
Procurement Licencing and management of	CRR	-	-	2 500 000	2 875 000	1 200 000	1 380 000
Procurement licencing and Management of online facility and boardroom	CRR	400 000	460 000	-	-	-	-

Laptops,Softwares and Tool Boxes	Capital	434 783	500 000	478 261	550 000	260 870	300 000
<b>Total ICT - Corporate and Shared Services</b>		<b>4 225 876</b>	<b>4 859 757</b>	<b>10 478 261</b>	<b>12 050 000</b>	<b>14 460 870</b>	<b>16 630 000</b>
<b>City Planning - Planning and Economic Development</b>							
Township Establishment for the Eco estate at Game Reserve	CRR	1 000 000	1 150 000	800 000	920 000	-	-
Township establishment on various municipal farm portions	CRR	-	-	-	-	7 260 000	8 349 000
Land acquisition	CRR	5 000 000	5 750 000	5 800 000	6 670 000	-	-
Provision of engineering services for Bakone Malapa	IUDG	18 847 261	21 674 350	19 763 348	22 727 850	20 648 739	23 746 050
<b>Total City Planning - Planning and Economic Development</b>		<b>24 847 261</b>	<b>28 574 350</b>	<b>26 363 348</b>	<b>30 317 850</b>	<b>27 908 739</b>	<b>32 095 050</b>
<b>Clusters - COO</b>							
Mobile service sites at Rampheri village	CRR	-	-	-	-	2 420 000	2 783 000
Construction of Segopje Mobile Service Centre	CRR	2 000 000	2 300 000	2 200 000	2 530 000	-	-
<b>Total Clusters - COO</b>		<b>2 000 000</b>	<b>2 300 000</b>	<b>2 200 000</b>	<b>2 530 000</b>	<b>2 420 000</b>	<b>2 783 000</b>
<b>Budget and Treasury Office</b>							
Provision of Laptops PCs BTO	CRR	300 000	345 000	400 000	460 000	420 000	483 000
BTO Cash counters	CRR	400 000	460 000	-	-	-	-
BTO Amenities	CRR	1 300 000	1 495 000	1 800 000	2 070 000	2 000 000	2 300 000
<b>Total Budget and Treasury Office</b>	<b>-</b>	<b>2 000 000</b>	<b>2 300 000</b>	<b>2 200 000</b>	<b>2 530 000</b>	<b>2 420 000</b>	<b>2 783 000</b>
<b>Fleet Management - Corporate and Shared Services</b>							
Acquisition of fleet Finance Lease	CRR	37 403 204	43 013 685	39 460 380	45 379 437	41 630 701	47 875 306
<b>Total Fleet Management - Corporate and Shared Services</b>		<b>37 403 204</b>	<b>43 013 685</b>	<b>39 460 380</b>	<b>45 379 437</b>	<b>41 630 701</b>	<b>47 875 306</b>
<b>Transport Operations(IPRTS)- Transport and Services</b>							
PT facilities Upgrade at Indian centre	PTNG	3 478 261	4 000 000	-	-	-	-
Upgrad & constr of Trunk route WP1	PTNG	-	-	8 168 497	9 393 771	13 043 478	15 000 000
Widening of Sandriver bridge trunk	PTNG	4 347 826	5 000 000	-	-	-	-
Refurbishment of daytime layover facility	PTNG	434 783	500 000	4 521 739	5 200 000	3 304 348	3 800 000
Upgrade of transit mall	PTNG	5 255 198	6 043 478	3 357 354	3 860 957	-	-
Provision of Bus Stop Shelters	PTNG	6 616 257	7 608 696	7 826 087	9 000 000	7 391 304	8 500 000
Procurement Of Leeto Buses	PTNG	16 930 068	19 469 578	12 438 957	14 304 800	16 650 790	19 148 408
<b>Total Transport Operations(IPRTS)- Transport and Services Capital</b>		<b>37 062 393</b>	<b>42 621 752</b>	<b>36 312 633</b>	<b>41 759 528</b>	<b>40 389 920</b>	<b>46 448 408</b>

<b>Total Capital Expenditure</b>		<b>736 508 290</b>	<b>846 984 534</b>	<b>934 392 490</b>	<b>1 074 551 363</b>	<b>902 457 272</b>	<b>1 037 825 862</b>
<b>CAPITAL FUNDING</b>							
Intergrated Urban Development Grant	IUDG	237 365 514	272 970 342	314 240 346	361 376 398	278 897 520	320 732 148
Public Transport Network Grant	PTNG	37 062 393	42 621 752	36 312 633	41 759 528	40 389 920	46 448 408
Neighbourhood Development Grant	NDPG	38 539 130	44 320 000	38 695 652	44 500 000	34 782 609	40 000 000
Water Services Infrastructure Grant	WSIG	56 521 739	65 000 000	60 888 696	70 022 000	82 953 043	95 396 000
Regional Bulk Infrastructure Grant	RBIG	135 225 217	155 508 999	222 181 739	255 509 000	180 336 522	207 387 000
Integrated National Electrification Programme Grant	INEP	10 221 739	11 755 000	10 434 783	12 000 000	10 906 087	12 542 000
Infrastructure Skills Development Grant (ISDG)	ISDG	434 783	500 000	478 261	550 000	260 870	300 000
Municipal Disaster Recovery Grant	MDRG	4 143 478	4 765 000	-	-	-	-
<b>Total DoRA Allocations</b>		<b>519 513 993</b>	<b>597 441 093</b>	<b>683 232 110</b>	<b>785 716 926</b>	<b>628 526 571</b>	<b>722 805 556</b>
Capital Replacement Reserve	CRR	216 994 297	249 543 442	251 160 380	288 834 437	273 930 701	315 020 306
<b>TOTAL FUNDING</b>		<b>736 508 290</b>	<b>846 984 534</b>	<b>934 392 490</b>	<b>1 074 551 363</b>	<b>902 457 272</b>	<b>1 037 825 862</b>

Vote Description	Funding Source	Budget Year 2025/26	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +1 2026/27	Budget Year +2 2027/28	Budget Year +2 2027/28
		Without VAT	With VAT	Without VAT	With VAT	Without VAT	With VAT
Vote 1 - CHIEF OPERATIONS OFFICE		2 000 000	2 300 000	2 200 000	2 530 000	2 420 000	2 783 000
Vote 2 -MUNICIPAL MANAGER'S OFFICE		-	-	-	-	-	-
Vote 3 - WATER AND SANITATION		322 586 969	370 975 014	421 370 391	484 575 950	423 187 261	486 665 350
Vote 4 - ENERGY SERVICES		70 221 739	80 755 000	76 434 783	87 900 000	83 506 087	96 032 000
Vote 5 - COMMUNITY SERVICES		108 436 304	124 701 750	121 516 739	139 744 250	120 243 696	138 280 250
Vote 6 - PUBLIC SAFETY		15 000 000	17 250 000	16 500 000	18 975 000	17 600 000	20 240 000
Vote 7 - CORPORATE AND SHARED SERVICES		48 629 080	55 923 442	59 938 641	68 929 437	66 091 571	76 005 306
Vote 8 - PLANNING AND ECONOMIC DEVELOPMENT		24 847 261	28 574 350	26 363 348	30 317 850	27 908 739	32 095 050
Vote 9 - BUDGET AND TREASURY OFFICE		2 000 000	2 300 000	2 200 000	2 530 000	2 420 000	2 783 000
Vote 10 - TRANSPORT SERVICES		37 062 393	42 621 752	36 312 633	41 759 528	40 389 920	46 448 408
Vote 11 - HUMAN SETTLEMENT		-	-	-	-	-	-
Vote 12 - ROADS AND STORMWATER		105 724 545	121 583 227	171 555 955	197 289 348	118 689 998	136 493 498
<b>Total</b>		<b>736 508 293</b>	<b>846 984 534</b>	<b>934 392 490</b>	<b>1 074 551 363</b>	<b>902 457 272</b>	<b>1 037 825 862</b>

# **Annexure B:**

# **A SCHEDULE**

# Municipal annual budgets and MTREF & supporting tables

mSCOA Version 6.9

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**Accountability**

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service delivery**



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

**Contact details:**

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



## Preparation Instructions

Municipality Name: LIM354 Polokwane ▼

CFO Name: Thabo Nonyane (Acting CFO)

Tel: 015 290 2049

Fax:

E-Mail: thabo@polokwane.gov.za

Budget for MTREF starting: 2025 ▼

Budget Year: 2025/26

Does this municipality have Entities? No ▼

If YES: Identify type of report: Parent Municipality ▼

LGDB Export

Name Votes & Sub-Votes

### Printing Instructions

#### Showing / Hiding Columns

Hide Pre-audit columns on all

Hide Reference columns on all

#### Showing / Clearing Highlights

Clear Highlights on all sheets

### Important documents which provide essential assistance

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

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

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

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

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

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

10.10		10.10 -
Vote 11	Human Settlement	
11.1	Human Settlement	11.1 - Human Settlement
11.2	Human Settlement Housing admin	11.2 - Human Settlement Housing admin
11.3	Human Settlement Rental housing and programme implementation	11.3 - Human Settlement Rental housing and programme implementation
11.4		11.4 -
11.5		11.5 -
11.6		11.6 -
11.7		11.7 -
11.8		11.8 -
11.9		11.9 -
11.10		11.10 -
Vote 12		
12.1		12.1 -
12.2		12.2 -
12.3		12.3 -
12.4		12.4 -
12.5		12.5 -
12.6		12.6 -
12.7		12.7 -
12.8		12.8 -
12.9		12.9 -
12.10		12.10 -
Vote 13		
13.1		13.1 -
13.2		13.2 -
13.3		13.3 -
13.4		13.4 -
13.5		13.5 -
13.6		13.6 -
13.7		13.7 -
13.8		13.8 -
13.9		13.9 -
13.10		13.10 -
Vote 14		
14.1		14.1 -
14.2		14.2 -
14.3		14.3 -
14.4		14.4 -
14.5		14.5 -
14.6		14.6 -
14.7		14.7 -
14.8		14.8 -
14.9		14.9 -
14.10		14.10 -
Vote 15		
15.1		15.1 -
15.2		15.2 -
15.3		15.3 -
15.4		15.4 -
15.5		15.5 -
15.6		15.6 -
15.7		15.7 -
15.8		15.8 -
15.9		15.9 -
15.10		15.10 -

**LIM354 Polokwane - Contact Information**
**A. GENERAL INFORMATION**

<b>Municipality</b>	LIM354 Polokwane
<b>Grade</b>	B
<b>Province</b>	Set name on 'Instructions' sheet
<b>Web Address</b>	www.polokwane.gov.za
<b>e-mail Address</b>	

<sup>1</sup> Grade in terms of the Remuneration of Public Office Bearers Act.

**B. CONTACT INFORMATION**

<b>Postal address:</b>	
P.O. Box	P O Box 111
City / Town	Polokwane
Postal Code	700
<b>Street address</b>	
Building	Civic Centre
Street No. & Name	C/O Bodenstein & Landdros Mare
City / Town	Polokwane
Postal Code	699
<b>General Contacts</b>	
Telephone number	152902000
Fax number	

**C. POLITICAL LEADERSHIP**

<b>Speaker:</b>		<b>Secretary/PA to the Speaker:</b>	
ID Number		ID Number	
Title	Ms	Title	Mr
Name	Kobela Welhemina Modiba	Name	Enos Mogashoa
Telephone number	015 290 2054	Telephone number	015 290 2245
Cell number	072 367 5316	Cell number	081 529 1238
Fax number		Fax number	
E-mail address	wilhemina@polokwane.gov.za	E-mail address	enosm@polokwane.gov.za
<b>Mayor/Executive Mayor:</b>		<b>Secretary/PA to the Mayor/Executive Mayor:</b>	
ID Number		ID Number	
Title	Mr	Title	Mr
Name	Mosema John Mpe	Name	Billy Pillay
Telephone number	152902103	Telephone number	015 290 2103
Cell number	824417453	Cell number	078 429 6772
Fax number		Fax number	
E-mail address	johnmp@polokwane.gov.za	E-mail address	billyp@polokwane.gov.za
<b>Deputy Mayor/Executive Mayor:</b>		<b>Secretary/PA to the Deputy Mayor/Executive Mayor:</b>	
ID Number		ID Number	
Title		Title	
Name		Name	
Telephone number		Telephone number	
Cell number		Cell number	
Fax number		Fax number	
E-mail address		E-mail address	
<b>D. MANAGEMENT LEADERSHIP</b>		<b>Secretary/PA to the Municipal Manager:</b>	
<b>Municipal Manager:</b>		<b>Secretary/PA to the Municipal Manager:</b>	
ID Number		ID Number	
Title	Ms	Title	Ms

Name	Thuso Nemugumoni	Name	Felicity F. Louw
Telephone number	015 290 2102	Telephone number	015 290 2102
Cell number	082 387 9116	Cell number	078 235 9199
Fax number		Fax number	
E-mail address	thuson@polokwane.gov.za	E-mail address	felicityl@polokwane.gov.za
<b>Chief Financial Officer</b>		<b>Secretary/PA to the Chief Financial Officer</b>	
ID Number		ID Number	
Title	Mr	Title	Ms
Name	Thabo Nonyane( Acting CFO)	Name	Helen Netshikvhela
Telephone number	015 290 2049	Telephone number	015 290 2049
Cell number	065 837 5872	Cell number	081 313 9197
Fax number		Fax number	
E-mail address	thabon@polokwane.gov.za	E-mail address	helenn@polokwane.gov.za
<b>Official responsible for submitting financial information</b>		<b>Official responsible for submitting financial information</b>	
ID Number		ID Number	
Title	Ms	Title	Mr
Name	Zinzi A Mphahlele	Name	Victor Nengovhela (IDP Manager)
Telephone number	015 290 2195	Telephone number	015 290 2523
Cell number	081 578 7894	Cell number	083 624 1118
Fax number		Fax number	
E-mail address	zinzim2@polokwane.gov.za	E-mail address	VictorN1@polokwane.gov.za
<b>Official responsible for submitting financial information</b>		<b>Official responsible for submitting financial information</b>	
ID Number		ID Number	
Title	Ms	Title	Ms
Name	Moleboheng Mathebula	Name	Naazneen Hurzuk
Telephone number	015 290 2195	Telephone number	152902195
Cell number	081 346 4495	Cell number	827862885
Fax number		Fax number	
E-mail address	molebohengm@polokwane.gov.za	E-mail address	naazneenh@polokwane.gov.za
<b>Official responsible for submitting financial information</b>		<b>Official responsible for submitting financial information</b>	
ID Number		ID Number	
Title	Mr	Title	
Name	Thabo Nonyane	Name	
Telephone number	015 290 2049	Telephone number	
Cell number	065 837 5872	Cell number	
Fax number		Fax number	
E-mail address	thabon@polokwane.gov.za	E-mail address	
<b>Official responsible for submitting financial information</b>		<b>Official responsible for submitting financial information</b>	
ID Number		ID Number	
Title		Title	
Name		Name	
Telephone number		Telephone number	
Cell number		Cell number	
Fax number		Fax number	
E-mail address		E-mail address	
<b>Official responsible for submitting financial information</b>		<b>Official responsible for submitting financial information</b>	
ID Number		ID Number	
Title		Title	
Name		Name	
Telephone number		Telephone number	
Cell number		Cell number	
Fax number		Fax number	
E-mail address		E-mail address	
<b>Official responsible for submitting financial information</b>		<b>Official responsible for submitting financial information</b>	
ID Number		ID Number	
Title		Title	
Name		Name	
Telephone number		Telephone number	
Cell number		Cell number	
Fax number		Fax number	
E-mail address		E-mail address	



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

**LIM354 Polokwane - Table A1 Budget Summary**

Description	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousands</b>										
<b><u>Financial Performance</u></b>										
Property rates	531 786	557 183	601 987	641 116	641 116	641 116	641 116	669 774	710 630	755 755
Service charges	1 723 658	1 712 880	1 942 917	2 673 163	2 663 810	2 663 810	2 663 810	2 975 537	3 327 950	3 731 746
Investment revenue	9 641	42 335	48 178	42 987	49 987	49 987	49 987	52 986	56 218	59 788
Transfer and subsidies - Operational	1 164 559	1 365 873	1 535 016	1 666 130	1 795 174	1 795 174	1 795 174	1 860 423	1 859 571	1 958 036
Other own revenue	287 235	278 421	283 692	279 116	273 365	273 365	273 365	289 767	307 443	326 965
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>3 716 878</b>	<b>3 956 692</b>	<b>4 411 789</b>	<b>5 302 511</b>	<b>5 423 452</b>	<b>5 423 452</b>	<b>5 423 452</b>	<b>5 848 487</b>	<b>6 261 812</b>	<b>6 832 290</b>
Employee costs	990 891	1 034 349	1 060 680	1 341 147	1 202 360	1 202 360	1 202 360	1 374 635	1 450 181	1 531 312
Remuneration of councillors	38 449	41 384	43 877	47 455	91 869	91 869	91 869	66 479	70 135	74 063
Depreciation and amortisation	–	762 068	1 280 636	386 920	386 920	386 920	386 920	407 814	430 243	454 337
Interest	25 184	22 227	39 836	42 724	44 124	44 124	44 124	40 124	37 331	34 422
Inventory consumed and bulk purchases	948 078	1 029 501	1 240 104	1 632 179	1 616 385	1 616 385	1 616 385	1 814 250	1 914 034	2 021 219
Transfers and subsidies	45 240	9 671	15 480	10 480	47 380	47 380	47 380	60 480	68 480	68 355
Other expenditure	1 057 400	1 322 149	1 591 896	1 679 308	1 958 736	1 958 736	1 958 736	1 941 325	1 961 357	2 075 286
<b>Total Expenditure</b>	<b>3 105 243</b>	<b>4 221 349</b>	<b>5 272 509</b>	<b>5 140 213</b>	<b>5 347 773</b>	<b>5 347 773</b>	<b>5 347 773</b>	<b>5 705 107</b>	<b>5 931 761</b>	<b>6 258 994</b>
<b>Surplus/(Deficit)</b>	<b>611 636</b>	<b>(264 657)</b>	<b>(860 720)</b>	<b>162 298</b>	<b>75 679</b>	<b>75 679</b>	<b>75 679</b>	<b>143 379</b>	<b>330 052</b>	<b>573 296</b>
Transfers and subsidies - capital (monetary allocations)	694 607	613 495	758 876	708 358	664 009	664 009	341 686	597 441	785 717	722 806
Transfers and subsidies - capital (in-kind)	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>1 306 243</b>	<b>348 837</b>	<b>(101 844)</b>	<b>870 656</b>	<b>739 687</b>	<b>739 687</b>	<b>417 365</b>	<b>740 821</b>	<b>1 115 769</b>	<b>1 296 102</b>
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–	–
<b>Surplus/(Deficit) for the year</b>	<b>1 306 243</b>	<b>348 837</b>	<b>(101 844)</b>	<b>870 656</b>	<b>739 687</b>	<b>739 687</b>	<b>417 365</b>	<b>740 821</b>	<b>1 115 769</b>	<b>1 296 102</b>
<b><u>Capital expenditure &amp; funds sources</u></b>										
<b>Capital expenditure</b>	<b>746 280</b>	<b>641 918</b>	<b>875 945</b>	<b>820 142</b>	<b>808 419</b>	<b>808 419</b>	<b>435 248</b>	<b>731 508</b>	<b>928 592</b>	<b>902 457</b>
Transfers recognised - capital	604 006	541 876	647 097	615 963	577 399	577 399	323 374	519 514	683 232	628 527
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	142 274	100 042	228 849	204 178	231 020	231 020	111 874	211 994	245 360	273 931
<b>Total sources of capital funds</b>	<b>746 280</b>	<b>641 918</b>	<b>875 945</b>	<b>820 142</b>	<b>808 419</b>	<b>808 419</b>	<b>435 248</b>	<b>731 508</b>	<b>928 592</b>	<b>902 457</b>
<b><u>Financial position</u></b>										
Total current assets	1 908 448	1 577 313	1 772 106	2 014 658	2 112 918	2 112 918	2 278 890	2 756 607	3 756 133	4 999 219
Total non current assets	15 020 815	13 515 622	15 482 969	16 187 969	16 176 246	16 176 246	15 739 909	16 009 863	16 514 013	16 962 133
Total current liabilities	955 750	749 525	916 927	1 414 425	1 473 024	1 473 024	597 473	1 550 648	1 937 310	2 766 162
Total non current liabilities	956 436	916 062	758 664	727 424	727 424	727 424	896 806	860 838	862 081	863 394
Community wealth/Equity	15 016 195	13 427 332	15 579 485	16 060 778	16 088 716	16 088 716	16 299 704	16 354 985	17 470 753	18 331 795
<b><u>Cash flows</u></b>										
Net cash from (used) operating	1 959 095	2 779 541	1 443 311	827 050	616 238	616 238	616 238	710 680	1 254 006	1 286 359
Net cash from (used) investing	(831 503)	(743 683)	(910 977)	(779 130)	(766 729)	(766 729)	(766 729)	(699 487)	(887 465)	(857 113)
Net cash from (used) financing	(27 389)	(30 354)	(39 584)	(27 778)	(27 778)	(27 778)	(27 778)	(31 078)	(34 526)	(38 157)
<b>Cash/cash equivalents at the year end</b>	<b>1 401 358</b>	<b>2 238 173</b>	<b>677 121</b>	<b>204 513</b>	<b>165 009</b>	<b>165 009</b>	<b>165 009</b>	<b>323 394</b>	<b>655 409</b>	<b>1 046 498</b>
<b><u>Cash backing/surplus reconciliation</u></b>										
Non current Investments	166 832	61 744	31 694	25 772	25 772	25 772	133 701	16 736	16 736	16 736
Statutory requirements	(34 525)	428 902	117 335	(147 129)	(165 130)	(165 130)	1 173 988	814 413	1 346 932	1 491 073
<b>Balance - surplus (shortfall)</b>	<b>201 357</b>	<b>(367 158)</b>	<b>(85 641)</b>	<b>172 901</b>	<b>190 902</b>	<b>190 902</b>	<b>(1 040 287)</b>	<b>(797 677)</b>	<b>(1 330 197)</b>	<b>(1 474 338)</b>
<b><u>Asset management</u></b>										
Asset register summary (WDV)	12 383 424	10 886 576	12 365 550	13 154 561	13 156 642	13 156 642	13 156 642	13 016 180	12 726 692	12 409 565
Depreciation	–	762 068	1 280 636	386 920	386 920	386 920	386 920	407 814	430 243	454 337
Renewal and Upgrading of Existing Assets	302 793	180 939	147 028	174 110	187 464	187 464	187 464	138 481	261 028	223 880
Repairs and Maintenance	707 435	672 787	732 472	788 841	816 797	816 797	816 797	867 272	913 775	962 410
<b><u>Free services</u></b>										
Cost of Free Basic Services provided	162 033	186 294	226 222	242 970	242 970	242 970	242 970	265 108	289 753	317 658
Revenue cost of free services provided	(69 854)	(115 358)	(47 603)	114 620	117 398	117 398	117 398	123 334	130 858	139 168
<b><u>Households below minimum service level</u></b>										
Water:	27	26	25	24	24	24	24	22	21	20
Sanitation/sewerage:	1	1	1	1	1	1	1	1	1	1
Energy:	24	22	21	19	19	19	19	18	17	16
Refuse:	146	147	148	150	150	150	150	152	154	157

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

Functional Classification Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1									
Revenue - Functional										
Governance and administration		2 477 716	2 731 224	3 090 674	2 162 882	2 169 481	2 169 481	2 275 243	2 387 241	2 510 188
Executive and council		–	–	–	2	2	2	2	2	2
Finance and administration		2 477 716	2 731 224	3 090 674	2 162 879	2 169 479	2 169 479	2 275 241	2 387 238	2 510 185
Internal audit		–	–	–	1	0	0	0	0	0
Community and public safety		6 851	16 005	7 379	58 796	144 304	144 304	137 286	131 660	82 949
Community and social services		1 969	1 959	2 147	3 170	2 605	2 605	2 713	2 030	2 159
Sport and recreation		2 361	3 884	3 150	52 284	58 087	58 087	78 270	71 862	70 953
Public safety		1 445	(87)	231	133	373	373	396	420	446
Housing		1 076	10 248	1 851	3 208	83 237	83 237	55 904	57 344	9 387
Health		–	0	–	2	2	2	4	4	4
Economic and environmental services		191 238	100 973	107 757	672 568	689 511	689 511	493 999	508 578	550 974
Planning and development		21 751	14 306	16 808	71 606	54 553	54 553	48 232	51 809	56 119
Road transport		169 187	85 747	90 249	591 039	633 436	633 436	443 530	455 670	493 689
Environmental protection		300	921	700	9 923	1 521	1 521	2 237	1 099	1 166
Trading services		1 735 680	1 721 922	1 964 856	3 116 623	3 084 164	3 084 164	3 539 401	4 020 051	4 410 985
Energy sources		1 197 817	1 195 925	1 385 041	2 052 223	2 032 568	2 032 568	2 316 717	2 607 826	2 941 494
Water management		243 005	231 872	269 799	669 462	632 362	632 362	721 839	836 560	875 740
Waste water management		155 709	153 357	164 962	214 039	241 893	241 893	297 339	351 742	351 262
Waste management		139 149	140 768	145 054	180 898	177 342	177 342	203 506	223 922	242 488
Other	4	–	62	–	–	–	–	–	–	–
Total Revenue - Functional	2	4 411 485	4 570 186	5 170 665	6 010 869	6 087 460	6 087 460	6 445 928	7 047 529	7 555 096
Expenditure - Functional										
Governance and administration		935 860	1 186 609	1 396 662	1 319 843	1 506 512	1 506 512	1 513 095	1 586 475	1 669 549
Executive and council		160 016	380 334	488 501	163 210	202 589	202 589	173 342	182 299	191 921
Finance and administration		764 766	794 867	893 313	1 138 076	1 287 590	1 287 590	1 322 624	1 386 104	1 458 544
Internal audit		11 078	11 408	14 848	18 556	16 333	16 333	17 130	18 072	19 084
Community and public safety		244 581	415 480	529 225	435 919	483 179	483 179	500 850	527 360	513 546
Community and social services		63 133	62 835	67 109	83 620	83 599	83 599	91 450	95 636	100 992
Sport and recreation		99 529	249 660	359 616	245 824	235 466	235 466	246 016	259 547	274 082
Public safety		65 527	79 477	80 006	71 139	71 599	71 599	94 008	99 179	104 733
Housing		11 237	15 476	16 749	26 789	83 700	83 700	59 820	62 917	23 095
Health		5 154	8 032	5 746	8 548	8 815	8 815	9 555	10 081	10 645
Economic and environmental services		434 033	744 277	1 090 669	828 335	920 228	920 228	964 766	936 145	1 043 056
Planning and development		94 173	112 059	86 472	137 421	125 539	125 539	136 634	144 949	154 284
Road transport		313 084	606 835	978 626	659 679	764 575	764 575	797 015	759 633	855 442
Environmental protection		26 776	25 383	25 571	31 234	30 113	30 113	31 116	31 562	33 329
Trading services		1 490 769	1 874 983	2 255 953	2 556 116	2 437 855	2 437 855	2 726 397	2 881 781	3 032 844
Energy sources		1 052 213	1 072 420	1 337 833	1 651 138	1 533 728	1 533 728	1 735 583	1 828 288	1 935 020
Water management		280 692	575 321	680 071	603 102	589 599	589 599	642 181	685 501	715 441
Waste water management		21 205	81 485	74 733	123 180	114 433	114 433	134 695	141 713	147 799
Waste management		136 658	145 757	163 315	178 696	200 095	200 095	213 937	226 278	234 584
Other	4	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	3 105 243	4 221 349	5 272 509	5 140 213	5 347 773	5 347 773	5 705 107	5 931 761	6 258 994
Surplus/(Deficit) for the year		1 306 243	348 837	(101 844)	870 656	739 687	739 687	740 821	1 115 769	1 296 102

References

1. Government Finance Statistics Functions and Sub-functions are standardised to assist the compilation of national and international accounts for comparison purposes

2. Total Revenue by functional classification must reconcile to Total Operating Revenue shown in Budgeted Financial Performance (revenue and expenditure)

3. Total Expenditure by Functional Classification must reconcile to Total Operating Expenditure shown in Budgeted Financial Performance (revenue and expenditure)

4. All amounts must be classified under a functional classification . The GFS function 'Other' is only for Abbatoirs, Air Transport, Forestry, Licensing and Regulation, Markets and Tourism - and if used must be supported by footnotes. Nothing else may be placed under 'Other'. Assign associate share to relevant classification.

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

Functional Classification Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1									
Revenue - Functional										
Municipal governance and administration		2 477 716	2 731 224	3 090 674	2 162 882	2 169 481	2 169 481	2 275 243	2 387 241	2 510 188
Executive and council		-	-	-	2	2	2	2	2	2
Mayor and Council		-	-	-	2	1	1	1	2	2
Municipal Manager, Town Secretary and Chief Executive		-	-	-	1	1	1	1	1	1
Finance and administration		2 477 716	2 731 224	3 090 674	2 162 879	2 169 479	2 169 479	2 275 241	2 387 238	2 510 185
Administrative and Corporate Support		-	(0)	0	3	3	3	4	4	4
Asset Management		-	-	-	1	18	18	1	1	1
Finance		2 198 888	2 422 862	3 081 455	2 152 295	2 156 524	2 156 524	2 264 231	2 378 851	2 501 594
Fleet Management		-	-	-	1	1	1	1	1	1
Human Resources		-	1 751	1 727	3 511	9 650	9 650	6 967	4 927	5 196
Information Technology		0	10	16	8	23	23	524	576	327
Legal Services		-	-	-	1	0	0	0	0	0
Marketing, Customer Relations, Publicity and Media Co-ordination		-	-	-	1	1	1	1	1	1
Property Services		1 477	5 877	7 182	2 146	2 146	2 146	2 274	2 413	2 566
Risk Management		-	-	-	1	1	1	1	1	1
Security Services		90	266	294	1 112	1 112	1 112	1 237	463	493
Supply Chain Management		0	-	0	3 801	1	1	1	1	1
Valuation Service		277 260	300 458	-	-	-	-	-	-	-
Internal audit		-	-	-	1	0	0	0	0	0
Governance Function		-	-	-	1	0	0	0	0	0
Community and public safety		6 851	16 005	7 379	58 796	144 304	144 304	137 286	131 660	82 949
Community and social services		1 969	1 959	2 147	3 170	2 605	2 605	2 713	2 030	2 159
Aged Care		-	-	-	-	-	-	-	-	-
Agricultural		-	-	-	-	-	-	-	-	-
Animal Care and Diseases		-	-	-	-	-	-	-	-	-
Cemeteries, Funeral Parlours and Crematoriums		1 473	1 205	1 305	1 625	1 125	1 125	1 193	1 265	1 346
Child Care Facilities		-	-	-	-	-	-	-	-	-
Community Halls and Facilities		409	539	578	316	316	316	335	355	378
Consumer Protection		-	-	-	-	-	-	-	-	-
Cultural Matters		-	-	-	1	1	1	1	1	1
Disaster Management		-	-	-	1	1	1	1	1	1
Education		-	-	-	-	-	-	-	-	-
Indigenous and Customary Law		-	-	-	-	-	-	-	-	-
Industrial Promotion		-	-	-	-	-	-	-	-	-
Language Policy		-	-	-	-	-	-	-	-	-
Libraries and Archives		47	81	118	308	208	208	220	234	249
Literacy Programmes		-	-	-	-	-	-	-	-	-
Media Services		-	-	-	-	-	-	-	-	-
Museums and Art Galleries		40	134	146	919	954	954	964	174	185
Population Development		-	-	-	-	-	-	-	-	-
Provincial Cultural Matters		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Zoo's		-	-	-	-	-	-	-	-	-
Sport and recreation		2 361	3 884	3 150	52 284	58 087	58 087	78 270	71 862	70 953
Beaches and Jetties		-	-	-	-	-	-	-	-	-
Casinos, Racing, Gambling, Wagering		-	-	-	-	-	-	-	-	-
Community Parks (including Nurseries)		1 110	1 433	1 313	1 230	9 495	9 495	12 576	16 141	18 714
Recreational Facilities		835	1 958	1 406	50 695	48 232	48 232	65 313	55 317	51 809
Sports Grounds and Stadiums		415	493	431	360	360	360	381	405	430
Public safety		1 445	(87)	231	133	373	373	396	420	446
Civil Defence		-	3	-	-	-	-	-	-	-
Cleansing		-	-	-	-	-	-	-	-	-
Control of Public Nuisances		-	-	-	-	-	-	-	-	-
Fencing and Fences		-	-	-	-	-	-	-	-	-
Fire Fighting and Protection		1 445	(90)	231	133	373	373	396	420	446
Licensing and Control of Animals		-	-	-	-	-	-	-	-	-
Police Forces, Traffic and Street Parking Control		-	-	-	-	-	-	-	-	-
Pounds		-	-	-	-	-	-	-	-	-
Housing		1 076	10 248	1 851	3 208	83 237	83 237	55 904	57 344	9 387
Housing		1 076	10 248	1 851	3 208	83 237	83 237	55 904	57 344	9 387
Informal Settlements		-	-	-	-	-	-	-	-	-
Health		-	0	-	2	2	2	4	4	4
Ambulance		-	-	-	-	-	-	-	-	-
Health Services		-	0	-	2	2	2	4	4	4
Laboratory Services		-	-	-	-	-	-	-	-	-
Food Control		-	-	-	-	-	-	-	-	-
Health Surveillance and Prevention of Communicable Diseases		-	-	-	-	-	-	-	-	-
Vector Control		-	-	-	-	-	-	-	-	-
Chemical Safety		-	-	-	-	-	-	-	-	-
Economic and environmental services		191 238	100 973	107 757	672 568	689 511	689 511	493 999	508 578	550 974
Planning and development		21 751	14 306	16 808	71 606	54 553	54 553	48 232	51 809	56 119
Billboards		-	-	-	-	-	-	-	-	-
Corporate Wide Strategic Planning (IDPs, LEDs)		-	-	-	1	246	246	1	1	1
Central City Improvement District		-	-	-	-	-	-	-	-	-
Development Facilitation		-	-	-	-	-	-	-	-	-
Economic Development/Planning		23	36	52	2 192	646	646	685	726	772
Regional Planning and Development		4 248	4 262	7 588	5 090	5 290	5 290	5 608	5 950	6 328
Town Planning, Building Regulations and Enforcement, and City		17 480	10 007	9 167	52 041	37 565	37 565	19 503	22 657	25 420
Project Management Unit		-	-	-	12 281	10 806	10 806	22 435	22 474	23 598
Provincial Planning		-	-	-	-	-	-	-	-	-
Support to Local Municipalities		-	-	-	-	-	-	-	-	-
Road transport		169 187	85 747	90 249	591 039	633 436	633 436	443 530	455 670	493 689
Public Transport		-	-	-	215 424	221 874	221 874	184 120	190 995	204 044
Road and Traffic Regulation		50 433	54 477	54 736	52 551	52 669	52 669	55 084	58 444	62 155
Roads		111 654	22 337	24 907	323 064	358 894	358 894	204 326	206 231	227 489
Taxi Ranks		-	-	-	-	-	-	-	-	-
Environmental protection		300	921	700	9 923	1 521	1 521	2 237	1 099	1 166
Biodiversity and Landscape		300	921	700	9 923	1 521	1 521	2 237	1 099	1 166
Coastal Protection		-	-	-	-	-	-	-	-	-
Indigenous Forests		-	-	-	-	-	-	-	-	-
Nature Conservation		-	-	-	-	-	-	-	-	-
Pollution Control		-	-	-	-	-	-	-	-	-

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

Functional Classification Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1									
<i>Soil Conservation</i>		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		1 735 680	1 721 922	1 964 856	3 116 623	3 084 164	3 084 164	3 539 401	4 020 051	4 410 985
Energy sources		1 197 817	1 195 925	1 385 041	2 052 223	2 032 568	2 032 568	2 316 717	2 607 826	2 941 494
<i>Electricity</i>		1 197 817	1 195 925	1 385 041	2 052 223	2 032 568	2 032 568	2 316 717	2 607 826	2 941 494
<i>Street Lighting and Signal Systems</i>		-	-	-	-	-	-	-	-	-
<i>Nonelectric Energy</i>		-	-	-	-	-	-	-	-	-
Water management		243 005	231 872	269 799	669 462	632 362	632 362	721 839	836 560	875 740
<i>Water Treatment</i>		-	-	-	1	1	1	1	1	1
<i>Water Distribution</i>		243 005	231 872	269 799	669 462	632 361	632 361	721 838	836 560	875 739
<i>Water Storage</i>		-	-	-	-	-	-	-	-	-
Waste water management		155 709	153 357	164 962	214 039	241 893	241 893	297 339	351 742	351 262
<i>Public Toilets</i>		-	-	-	-	-	-	-	-	-
<i>Sewerage</i>		155 709	153 357	164 962	214 039	241 893	241 893	297 339	351 742	351 262
<i>Storm Water Management</i>		-	-	-	-	-	-	-	-	-
<i>Waste Water Treatment</i>		-	-	-	-	-	-	-	-	-
Waste management		139 149	140 768	145 054	180 898	177 342	177 342	203 506	223 922	242 488
<i>Recycling</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Disposal (Landfill Sites)</i>		-	-	-	-	-	-	-	-	-
<i>Solid Waste Removal</i>		139 149	140 768	145 054	180 898	177 342	177 342	203 506	223 922	242 488
<i>Street Cleaning</i>		-	-	-	-	-	-	-	-	-
<i>Other</i>		-	62	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Air Transport		-	-	-	-	-	-	-	-	-
Forestry		-	-	-	-	-	-	-	-	-
Licensing and Regulation		-	62	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Tourism		-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>	2	4 411 485	4 570 186	5 170 665	6 010 869	6 087 460	6 087 460	6 445 928	7 047 529	7 555 096



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

Functional Classification Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Expenditure - Functional										
Municipal governance and administration		935 860	1 186 609	1 396 662	1 319 843	1 506 512	1 506 512	1 513 095	1 586 475	1 669 549
Executive and council		160 016	380 334	488 501	163 210	202 589	202 589	173 342	182 299	191 921
Mayor and Council		145 851	365 017	473 103	148 142	185 540	185 540	156 332	164 354	172 971
Municipal Manager, Town Secretary and Chief Executive		14 165	15 317	15 399	15 069	17 049	17 049	17 010	17 945	18 950
Finance and administration		764 766	794 867	893 313	1 138 076	1 287 590	1 287 590	1 322 624	1 386 104	1 458 544
Administrative and Corporate Support		10 355	8 952	6 134	28 247	19 752	19 752	22 131	23 348	24 656
Asset Management		65 515	68 992	108 212	105 184	90 288	90 288	93 731	98 886	104 424
Finance		231 631	200 960	241 561	407 149	510 235	510 235	515 641	538 963	564 099
Fleet Management		99 478	130 030	107 837	117 485	108 515	108 515	102 159	107 778	113 814
Human Resources		52 520	51 943	58 176	76 673	92 781	92 781	93 141	96 148	101 396
Information Technology		54 754	58 510	60 119	66 821	67 987	67 987	72 585	75 311	79 528
Legal Services		33 990	28 268	33 471	36 127	55 156	55 156	41 604	43 892	46 350
Marketing, Customer Relations, Publicity and Media Co-ordination		11 739	13 279	61 222	16 560	15 394	15 394	15 768	16 635	17 566
Property Services		60 827	73 779	68 489	88 954	75 450	75 450	79 064	83 413	88 084
Risk Management		3 064	7 038	3 217	8 057	9 987	9 987	10 347	10 916	11 527
Security Services		118 718	125 487	140 013	157 564	213 276	213 276	246 151	258 846	273 341
Supply Chain Management		22 176	27 629	4 861	29 256	28 769	28 769	30 302	31 969	33 759
Valuation Service		-	-	-	-	-	-	-	-	-
Internal audit		11 078	11 408	14 848	18 556	16 333	16 333	17 130	18 072	19 084
Governance Function		11 078	11 408	14 848	18 556	16 333	16 333	17 130	18 072	19 084
Community and public safety		244 581	415 480	529 225	435 919	483 179	483 179	500 850	527 360	513 546
Community and social services		63 133	62 835	67 109	83 620	83 599	83 599	91 450	95 636	100 992
Aged Care		-	-	-	-	-	-	-	-	-
Agricultural		-	-	-	-	-	-	-	-	-
Animal Care and Diseases		-	-	-	-	-	-	-	-	-
Cemeteries, Funeral Parlours and Crematoriums		9 435	6 447	7 367	12 172	10 631	10 631	10 905	11 504	12 149
Child Care Facilities		-	-	-	-	-	-	-	-	-
Community Halls and Facilities		12 267	12 968	13 840	8 998	15 358	15 358	16 117	17 004	17 956
Consumer Protection		-	-	-	-	-	-	-	-	-
Cultural Matters		3 607	3 660	3 668	5 477	5 401	5 401	5 665	5 976	6 311
Disaster Management		8 617	8 930	10 933	14 490	14 251	14 251	15 271	16 111	17 013
Education		-	-	-	-	-	-	-	-	-
Indigenous and Customary Law		-	-	-	-	-	-	-	-	-
Industrial Promotion		-	-	-	-	-	-	-	-	-
Language Policy		-	-	-	-	-	-	-	-	-
Libraries and Archives		19 880	21 090	21 144	29 341	25 072	25 072	29 773	31 410	33 169
Literacy Programmes		-	-	-	-	-	-	-	-	-
Media Services		-	-	-	-	-	-	-	-	-
Museums and Art Galleries		9 328	9 740	10 157	13 140	12 887	12 887	13 719	13 630	14 393
Population Development		-	-	-	-	-	-	-	-	-
Provincial Cultural Matters		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-
Zoo's		-	-	-	-	-	-	-	-	-
Sport and recreation		99 529	249 660	359 616	245 824	235 466	235 466	246 016	259 547	274 082
Beaches and Jetties		-	-	-	-	-	-	-	-	-
Casinos, Racing, Gambling, Wagering		-	-	-	-	-	-	-	-	-
Community Parks (including Nurseries)		35 619	47 203	44 319	64 810	51 768	51 768	54 191	57 171	60 373
Recreational Facilities		63 910	202 457	315 297	181 014	183 697	183 697	191 825	202 376	213 709
Sports Grounds and Stadiums		-	-	-	-	-	-	-	-	-
Public safety		65 527	79 477	80 006	71 139	71 599	71 599	94 008	99 179	104 733
Civil Defence		-	-	-	-	-	-	-	-	-
Cleansing		-	-	-	-	-	-	-	-	-
Control of Public Nuisances		-	-	-	-	-	-	-	-	-
Fencing and Fences		-	-	-	-	-	-	-	-	-
Fire Fighting and Protection		65 527	79 477	80 006	71 139	71 599	71 599	94 008	99 179	104 733
Licensing and Control of Animals		-	-	-	-	-	-	-	-	-
Police Forces, Traffic and Street Parking Control		-	-	-	-	-	-	-	-	-
Pounds		-	-	-	-	-	-	-	-	-
Housing		11 237	15 476	16 749	26 789	83 700	83 700	59 820	62 917	23 095
Housing		11 237	15 476	16 749	26 789	83 700	83 700	59 820	62 917	23 095
Informal Settlements		-	-	-	-	-	-	-	-	-
Health		5 154	8 032	5 746	8 548	8 815	8 815	9 555	10 081	10 645
Ambulance		-	-	-	-	-	-	-	-	-
Health Services		5 154	8 032	5 746	8 548	8 815	8 815	9 555	10 081	10 645
Laboratory Services		-	-	-	-	-	-	-	-	-
Food Control		-	-	-	-	-	-	-	-	-
Health Surveillance and Prevention of Communicable Diseases		-	-	-	-	-	-	-	-	-
Vector Control		-	-	-	-	-	-	-	-	-
Chemical Safety		-	-	-	-	-	-	-	-	-

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

Functional Classification Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>	<b>1</b>									
<b>Economic and environmental services</b>		434 033	744 277	1 090 669	828 335	920 228	920 228	964 766	936 145	1 043 056
Planning and development		94 173	112 059	86 472	137 421	125 539	125 539	136 634	144 949	154 284
Billboards		-	-	-	-	-	-	-	-	-
Corporate Wide Strategic Planning (IDPs, LEDS)		9 815	28 150	12 854	25 544	26 274	26 274	27 663	29 184	30 818
Central City Improvement District		-	-	-	-	-	-	-	-	-
Development Facilitation		-	-	-	-	-	-	-	-	-
Economic Development/Planning		18 978	21 964	20 366	26 511	28 563	28 563	30 581	32 263	34 070
Regional Planning and Development		-	-	-	-	-	-	-	-	-
Town Planning, Building Regulations and Enforcement, and City		32 374	41 580	38 692	70 338	53 514	53 514	53 759	58 684	63 323
Project Management Unit		33 007	20 366	14 560	15 028	17 189	17 189	24 631	24 819	26 073
Provincial Planning		-	-	-	-	-	-	-	-	-
Support to Local Municipalities		-	-	-	-	-	-	-	-	-
Road transport		313 084	606 835	978 626	659 679	764 575	764 575	797 015	759 633	855 442
Public Transport		80 242	95 903	172 004	132 696	191 217	191 217	180 180	190 710	200 939
Road and Traffic Regulation		115 164	122 066	124 340	135 731	132 859	132 859	145 878	152 145	159 521
Roads		117 678	388 877	682 282	391 253	440 500	440 500	470 957	416 779	494 983
Taxi Ranks		-	-	-	-	-	-	-	-	-
Environmental protection		26 776	25 383	25 571	31 234	30 113	30 113	31 116	31 562	33 329
Biodiversity and Landscape		26 776	25 383	25 571	31 234	30 113	30 113	31 116	31 562	33 329
Coastal Protection		-	-	-	-	-	-	-	-	-
Indigenous Forests		-	-	-	-	-	-	-	-	-
Nature Conservation		-	-	-	-	-	-	-	-	-
Pollution Control		-	-	-	-	-	-	-	-	-
Soil Conservation		-	-	-	-	-	-	-	-	-
<b>Trading services</b>		1 490 769	1 874 983	2 255 953	2 556 116	2 437 855	2 437 855	2 726 397	2 881 781	3 032 844
Energy sources		1 052 213	1 072 420	1 337 833	1 651 138	1 533 728	1 533 728	1 735 583	1 828 288	1 935 020
Electricity		1 052 213	1 072 420	1 337 833	1 651 138	1 533 728	1 533 728	1 735 583	1 828 288	1 935 020
Street Lighting and Signal Systems		-	-	-	-	-	-	-	-	-
Nonelectric Energy		-	-	-	-	-	-	-	-	-
Water management		280 692	575 321	680 071	603 102	589 599	589 599	642 181	685 501	715 441
Water Treatment		33 831	35 432	36 921	23 342	22 902	22 902	25 864	27 287	28 815
Water Distribution		246 861	539 889	643 150	579 760	566 697	566 697	616 317	658 214	686 626
Water Storage		-	-	-	-	-	-	-	-	-
Waste water management		21 205	81 485	74 733	123 180	114 433	114 433	134 695	141 713	147 799
Public Toilets		-	-	-	-	-	-	-	-	-
Sewerage		21 205	81 485	74 733	123 180	114 433	114 433	134 695	141 713	147 799
Storm Water Management		-	-	-	-	-	-	-	-	-
Waste Water Treatment		-	-	-	-	-	-	-	-	-
Waste management		136 658	145 757	163 315	178 696	200 095	200 095	213 937	226 278	234 584
Recycling		-	-	-	-	-	-	-	-	-
Solid Waste Disposal (Landfill Sites)		-	-	-	-	-	-	-	-	-
Solid Waste Removal		136 658	145 757	163 315	178 696	200 095	200 095	213 937	226 278	234 584
Street Cleaning		-	-	-	-	-	-	-	-	-
<b>Other</b>		-	-	-	-	-	-	-	-	-
Abattoirs		-	-	-	-	-	-	-	-	-
Air Transport		-	-	-	-	-	-	-	-	-
Forestry		-	-	-	-	-	-	-	-	-
Licensing and Regulation		-	-	-	-	-	-	-	-	-
Markets		-	-	-	-	-	-	-	-	-
Tourism		-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>	<b>3</b>	3 105 243	4 221 349	5 272 509	5 140 213	5 347 773	5 347 773	5 705 107	5 931 761	6 258 994
<b>Surplus/(Deficit) for the year</b>		1 306 243	348 837	(101 844)	870 656	739 687	739 687	740 821	1 115 769	1 296 102

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

Vote Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
Revenue by Vote	1									
Vote 1 - Chief operations office		–	65	–	12 285	11 054	11 054	22 439	22 478	23 602
Vote 2 - Municipal managers office		–	–	–	2	2	2	2	2	2
Vote 3 - Water and sanitation		398 714	385 229	434 761	883 502	874 255	874 255	1 019 177	1 188 303	1 227 002
Vote 4 - Energy services		1 197 817	1 195 925	1 385 041	2 052 223	2 032 568	2 032 568	2 316 717	2 607 826	2 941 494
Vote 5 - Community Services		143 479	147 173	150 351	236 988	238 748	238 748	285 218	298 587	316 420
Vote 6 - Public safety		52 269	55 013	55 962	63 085	54 963	54 963	58 228	59 658	63 446
Vote 7 - Corporate and Shared Services		1 478	7 638	8 925	5 667	11 821	11 821	9 769	7 919	8 093
Vote 8 - Planning and Economic Development		21 751	14 306	16 808	59 324	43 502	43 502	25 796	29 334	32 520
Vote 9 - Budget and Treasury office		2 476 149	2 723 321	3 081 455	2 156 097	2 156 543	2 156 543	2 264 232	2 378 853	2 501 596
Vote 10 - Transport Operations		118 754	31 270	35 512	538 488	580 767	580 767	388 446	397 226	431 533
Vote 11 - Human Settlement		1 076	10 248	1 851	3 208	83 237	83 237	55 904	57 344	9 387
Vote 12 -		–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	4 411 485	4 570 186	5 170 665	6 010 869	6 087 460	6 087 460	6 445 928	7 047 529	7 555 096
Expenditure by Vote to be appropriated	1									
Vote 1 - Chief operations office		126 525	115 118	166 350	160 231	169 743	169 743	168 358	176 450	186 196
Vote 2 - Municipal managers office		144 562	364 509	468 398	120 414	173 335	173 335	143 147	150 444	158 282
Vote 3 - Water and sanitation		301 897	656 805	754 804	726 282	704 032	704 032	776 876	827 214	863 240
Vote 4 - Energy services		1 052 213	1 072 420	1 337 833	1 651 138	1 533 728	1 533 728	1 735 583	1 828 288	1 935 020
Vote 5 - Community Services		297 233	453 981	583 889	511 636	515 358	515 358	546 649	576 445	604 360
Vote 6 - Public safety		326 470	355 014	371 458	404 490	456 040	456 040	527 193	552 322	582 109
Vote 7 - Corporate and Shared Services		270 344	317 961	296 510	352 602	347 448	347 448	349 709	365 561	385 896
Vote 8 - Planning and Economic Development		57 519	87 704	67 597	121 094	103 381	103 381	106 962	114 813	122 595
Vote 9 - Budget and Treasury office		319 323	297 581	354 634	541 589	629 292	629 292	639 673	669 818	702 281
Vote 10 - Transport Operations		197 919	484 779	854 286	523 948	631 716	631 716	651 137	607 489	695 921
Vote 11 - Human Settlement		11 237	15 476	16 749	26 789	83 700	83 700	59 820	62 917	23 095
Vote 12 -		–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	3 105 243	4 221 349	5 272 509	5 140 213	5 347 773	5 347 773	5 705 107	5 931 761	6 258 994
Surplus/(Deficit) for the year	2	1 306 243	348 837	(101 844)	870 656	739 687	739 687	740 821	1 115 769	1 296 102

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

Vote Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>										
<b>Revenue by Vote</b>	<b>1</b>									
<b>Vote 1 - Chief operations office</b>		–	65	–	12 285	11 054	11 054	22 439	22 478	23 602
1.1 - Chief operations office (administration)		–	65	–	1	1	1	1	1	1
1.2 - Legaslative support		–	–	–	1	0	0	0	0	0
1.3 - Legal services		–	–	–	1	0	0	0	0	0
1.4 - Integrated development plan		–	–	–	–	–	–	–	–	–
1.5 - Communications and marketing		–	–	–	1	1	1	1	1	1
1.6 - Project management unit		–	–	–	12 281	10 806	10 806	22 435	22 474	23 598
1.7 - Performance management unit		–	–	–	1	246	246	1	1	1
1.8 - Cluster office		–	–	–	1	1	1	1	1	1
1.9 - Executive support		–	–	–	1	1	1	1	1	1
1.10 -		–	–	–	–	–	–	–	–	–
<b>Vote 2 - Municipal managers office</b>		–	–	–	2	2	2	2	2	2
2.1 - Council		–	–	–	1	1	1	1	1	1
2.2 - Municipal manager		–	–	–	1	1	1	1	1	1
2.3 - Risk management		–	–	–	1	1	1	1	1	1
2.4 - Internal audit		–	–	–	1	0	0	0	0	0
2.5 -		–	–	–	–	–	–	–	–	–
2.6 -		–	–	–	–	–	–	–	–	–
2.7 -		–	–	–	–	–	–	–	–	–
2.8 -		–	–	–	–	–	–	–	–	–
2.9 -		–	–	–	–	–	–	–	–	–
2.10 -		–	–	–	–	–	–	–	–	–
<b>Vote 3 - Water and sanitation</b>		398 714	385 229	434 761	883 502	874 255	874 255	1 019 177	1 188 303	1 227 002
3.1 - Water and sanitation admin		143 823	137 760	165 851	456 841	192 853	192 853	204 380	216 847	230 616
3.2 - Reticulation, distribution and maintenance		243 005	231 872	269 799	406 212	410 962	410 962	454 396	502 939	557 994
3.3 - Operations and waste water		11 886	15 597	(889)	20 448	49 102	49 102	92 981	134 919	120 670
3.4 - Quality monitoring services		–	–	–	1	1	1	1	1	1
3.5 - Reticulations, distribution and maintenance, water de		–	–	–	–	–	–	–	–	–
3.6 - Reticulations, distribution and maintenance, water de		–	–	–	–	–	–	–	–	–
3.7 - Infrastructure development		–	–	–	1	221 336	221 336	267 420	333 598	317 722
3.8 -		–	–	–	–	–	–	–	–	–
3.9 -		–	–	–	–	–	–	–	–	–
3.10 -		–	–	–	–	–	–	–	–	–
<b>Vote 4 - Energy services</b>		1 197 817	1 195 925	1 385 041	2 052 223	2 032 568	2 032 568	2 316 717	2 607 826	2 941 494
4.1 - Energy services admin		1 197 817	1 195 925	1 400 058	2 106 491	2 088 388	2 088 388	2 354 441	2 650 178	2 998 703
4.2 - Energy operation and maintenance administration		–	–	(15 017)	(67 036)	(68 657)	(68 657)	(77 403)	(87 343)	(98 775)
4.3 - Energy services: 66KV		–	–	–	1	1	1	1	1	2
4.4 - Energy services 11KV		–	–	–	12 765	8 834	8 834	12 002	12 261	12 818
4.5 - Energy services: Planning and development		–	–	–	1	4 001	4 001	27 676	32 729	28 748
4.6 -		–	–	–	–	–	–	–	–	–
4.7 -		–	–	–	–	–	–	–	–	–
4.8 -		–	–	–	–	–	–	–	–	–
4.9 -		–	–	–	–	–	–	–	–	–
4.10 -		–	–	–	–	–	–	–	–	–
<b>Vote 5 - Community Services</b>		143 479	147 173	150 351	236 988	238 748	238 748	285 218	298 587	316 420
5.1 - Directorate community services		–	–	–	–	–	–	–	–	–
5.2 - Sport and recreation		2 361	3 884	3 150	2 758	58 085	58 085	78 268	71 860	70 951
5.3 - Sport and facilities maintenance		–	–	–	49 525	1	1	1	1	1
5.4 - Recreation services (swimming pools)		–	–	–	1	1	1	1	1	1
5.5 - Sports facilities maintenance (horticultural services)		–	–	–	–	–	–	–	–	–
5.6 - Cultural services (administration)		–	–	–	1	1	1	1	1	1
5.7 - Culture services (art gallery)		40	134	146	119	154	154	163	173	184
5.8 - Cultural services (libraries)		47	81	118	308	208	208	220	234	249
5.9 - Cultural service (museums)		–	–	–	801	801	801	801	1	1
5.10 - Other Community Services		141 031	143 074	146 937	183 476	179 498	179 498	205 764	226 316	245 032
<b>Vote 6 - Public safety</b>		52 269	55 013	55 962	63 085	54 963	54 963	58 228	59 658	63 446
6.1 - Public safety administration		–	–	–	1	1	1	1	1	1
6.2 - Traffic and licencing administration		–	–	–	1	1	1	1	1	1
6.3 - Traffic and licences (licencing)		–	7	–	12	12	12	12	13	14
6.4 - Traffic and licencing (vehicle testing and drivers licenc		–	–	–	1	1	1	1	1	1
6.5 - Traffic and licencing (traffic services)		50 433	54 470	54 736	52 538	52 656	52 656	55 071	58 430	62 140
6.6 - Disaster management administration		–	–	–	1	1	1	1	1	1
6.7 - Disaster management (fire fighting)		1 445	(90)	231	132	373	373	395	419	446
6.8 - By law enforcement and security (administration)		–	–	–	1	1	1	1	1	1
6.9 - Security services		69	247	234	1 104	1 104	1 104	1 228	454	483
6.10 - Other Community Development		321	379	760	9 296	815	815	1 518	338	359
<b>Vote 7 - Corporate and Shared Services</b>		1 478	7 638	8 925	5 667	11 821	11 821	9 769	7 919	8 093
7.1 - Community and shared services		–	–	0	2	2	2	2	2	2
7.2 - Corporte service- Information Communication Technol		0	10	16	8	23	23	524	576	327
7.3 - Human Resources Development (administration)		–	–	–	1	1	1	1	1	1
7.4 - Human Resources Development (Organisational deve		–	–	–	1	1	1	1	1	1
7.5 - Human Resources Development (Learning and develo		–	–	–	1	8 140	8 140	5 367	3 228	3 390
7.6 - Human Resources Development (EAP)		–	–	–	1	1	1	1	1	1
7.7 - Human Resources (Administration)		–	–	–	1	1	1	1	1	1
7.8 - Human Resources (Personnel administration)		–	–	–	1	1	1	1	1	1
7.9 - Human Resources Management (Labour relations)		–	–	–	1	1	1	1	1	1
7.10 - Other corporate and shared services		1 477	7 628	8 909	5 653	3 653	3 653	3 873	4 109	4 370
<b>Vote 8 - Planning and Economic Development</b>		21 751	14 306	16 808	59 324	43 502	43 502	25 796	29 334	32 520
8.1 - Directorate planning and development		–	–	–	1	1	1	1	1	1
8.2 - Property management		–	–	–	1	63	63	22	23	24
8.3 - City and regional planning		4 248	4 262	8 245	49 826	30 904	30 904	12 706	13 478	14 330
8.4 - Corporate Gio information		–	–	–	1	717	717	541	2 541	4 031
8.5 - Building inspections (administration)		–	–	–	1	1	1	1	1	1
8.6 - Economic development and tourism		23	36	52	2 189	644	644	683	724	770

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

Vote Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
8.7 - Local Economic Development		-	-	-	1	1	1	1	1	1
8.8 - Investment Promotion		-	-	-	1	0	0	0	0	0
8.9 - LED (Economic Planning)		-	-	-	1	0	0	0	0	0
8.10 - Other Planning and Economic Development		17 480	10 007	8 510	7 304	11 171	11 171	11 842	12 564	13 362
Vote 9 - Budget and Treasury office		2 476 149	2 723 321	3 081 455	2 156 097	2 156 543	2 156 543	2 264 232	2 378 853	2 501 596
9.1 - Budget and treasury office		242 815	254 800	4 870	1	8 038	8 038	8 520	9 039	9 613
9.2 - Expenditure		-	889	-	1	1	1	1	1	1
9.3 - Revenue management and customer care		2 230 511	2 465 247	3 072 278	2 145 396	2 143 074	2 143 074	2 250 118	2 363 924	2 485 777
9.4 - Supply Chain Management		0	-	0	3 801	1	1	1	1	1
9.5 - Asset management		-	-	-	1	18	18	1	1	1
9.6 - Budget and financial reporting		2 821	2 385	4 307	6 897	5 411	5 411	5 592	5 887	6 202
9.7 - Business and financial planning		-	-	-	1	1	1	1	1	1
9.8 -		-	-	-	-	-	-	-	-	-
9.9 -		-	-	-	-	-	-	-	-	-
9.10 -		-	-	-	-	-	-	-	-	-
Vote 10 - Transport Operations		118 754	31 270	35 512	538 488	580 767	580 767	388 446	397 226	431 533
10.1 - Transport services		300	1 136	496	214 502	186 026	186 026	150 751	155 518	169 591
10.2 - Transport services (Planning and operations)		7 099	8 933	10 605	1 613	21 233	21 233	14 160	15 210	13 700
10.3 - Transport services (Intelligent transport and system m		-	-	-	1	3 836	3 836	9 016	9 353	11 051
10.4 - Transport services (Public transport regulation and m		-	-	-	1	11 470	11 470	10 926	11 691	10 529
10.5 - Roads and stormwater (Admin)		111 355	21 200	24 411	33 468	33 468	33 468	35 476	37 640	40 030
10.6 - Storm water management and traffic engineering		-	-	-	1	1	1	1	1	1
10.7 - Roads and stormwater (Roads and streets)		-	-	-	288 903	313 718	313 718	163 351	167 813	186 631
10.8 - Roads and stormwater (Stormwater)		-	-	-	1	11 016	11 016	4 766	1	1
10.9 -		-	-	-	-	-	-	-	-	-
10.10 -		-	-	-	-	-	-	-	-	-
Vote 11 - Human Settlement		1 076	10 248	1 851	3 208	83 237	83 237	55 904	57 344	9 387
11.1 - Human Settlement		-	-	-	1	1	1	1	1	1
11.2 - Human Settlement Housing admin		1 076	10 248	1 851	2 929	7 809	7 809	8 278	8 783	9 340
11.3 - Human Settlement Rental housing and programme in		-	-	-	278	75 428	75 428	47 625	48 561	46
11.4 -		-	-	-	-	-	-	-	-	-
11.5 -		-	-	-	-	-	-	-	-	-
11.6 -		-	-	-	-	-	-	-	-	-
11.7 -		-	-	-	-	-	-	-	-	-
11.8 -		-	-	-	-	-	-	-	-	-
11.9 -		-	-	-	-	-	-	-	-	-
11.10 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
12.1 -		-	-	-	-	-	-	-	-	-
12.2 -		-	-	-	-	-	-	-	-	-
12.3 -		-	-	-	-	-	-	-	-	-
12.4 -		-	-	-	-	-	-	-	-	-
12.5 -		-	-	-	-	-	-	-	-	-
12.6 -		-	-	-	-	-	-	-	-	-
12.7 -		-	-	-	-	-	-	-	-	-
12.8 -		-	-	-	-	-	-	-	-	-
12.9 -		-	-	-	-	-	-	-	-	-
12.10 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
13.1 -		-	-	-	-	-	-	-	-	-
13.2 -		-	-	-	-	-	-	-	-	-
13.3 -		-	-	-	-	-	-	-	-	-
13.4 -		-	-	-	-	-	-	-	-	-
13.5 -		-	-	-	-	-	-	-	-	-
13.6 -		-	-	-	-	-	-	-	-	-
13.7 -		-	-	-	-	-	-	-	-	-
13.8 -		-	-	-	-	-	-	-	-	-
13.9 -		-	-	-	-	-	-	-	-	-
13.10 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
14.1 -		-	-	-	-	-	-	-	-	-
14.2 -		-	-	-	-	-	-	-	-	-
14.3 -		-	-	-	-	-	-	-	-	-
14.4 -		-	-	-	-	-	-	-	-	-
14.5 -		-	-	-	-	-	-	-	-	-
14.6 -		-	-	-	-	-	-	-	-	-
14.7 -		-	-	-	-	-	-	-	-	-
14.8 -		-	-	-	-	-	-	-	-	-
14.9 -		-	-	-	-	-	-	-	-	-
14.10 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
15.1 -		-	-	-	-	-	-	-	-	-
15.2 -		-	-	-	-	-	-	-	-	-
15.3 -		-	-	-	-	-	-	-	-	-
15.4 -		-	-	-	-	-	-	-	-	-
15.5 -		-	-	-	-	-	-	-	-	-
15.6 -		-	-	-	-	-	-	-	-	-
15.7 -		-	-	-	-	-	-	-	-	-
15.8 -		-	-	-	-	-	-	-	-	-
15.9 -		-	-	-	-	-	-	-	-	-
15.10 -		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	4 411 485	4 570 186	5 170 665	6 010 869	6 087 460	6 087 460	6 445 928	7 047 529	7 555 096

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

Vote Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>										
<b>Expenditure by Vote</b>	<b>1</b>									
<b>Vote 1 - Chief operations office</b>		<b>126 525</b>	<b>115 118</b>	<b>166 350</b>	<b>160 231</b>	<b>169 743</b>	<b>169 743</b>	<b>168 358</b>	<b>176 450</b>	<b>186 196</b>
1.1 - Chief operations office (administration)		2 279	1 977	775	6 135	5 141	5 141	6 298	6 644	7 017
1.2 - Legaslativ support		19 419	18 168	19 938	39 166	28 709	28 709	30 261	31 926	33 714
1.3 - Legal services		33 990	28 268	33 471	36 127	55 156	55 156	41 604	43 892	46 350
1.4 - Integrated development plan		-	-	-	-	-	-	-	-	-
1.5 - Communications and marketing		11 739	13 279	61 222	16 560	15 394	15 394	15 768	16 635	17 566
1.6 - Project management unit		33 007	20 366	14 560	15 028	17 189	17 189	24 631	24 819	26 073
1.7 - Performance management unit		3 648	3 989	4 315	7 973	5 932	5 932	6 267	6 612	6 982
1.8 - Cluster office		12 267	12 968	13 840	8 998	15 358	15 358	16 117	17 004	17 956
1.9 - Executive support		10 177	16 104	18 230	30 244	26 864	26 864	27 410	28 918	30 537
1.10 -		-	-	-	-	-	-	-	-	-
<b>Vote 2 - Municipal managers office</b>		<b>144 562</b>	<b>364 509</b>	<b>468 398</b>	<b>120 414</b>	<b>173 335</b>	<b>173 335</b>	<b>143 147</b>	<b>150 444</b>	<b>158 282</b>
2.1 - Council		116 256	330 745	434 934	78 732	129 967	129 967	98 661	103 511	108 721
2.2 - Municipal manager		14 165	15 317	15 399	15 069	17 049	17 049	17 010	17 945	18 950
2.3 - Risk management		3 064	7 038	3 217	8 057	9 987	9 987	10 347	10 916	11 527
2.4 - Internal audit		11 078	11 408	14 848	18 556	16 333	16 333	17 130	18 072	19 084
2.5 -		-	-	-	-	-	-	-	-	-
2.6 -		-	-	-	-	-	-	-	-	-
2.7 -		-	-	-	-	-	-	-	-	-
2.8 -		-	-	-	-	-	-	-	-	-
2.9 -		-	-	-	-	-	-	-	-	-
2.10 -		-	-	-	-	-	-	-	-	-
<b>Vote 3 - Water and sanitation</b>		<b>301 897</b>	<b>656 805</b>	<b>754 804</b>	<b>726 282</b>	<b>704 032</b>	<b>704 032</b>	<b>776 876</b>	<b>827 214</b>	<b>863 240</b>
3.1 - Water and sanitation admin		158 411	303 414	316 169	410 313	391 395	391 395	435 675	459 637	485 377
3.2 - Reticulation, distribution and maintenance		79 760	225 881	316 186	150 347	162 343	162 343	168 434	177 698	187 649
3.3 - Operations and waste water		21 205	81 485	74 733	102 990	78 145	78 145	95 132	99 974	103 722
3.4 - Quality monitoring services		33 712	35 411	36 921	41 656	58 381	58 381	64 537	68 087	71 900
3.5 - Reticulations, distribution and maintenance, water de		-	-	-	-	-	-	-	-	-
3.6 - Reticulations, distribution and maintenance, water de		-	-	-	-	-	-	-	-	-
3.7 - Infrastructure development		8 809	10 615	10 795	20 977	13 767	13 767	13 098	21 819	14 592
3.8 -		-	-	-	-	-	-	-	-	-
3.9 -		-	-	-	-	-	-	-	-	-
3.10 -		-	-	-	-	-	-	-	-	-
<b>Vote 4 - Energy services</b>		<b>1 052 213</b>	<b>1 072 420</b>	<b>1 337 833</b>	<b>1 651 138</b>	<b>1 533 728</b>	<b>1 533 728</b>	<b>1 735 583</b>	<b>1 828 288</b>	<b>1 935 020</b>
4.1 - Energy services admin		2 583	2 641	2 808	10 497	4 385	4 385	4 859	5 072	5 443
4.2 - Energy operation and maintenance administration		15 652	64 718	172 793	163 251	67 808	67 808	68 933	72 725	76 797
4.3 - Energy services: 66KV		39 156	23 537	31 046	43 360	34 430	34 430	36 275	38 270	40 413
4.4 - Energy services 11KV		994 068	973 465	1 130 738	1 425 023	1 421 240	1 421 240	1 616 915	1 705 845	1 801 372
4.5 - Energy services: Planning and development		753	8 060	448	9 008	5 865	5 865	8 601	6 376	10 994
4.6 -		-	-	-	-	-	-	-	-	-
4.7 -		-	-	-	-	-	-	-	-	-
4.8 -		-	-	-	-	-	-	-	-	-
4.9 -		-	-	-	-	-	-	-	-	-
4.10 -		-	-	-	-	-	-	-	-	-
<b>Vote 5 - Community Services</b>		<b>297 233</b>	<b>453 981</b>	<b>583 889</b>	<b>511 636</b>	<b>515 358</b>	<b>515 358</b>	<b>546 649</b>	<b>576 445</b>	<b>604 360</b>
5.1 - Directorate community services		-	-	-	-	-	-	-	-	-
5.2 - Sport and recreation		50 986	69 870	214 650	87 932	74 502	74 502	77 675	81 947	86 536
5.3 - Sport and facilities maintenance		41 648	173 067	138 447	148 142	153 110	153 110	160 351	169 170	178 644
5.4 - Recreation services (swimming pools)		6 895	6 723	6 520	9 749	7 854	7 854	7 990	8 429	8 901
5.5 - Sports facilities maintenance (horticultural services)		-	-	-	-	-	-	-	-	-
5.6 - Cultural services (administration)		1 970	1 532	1 600	2 357	2 319	2 319	2 492	2 629	2 776
5.7 - Culture services (art gallery)		996	1 506	1 012	1 449	1 431	1 431	1 539	1 623	1 714
5.8 - Cultural services (libraries)		19 880	21 090	21 144	29 341	25 072	25 072	29 773	31 410	33 169
5.9 - Cultural service (museums)		8 332	8 235	9 145	11 692	11 456	11 456	12 180	12 006	12 679
5.10 - Other Community Services		166 527	171 959	191 371	220 974	239 614	239 614	254 648	269 228	279 939
<b>Vote 6 - Public safety</b>		<b>326 470</b>	<b>355 014</b>	<b>371 458</b>	<b>404 490</b>	<b>456 040</b>	<b>456 040</b>	<b>527 193</b>	<b>552 322</b>	<b>582 109</b>
6.1 - Public safety administration		9	533	269	6 487	4 754	4 754	5 283	5 573	5 885
6.2 - Traffic and licencing administration		1 815	2 015	2 061	2 437	2 785	2 785	2 989	3 154	3 330
6.3 - Traffic and licences (licencing)		14 037	14 604	15 652	19 965	17 953	17 953	19 296	20 358	21 498
6.4 - Traffic and licencing (vehicle testing and drivers licenc		11 963	12 829	12 216	16 756	13 529	13 529	14 633	15 438	16 303
6.5 - Traffic and licencing (traffic services)		88 196	92 608	94 412	96 572	98 593	98 593	108 949	113 184	118 379
6.6 - Disaster management administration		74 144	88 406	90 939	85 629	85 850	85 850	109 280	115 290	121 746
6.7 - Disaster management (fire fighting)		-	-	-	-	-	-	-	-	-
6.8 - By law enforcement and security (administration)		1 783	2 122	1 784	2 398	2 898	2 898	3 112	3 283	3 467
6.9 - Security services		99 418	104 302	117 891	127 874	187 262	187 262	219 773	231 016	243 953
6.10 - Other Community Development		35 105	37 595	36 235	46 371	42 418	42 418	43 878	45 026	47 547
<b>Vote 7 - Corporate and Shared Services</b>		<b>270 344</b>	<b>317 961</b>	<b>296 510</b>	<b>352 602</b>	<b>347 448</b>	<b>347 448</b>	<b>349 709</b>	<b>365 561</b>	<b>385 896</b>
7.1 - Community and shared services		2 765	3 699	1 888	11 343	5 678	5 678	5 986	6 315	6 669
7.2 - Corporte service- Information Communication Technol		54 754	58 510	60 119	66 821	67 987	67 987	72 585	75 311	79 528
7.3 - Human Resources Development (administration)		1	-	-	-	1 960	1 960	2 089	2 204	2 327
7.4 - Human Resources Development (Organisational deve		3 906	3 725	4 021	4 875	5 084	5 084	5 455	5 755	6 078
7.5 - Human Resources Development (Learning and develo		19 259	17 310	12 825	23 056	24 394	24 394	22 143	21 245	22 298
7.6 - Human Resources Development (EAP)		2 454	1 398	1 430	4 632	2 801	2 801	3 001	3 166	3 343
7.7 - Human Resources (Administration)		2 838	4 102	4 012	2 118	10 724	10 724	11 371	11 996	12 668
7.8 - Human Resources (Personnel administration)		6 856	7 551	6 387	10 074	6 843	6 843	7 152	7 545	7 968
7.9 - Human Resources Management (Labour relations)		4 185	7 046	18 346	11 930	26 469	26 469	26 773	28 246	29 827
7.10 - Other corporate and shared services		173 325	214 621	187 481	217 754	195 508	195 508	193 155	203 779	215 190
<b>Vote 8 - Planning and Economic Development</b>		<b>57 519</b>	<b>87 704</b>	<b>67 597</b>	<b>121 094</b>	<b>103 381</b>	<b>103 381</b>	<b>106 962</b>	<b>114 813</b>	<b>122 595</b>
8.1 - Directorate planning and development		3 081	2 705	3 208	4 831	4 989	4 989	5 480	5 781	6 105
8.2 - Property management		5 621	5 239	5 169	10 490	6 439	6 439	6 927	7 308	7 717
8.3 - City and regional planning		14 676	23 467	20 638	34 944	25 351	25 351	23 923	25 239	26 652
8.4 - Corporate Gio information		4 052	4 255	4 668	8 060	7 002	7 002	7 274	9 642	11 534
8.5 - Building inspections (administration)		8 026	8 618	8 217	19 388	14 395	14 395	15 476	16 327	17 241



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

Vote Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
8.6 - Economic development and tourism		1 789	2 235	1 564	2 165	2 215	2 215	2 386	2 517	2 658
8.7 - Local Economic Development		4 051	7 653	5 651	6 199	6 407	6 407	6 861	7 238	7 644
8.8 - Investment Promotion		4 757	4 906	4 981	6 227	8 498	8 498	8 918	9 408	9 935
8.9 - LED (Economic Planning)		11 467	28 626	13 503	28 790	28 086	28 086	29 717	31 352	33 107
8.10 - Other Planning and Economic Development		-	-	-	-	-	-	-	-	-
Vote 9 - Budget and Treasury office		319 323	297 581	354 634	541 589	629 292	629 292	639 673	669 818	702 281
9.1 - Budget and treasury office		8 074	4 803	3 576	17 732	16 830	16 830	17 041	17 978	18 985
9.2 - Expenditure		71 074	67 244	89 591	99 573	97 614	97 614	95 431	95 680	96 038
9.3 - Revenue management and customer care		110 353	87 486	102 024	215 520	321 698	321 698	325 719	343 634	362 877
9.4 - Supply Chain Management		22 176	27 629	4 861	29 256	28 769	28 769	30 302	31 969	33 759
9.5 - Asset management		65 515	68 992	108 212	105 184	90 288	90 288	93 731	98 886	104 424
9.6 - Budget and financial reporting		40 450	39 443	42 081	66 907	66 714	66 714	69 871	73 676	77 756
9.7 - Business and financial planning		1 680	1 985	4 289	7 418	7 378	7 378	7 579	7 996	8 443
9.8 -		-	-	-	-	-	-	-	-	-
9.9 -		-	-	-	-	-	-	-	-	-
9.10 -		-	-	-	-	-	-	-	-	-
Vote 10 - Transport Operations		197 919	484 779	854 286	523 948	631 716	631 716	651 137	607 489	695 921
10.1 - Transport services		75 095	78 075	139 495	88 833	152 332	152 332	142 850	151 107	161 762
10.2 - Transport services (Planning and operations)		1 486	5 721	12 951	13 960	17 190	17 190	11 023	11 844	10 424
10.3 - Transport services (Intelligent transport and system m		341	8 362	8 576	13 026	4 600	4 600	9 271	9 643	11 203
10.4 - Transport services (Public transport regulation and m		3 319	3 744	10 982	16 877	17 095	17 095	17 036	18 115	17 550
10.5 - Roads and stormwater (Admin)		1 707	1 805	7 366	3 325	3 402	3 402	3 914	4 129	4 360
10.6 - Storm water management and traffic engineering		1 618	-	-	68	68	68	88	93	98
10.7 - Roads and stormwater (Roads and streets)		80 300	45 162	113 070	146 780	198 889	198 889	217 422	149 299	212 524
10.8 - Roads and stormwater (Stormwater)		34 052	341 910	560 897	237 380	235 034	235 034	246 271	259 816	274 365
10.9 -		-	-	949	3 699	3 106	3 106	3 263	3 443	3 636
10.10 -		-	-	-	-	-	-	-	-	-
Vote 11 - Human Settlement		11 237	15 476	16 749	26 789	83 700	83 700	59 820	62 917	23 095
11.1 - Human Settlement		44	137	10	257	247	247	259	273	288
11.2 - Human Settlement Housing admin		59	3 470	2 670	5 997	4 263	4 263	4 219	4 451	4 700
11.3 - Human Settlement Rental housing and programme in		11 135	11 869	14 069	20 535	79 189	79 189	55 342	58 193	18 106
11.4 -		-	-	-	-	-	-	-	-	-
11.5 -		-	-	-	-	-	-	-	-	-
11.6 -		-	-	-	-	-	-	-	-	-
11.7 -		-	-	-	-	-	-	-	-	-
11.8 -		-	-	-	-	-	-	-	-	-
11.9 -		-	-	-	-	-	-	-	-	-
11.10 -		-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-
12.1 -		-	-	-	-	-	-	-	-	-
12.2 -		-	-	-	-	-	-	-	-	-
12.3 -		-	-	-	-	-	-	-	-	-
12.4 -		-	-	-	-	-	-	-	-	-
12.5 -		-	-	-	-	-	-	-	-	-
12.6 -		-	-	-	-	-	-	-	-	-
12.7 -		-	-	-	-	-	-	-	-	-
12.8 -		-	-	-	-	-	-	-	-	-
12.9 -		-	-	-	-	-	-	-	-	-
12.10 -		-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-
13.1 -		-	-	-	-	-	-	-	-	-
13.2 -		-	-	-	-	-	-	-	-	-
13.3 -		-	-	-	-	-	-	-	-	-
13.4 -		-	-	-	-	-	-	-	-	-
13.5 -		-	-	-	-	-	-	-	-	-
13.6 -		-	-	-	-	-	-	-	-	-
13.7 -		-	-	-	-	-	-	-	-	-
13.8 -		-	-	-	-	-	-	-	-	-
13.9 -		-	-	-	-	-	-	-	-	-
13.10 -		-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-
14.1 -		-	-	-	-	-	-	-	-	-
14.2 -		-	-	-	-	-	-	-	-	-
14.3 -		-	-	-	-	-	-	-	-	-
14.4 -		-	-	-	-	-	-	-	-	-
14.5 -		-	-	-	-	-	-	-	-	-
14.6 -		-	-	-	-	-	-	-	-	-
14.7 -		-	-	-	-	-	-	-	-	-
14.8 -		-	-	-	-	-	-	-	-	-
14.9 -		-	-	-	-	-	-	-	-	-
14.10 -		-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-
15.1 -		-	-	-	-	-	-	-	-	-
15.2 -		-	-	-	-	-	-	-	-	-
15.3 -		-	-	-	-	-	-	-	-	-
15.4 -		-	-	-	-	-	-	-	-	-
15.5 -		-	-	-	-	-	-	-	-	-
15.6 -		-	-	-	-	-	-	-	-	-
15.7 -		-	-	-	-	-	-	-	-	-
15.8 -		-	-	-	-	-	-	-	-	-
15.9 -		-	-	-	-	-	-	-	-	-
15.10 -		-	-	-	-	-	-	-	-	-
Total Expenditure by Vote	2	3 105 243	4 221 349	5 272 509	5 140 213	5 347 773	5 347 773	5 705 107	5 931 761	6 258 994
Surplus/(Deficit) for the year	2	1 306 243	348 837	(101 844)	870 656	739 687	739 687	740 821	1 115 769	1 296 102

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

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1										
Revenue											
Exchange Revenue											
Service charges - Electricity	2	1 185 802	1 186 882	1 374 305	1 984 455	1 975 102	1 975 102	1 060 295	2 226 730	2 512 641	2 841 547
Service charges - Water	2	242 998	231 872	264 112	382 411	382 411	382 411	202 706	424 132	470 829	523 845
Service charges - Waste Water Management	2	155 709	153 357	162 410	156 158	156 158	156 158	121 284	165 527	175 624	186 777
Service charges - Waste Management	2	139 149	140 768	142 091	150 139	150 139	150 139	108 114	159 147	168 855	179 577
Sale of Goods and Rendering of Services		30 961	22 751	22 327	14 902	21 028	21 028	18 963	22 289	23 649	25 151
Agency services		111 355	21 200	24 411	33 467	33 467	33 467	16 500	35 475	37 639	40 029
Interest		-	-	-	-	-	-	0	0	0	0
Interest earned from Receivables		72 643	103 746	136 307	93 759	93 759	93 759	57 949	99 384	105 447	112 142
Interest earned from Current and Non Current Assets		9 641	42 335	48 178	42 987	49 987	49 987	47 016	52 986	56 218	59 788
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		6 453	24 102	19 708	13 137	18 042	18 042	20 917	19 125	20 292	21 580
Licence and permits		22 103	24 569	23 831	15 263	15 263	15 263	27 812	16 179	17 166	18 256
Special Rating Levies		-	-	-	-	-	-	-	-	-	-
Operational Revenue		3 138	41 530	7 621	40 993	24 212	24 212	11 456	25 667	27 233	28 962
Non-Exchange Revenue											
Property rates	2	531 786	557 183	601 987	641 116	641 116	641 116	473 417	669 774	710 630	755 755
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		40 532	39 962	39 994	44 152	44 152	44 152	26 359	46 801	49 656	52 809
Licences or permits		48	0	0	3	3	3	-	-	-	-
Transfer and subsidies - Operational		1 164 559	1 365 873	1 535 016	1 666 130	1 795 174	1 795 174	1 587 373	1 860 423	1 859 571	1 958 036
Interest		-	-	9 491	23 440	23 440	23 440	39 243	24 846	26 362	28 036
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	561	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	137	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contrib		3 716 878	3 956 692	4 411 789	5 302 511	5 423 452	5 423 452	3 819 542	5 848 487	6 261 812	6 832 290
Expenditure											
Employee related costs	2	990 891	1 034 349	1 060 680	1 341 147	1 202 360	1 202 360	727 153	1 374 635	1 450 181	1 531 312
Remuneration of councillors		38 449	41 384	43 877	47 455	91 869	91 869	62 681	66 479	70 135	74 063
Bulk purchases - electricity	2	878 180	856 611	1 018 199	1 303 666	1 303 666	1 303 666	804 847	1 469 753	1 550 590	1 637 423
Inventory consumed	8	69 898	172 890	221 904	328 513	312 719	312 719	220 231	344 497	363 444	383 797
Debt impairment	3	-	-	-	162 447	266 828	266 828	-	280 169	295 578	312 131
Depreciation and amortisation		-	762 068	1 280 636	386 920	386 920	386 920	376 228	407 814	430 243	454 337
Interest		25 184	22 227	39 836	42 724	44 124	44 124	21 513	40 124	37 331	34 422
Contracted services		800 080	768 755	897 354	978 409	1 286 361	1 286 361	807 551	1 252 766	1 237 987	1 310 331
Transfers and subsidies		45 240	9 671	15 480	10 480	47 380	47 380	13 367	60 480	68 480	68 355
Irrecoverable debts written off		20 328	264 876	360 487	124 473	18 381	18 381	0	-	-	-
Operational costs		236 971	288 518	341 324	413 979	387 166	387 166	216 649	408 390	427 791	452 824
Losses on disposal of Assets		-	-	(7 269)	-	-	-	146	-	-	-
Other Losses		21	1	-	-	-	-	506	-	-	-
Total Expenditure		3 105 243	4 221 349	5 272 509	5 140 213	5 347 773	5 347 773	3 250 872	5 705 107	5 931 761	6 258 994
Surplus/(Deficit)		611 636	(264 657)	(860 720)	162 298	75 679	75 679	568 670	143 379	330 052	573 296
Transfers and subsidies - capital (monetary	6	694 607	613 495	758 876	708 358	664 009	664 009	341 686	597 441	785 717	722 806
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-
		1 306 243	348 837	(101 844)	870 656	739 687	739 687	910 356	740 821	1 115 769	1 296 102
Surplus/(Deficit) after capital transfers & contributions		-	-	-	-	-	-	-	-	-	-
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		1 306 243	348 837	(101 844)	870 656	739 687	739 687	910 356	740 821	1 115 769	1 296 102
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		1 306 243	348 837	(101 844)	870 656	739 687	739 687	910 356	740 821	1 115 769	1 296 102
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	1 306 243	348 837	(101 844)	870 656	739 687	739 687	910 356	740 821	1 115 769	1 296 102

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

Vote Description R thousand	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>Capital expenditure - Vote</b>											
<b>Multi-year expenditure to be appropriated</b>	2										
Vote 1 - Chief operations office		-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal managers office		-	-	-	-	-	-	-	-	-	-
Vote 3 - Water and sanitation		-	-	-	-	-	-	-	-	-	-
Vote 4 - Energy services		-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-
Vote 6 - Public safety		-	-	-	-	-	-	-	-	-	-
Vote 7 - Corporate and Shared Services		-	-	-	-	-	-	-	-	-	-
Vote 8 - Planning and Economic Development		-	-	-	-	-	-	-	-	-	-
Vote 9 - Budget and Treasury office		-	-	-	-	-	-	-	-	-	-
Vote 10 - Transport Operations		-	-	-	-	-	-	-	-	-	-
Vote 11 - Human Settlement		-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	7	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure to be appropriated</b>	2										
Vote 1 - Chief operations office		2 093	13 786	9 548	1 197	1 347	1 347	-	2 800	2 200	2 420
Vote 2 - Municipal managers office		-	-	-	-	1 400	1 400	-	-	-	-
Vote 3 - Water and sanitation		270 951	315 468	523 446	305 529	312 518	312 518	-	336 778	436 570	431 883
Vote 4 - Energy services		49 737	53 586	45 833	55 155	53 438	53 438	-	94 286	104 894	108 503
Vote 5 - Community Services		50 288	20 053	46 460	102 407	106 929	106 929	-	108 436	121 517	123 113
Vote 6 - Public safety		5 151	702	15 294	23 612	16 284	16 284	-	11 000	11 500	12 600
Vote 7 - Corporate and Shared Services		17 567	26 735	15 351	36 625	34 337	34 337	-	52 129	65 339	69 512
Vote 8 - Planning and Economic Development		2 510	6 699	17 503	17 539	15 436	15 436	-	1 000	800	7 260
Vote 9 - Budget and Treasury office		(201)	470	-	-	300	300	-	1 700	1 800	2 000
Vote 10 - Transport Operations		348 185	204 419	202 510	278 079	265 821	265 821	-	123 378	183 973	145 167
Vote 11 - Human Settlement		-	-	-	-	609	609	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>		746 280	641 918	875 945	820 142	808 419	808 419	-	731 508	928 592	902 457
<b>Total Capital Expenditure - Vote</b>		746 280	641 918	875 945	820 142	808 419	808 419	-	731 508	928 592	902 457
<b>Capital Expenditure - Functional</b>											
<b>Governance and administration</b>		18 972	27 666	16 269	38 135	37 497	37 497	11 154	58 129	71 139	77 612
Executive and council		-	-	-	-	1 400	1 400	-	-	-	-
Finance and administration		18 972	27 666	16 269	38 135	36 097	36 097	11 154	58 129	71 139	77 612
Internal audit		-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		35 529	19 963	40 530	94 763	90 841	90 841	33 317	84 515	85 700	79 471
Community and social services		3 628	235	2 211	21 985	16 255	16 255	3 951	9 600	9 200	9 420
Sport and recreation		31 900	19 728	38 319	72 778	73 977	73 977	29 366	74 915	76 500	70 051
Public safety		-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	609	609	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		353 084	224 959	241 953	298 618	281 807	281 807	176 252	126 278	187 273	153 927
Planning and development		2 510	20 460	27 052	17 539	15 586	15 586	8 277	1 000	800	7 260
Road transport		350 573	204 499	214 901	281 079	266 221	266 221	167 839	125 278	186 473	146 667
Environmental protection		-	-	-	-	-	-	136	-	-	-
<b>Trading services</b>		338 696	369 330	577 194	388 626	398 273	398 273	214 525	462 586	584 481	591 447
Energy sources		49 737	53 586	45 833	55 155	53 438	53 438	15 134	94 286	104 894	108 503
Water management		171 250	198 439	312 586	246 872	246 698	246 698	130 333	257 047	316 793	324 679
Waste water management		99 701	117 029	210 860	58 657	65 820	65 820	60 910	79 732	119 777	107 204
Waste management		18 007	276	7 915	27 942	32 317	32 317	8 148	31 522	43 017	51 062
<b>Other</b>		-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	3	746 280	641 918	875 945	820 142	808 419	808 419	435 248	731 508	928 592	902 457
<b>Funded by:</b>											
National Government		604 006	541 876	647 097	615 963	576 790	576 790	323 374	519 514	683 232	628 527
Provincial Government		-	-	-	-	609	609	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	4	604 006	541 876	647 097	615 963	577 399	577 399	323 374	519 514	683 232	628 527
<b>Borrowing</b>	6	-	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		142 274	100 042	228 849	204 178	231 020	231 020	111 874	211 994	245 360	273 931
<b>Total Capital Funding</b>	7	746 280	641 918	875 945	820 142	808 419	808 419	435 248	731 508	928 592	902 457

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

LMS34 FolioKwale - Table A3 Budgeted Capital Expenditure by vote, functional classification and funding											
Vote Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1										
Capital expenditure - Municipal Vote											
Multi-year expenditure appropriation	2										
Vote 1 - Chief operations office		-	-	-	-	-	-	-	-	-	-
1.1 - Chief operations office (administration)		-	-	-	-	-	-	-	-	-	-
1.2 - Legaslative support		-	-	-	-	-	-	-	-	-	-
1.3 - Legal services		-	-	-	-	-	-	-	-	-	-
1.4 - Integrated development plan		-	-	-	-	-	-	-	-	-	-
1.5 - Communications and marketing		-	-	-	-	-	-	-	-	-	-
1.6 - Project management unit		-	-	-	-	-	-	-	-	-	-
1.7 - Performance management unit		-	-	-	-	-	-	-	-	-	-
1.8 - Cluster office		-	-	-	-	-	-	-	-	-	-
1.9 - Executive support		-	-	-	-	-	-	-	-	-	-
1.10 -		-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal managers office		-	-	-	-	-	-	-	-	-	-
2.1 - Council		-	-	-	-	-	-	-	-	-	-
2.2 - Municipal manager		-	-	-	-	-	-	-	-	-	-
2.3 - Risk management		-	-	-	-	-	-	-	-	-	-
2.4 - Internal audit		-	-	-	-	-	-	-	-	-	-
2.5 -		-	-	-	-	-	-	-	-	-	-
2.6 -		-	-	-	-	-	-	-	-	-	-
2.7 -		-	-	-	-	-	-	-	-	-	-
2.8 -		-	-	-	-	-	-	-	-	-	-
2.9 -		-	-	-	-	-	-	-	-	-	-
2.10 -		-	-	-	-	-	-	-	-	-	-
Vote 3 - Water and sanitation		-	-	-	-	-	-	-	-	-	-
3.1 - Water and sanitation admin		-	-	-	-	-	-	-	-	-	-
3.2 - Reticulation, distrubution and maintenance		-	-	-	-	-	-	-	-	-	-
3.3 - Operations and waste water		-	-	-	-	-	-	-	-	-	-
3.4 - Quality monitoring services		-	-	-	-	-	-	-	-	-	-
3.5 - Reticulations, distrubution and maintenance, water de		-	-	-	-	-	-	-	-	-	-
3.6 - Reticulations, distrubution and maintenance, water de		-	-	-	-	-	-	-	-	-	-
3.7 - Infrastructure development		-	-	-	-	-	-	-	-	-	-
3.8 -		-	-	-	-	-	-	-	-	-	-
3.9 -		-	-	-	-	-	-	-	-	-	-
3.10 -		-	-	-	-	-	-	-	-	-	-
Vote 4 - Energy services		-	-	-	-	-	-	-	-	-	-
4.1 - Energy services admin		-	-	-	-	-	-	-	-	-	-
4.2 - Energy operation and maintenance administration		-	-	-	-	-	-	-	-	-	-
4.3 - Energy services: 66KV		-	-	-	-	-	-	-	-	-	-
4.4 - Energy services 11KV		-	-	-	-	-	-	-	-	-	-
4.5 - Energy services: Planning and development		-	-	-	-	-	-	-	-	-	-
4.6 -		-	-	-	-	-	-	-	-	-	-
4.7 -		-	-	-	-	-	-	-	-	-	-
4.8 -		-	-	-	-	-	-	-	-	-	-
4.9 -		-	-	-	-	-	-	-	-	-	-
4.10 -		-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-
5.1 - Directorate community services		-	-	-	-	-	-	-	-	-	-
5.2 - Sport and recreation		-	-	-	-	-	-	-	-	-	-
5.3 - Sport and facilities maintenance		-	-	-	-	-	-	-	-	-	-
5.4 - Recreation services (swimming pools)		-	-	-	-	-	-	-	-	-	-
5.5 - Sports facilities maintenance (horticultural services)		-	-	-	-	-	-	-	-	-	-
5.6 - Cultural services (administration)		-	-	-	-	-	-	-	-	-	-
5.7 - Culture services (art gallery)		-	-	-	-	-	-	-	-	-	-
5.8 - Cultural services (libraries)		-	-	-	-	-	-	-	-	-	-
5.9 - Cultural service (museums)		-	-	-	-	-	-	-	-	-	-
5.10 - Other Community Services		-	-	-	-	-	-	-	-	-	-
Vote 6 - Public safety		-	-	-	-	-	-	-	-	-	-
6.1 - Public safety administration		-	-	-	-	-	-	-	-	-	-
6.2 - Traffic and licencing administration		-	-	-	-	-	-	-	-	-	-
6.3 - Traffic and licences (licencing)		-	-	-	-	-	-	-	-	-	-
6.4 - Traffic and licencing (vehicle testing and drivers licenc		-	-	-	-	-	-	-	-	-	-
6.5 - Traffic and licencing (traffic services)		-	-	-	-	-	-	-	-	-	-
6.6 - Disaster management administration		-	-	-	-	-	-	-	-	-	-
6.7 - Disaster management (fire fighting)		-	-	-	-	-	-	-	-	-	-
6.8 - By law enforcement and security (administration)		-	-	-	-	-	-	-	-	-	-
6.9 - Security services		-	-	-	-	-	-	-	-	-	-
6.10 - Other Community Development		-	-	-	-	-	-	-	-	-	-
Vote 7 - Corporate and Shared Services		-	-	-	-	-	-	-	-	-	-
7.1 - Community and shared services		-	-	-	-	-	-	-	-	-	-
7.2 - Corpoite service- Information Communication Technol		-	-	-	-	-	-	-	-	-	-
7.3 - Human Resources Development (administration)		-	-	-	-	-	-	-	-	-	-
7.4 - Human Resources Development (Organisational deve		-	-	-	-	-	-	-	-	-	-
7.5 - Human Resources Development (Learning and develo		-	-	-	-	-	-	-	-	-	-
7.6 - Human Resources Development (EAP)		-	-	-	-	-	-	-	-	-	-
7.7 - Human Resources (Administration)		-	-	-	-	-	-	-	-	-	-
7.8 - Human Resources (Personnel administration)		-	-	-	-	-	-	-	-	-	-
7.9 - Human Resources Management (Labour relations)		-	-	-	-	-	-	-	-	-	-
7.10 - Other corporate and shared services		-	-	-	-	-	-	-	-	-	-



Capital expenditure - Municipal Vote	2											
Single-year expenditure appropriation												
Vote 1 - Chief operations office		2 093	13 786	9 548	1 197	1 347	1 347	-	2 800	2 200	2 420	
1.1 - Chief operations office (administration)		-	-	-	-	-	-	-	-	-	-	
1.2 - Legaslative support		-	-	-	-	-	-	-	-	-	-	
1.3 - Legal services		-	-	-	-	-	-	-	-	-	-	
1.4 - Integrated development plan		-	-	-	-	-	-	-	-	-	-	
1.5 - Communications and marketing		-	-	-	-	-	-	-	-	-	-	
1.6 - Project management unit		-	13 761	9 548	-	-	-	-	-	-	-	
1.7 - Performance management unit		-	-	-	-	150	150	-	-	-	-	
1.8 - Cluster office		2 093	25	-	1 197	1 197	1 197	-	2 800	2 200	2 420	
1.9 - Executive support		-	-	-	-	-	-	-	-	-	-	
1.10 -		-	-	-	-	-	-	-	-	-	-	
Vote 2 - Municipal managers office		-	-	-	-	1 400	1 400	-	-	-	-	
2.1 - Council		-	-	-	-	1 400	1 400	-	-	-	-	
2.2 - Municipal manager		-	-	-	-	-	-	-	-	-	-	
2.3 - Risk management		-	-	-	-	-	-	-	-	-	-	
2.4 - Internal audit		-	-	-	-	-	-	-	-	-	-	
2.5 -		-	-	-	-	-	-	-	-	-	-	
2.6 -		-	-	-	-	-	-	-	-	-	-	
2.7 -		-	-	-	-	-	-	-	-	-	-	
2.8 -		-	-	-	-	-	-	-	-	-	-	
2.9 -		-	-	-	-	-	-	-	-	-	-	
2.10 -		-	-	-	-	-	-	-	-	-	-	
Vote 3 - Water and sanitation		270 951	315 468	523 446	305 529	312 518	312 518	-	336 778	436 570	431 883	
3.1 - Water and sanitation admin		-	38 372	16 551	-	-	-	-	-	-	-	
3.2 - Reticulation, distribution and maintenance		-	-	-	-	-	-	-	-	-	-	
3.3 - Operations and waste water		99 701	117 029	210 860	58 657	65 820	65 820	-	79 732	119 777	107 204	
3.4 - Quality monitoring services		65 826	-	-	9 261	9 404	9 404	-	-	-	-	
3.5 - Reticulations, distribution and maintenance, water		-	-	-	-	-	-	-	-	-	-	
3.6 - Reticulations, distribution and maintenance, water		-	-	-	-	-	-	-	-	-	-	
3.7 - Infrastructure development		105 424	160 067	296 035	237 611	237 294	237 294	-	257 047	316 793	324 679	
3.8 -		-	-	-	-	-	-	-	-	-	-	
3.9 -		-	-	-	-	-	-	-	-	-	-	
3.10 -		-	-	-	-	-	-	-	-	-	-	
Vote 4 - Energy services		49 737	53 586	45 833	55 155	53 438	53 438	-	94 286	104 894	108 503	
4.1 - Energy services admin		5 042	926	3 169	-	-	-	-	-	-	-	
4.2 - Energy operation and maintenance administration		-	-	-	-	-	-	-	-	-	-	
4.3 - Energy services: 66KV		-	-	-	-	-	-	-	-	-	-	
4.4 - Energy services 11KV		-	25 497	24 994	19 455	28 299	28 299	-	65 222	73 935	81 006	
4.5 - Energy services: Planning and development		44 695	27 162	17 671	35 701	25 139	25 139	-	29 065	30 959	27 497	
4.6 -		-	-	-	-	-	-	-	-	-	-	
4.7 -		-	-	-	-	-	-	-	-	-	-	
4.8 -		-	-	-	-	-	-	-	-	-	-	
4.9 -		-	-	-	-	-	-	-	-	-	-	
4.10 -		-	-	-	-	-	-	-	-	-	-	
Vote 5 - Community Services		50 288	20 053	46 460	102 407	106 929	106 929	-	108 436	121 517	123 113	
5.1 - Directorate community services		-	-	-	-	-	-	-	-	-	-	
5.2 - Sport and recreation		31 900	14 385	24 811	67 278	59 896	59 896	-	74 915	76 000	69 051	
5.3 - Sport and facilities maintenance		-	5 344	13 508	5 500	14 081	14 081	-	-	500	1 000	
5.4 - Recreation services (swimming pools)		-	-	-	-	-	-	-	-	-	-	
5.5 - Sports facilities maintenance (horticultural services)		-	-	-	-	-	-	-	-	-	-	
5.6 - Cultural services (administration)		-	-	-	-	-	-	-	-	-	-	
5.7 - Culture services (art gallery)		-	-	-	-	-	-	-	-	-	-	
5.8 - Cultural services (libraries)		-	-	-	-	-	-	-	-	-	-	
5.9 - Cultural service (museums)		381	48	225	1 687	635	635	-	2 000	2 000	2 000	
5.10 - Other Community Services		18 007	276	7 915	27 942	32 317	32 317	-	31 522	43 017	51 062	
Vote 6 - Public safety		5 151	702	15 294	23 612	16 284	16 284	-	11 000	11 500	12 600	
6.1 - Public safety administration		-	-	-	-	-	-	-	-	-	-	
6.2 - Traffic and licencing administration		-	-	9 471	3 000	400	400	-	1 900	1 500	1 500	
6.3 - Traffic and licences (licencing)		-	-	-	-	-	-	-	-	-	-	
6.4 - Traffic and licencing (vehicle testing and drivers li		-	-	2 240	-	-	-	-	-	-	-	
6.5 - Traffic and licencing (traffic services)		2 389	80	680	-	-	-	-	-	1 000	-	
6.6 - Disaster management administration		1 155	161	1 985	19 101	14 424	14 424	-	4 800	5 000	5 000	
6.7 - Disaster management (fire fighting)		-	-	-	-	-	-	-	-	-	-	
6.8 - By law enforcement and security (administration)		-	-	-	-	-	-	-	-	-	-	
6.9 - Security services		-	-	-	-	-	-	-	-	-	-	
6.10 - Other Community Development		1 607	461	918	1 511	1 461	1 461	-	4 300	4 000	6 100	
Vote 7 - Corporate and Shared Services		17 567	26 735	15 351	36 625	34 337	34 337	-	52 129	65 339	69 512	
7.1 - Community and shared services		-	-	-	-	-	-	-	-	-	-	
7.2 - Corporte service- Information Communication Tec		4 199	4 695	4 291	4 372	5 200	5 200	-	4 526	10 878	14 881	
7.3 - Human Resources Development (administration)		-	-	-	-	-	-	-	-	-	-	
7.4 - Human Resources Development (Organisational d		-	-	-	-	-	-	-	-	-	-	
7.5 - Human Resources Development (Learning and dev		-	-	-	-	-	-	-	-	-	-	
7.6 - Human Resources Development (EAP)		-	-	-	-	-	-	-	-	-	-	
7.7 - Human Resources (Administration)		-	-	-	-	-	-	-	-	-	-	
7.8 - Human Resources (Personnel administration)		-	-	-	-	-	-	-	-	-	-	
7.9 - Human Resources Management (Labour relations)		-	-	-	-	-	-	-	-	-	-	
7.10 - Other corporate and shared services		13 368	22 041	11 060	32 252	29 136	29 136	-	47 603	54 460	54 631	
Vote 8 - Planning and Economic Development		2 510	6 699	17 503	17 539	15 436	15 436	-	1 000	800	7 260	
8.1 - Directorate planning and development		-	-	-	-	-	-	-	-	-	-	
8.2 - Property management		-	-	-	-	-	-	-	-	-	-	
8.3 - City and regional planning		2 510	2 591	16 509	17 539	15 436	15 436	-	1 000	800	7 260	
8.4 - Corporate Gio information		-	4 107	994	-	-	-	-	-	-	-	
8.5 - Building inspections (administration)		-	-	-	-	-	-	-	-	-	-	
8.6 - Economic development and tourism		-	-	-	-	-	-	-	-	-	-	
8.7 - Local Economic Development		-	-	-	-	-	-	-	-	-	-	
8.8 - Investment Promotion		-	-	-	-	-	-	-	-	-	-	
8.9 - LED (Economic Planning)		-	-	-	-	-	-	-	-	-	-	
8.10 - Other Planning and Economic Development		-	-	-	-	-	-	-	-	-	-	



Vote 9 - Budget and Treasury office	(201)	470	-	-	300	300	-	1 700	1 800	2 000
9.1 - Budget and treasury office	-	-	-	-	-	-	-	-	-	-
9.2 - Expenditure	-	-	-	-	-	-	-	-	-	-
9.3 - Revenue management and customer care	-	-	-	-	300	300	-	1 700	1 800	2 000
9.4 - Supply Chain Management	(201)	470	-	-	-	-	-	-	-	-
9.5 - Asset management	-	-	-	-	-	-	-	-	-	-
9.6 - Budget and financial reporting	-	-	-	-	-	-	-	-	-	-
9.7 - Business and financial planning	-	-	-	-	-	-	-	-	-	-
9.8 -	-	-	-	-	-	-	-	-	-	-
9.9 -	-	-	-	-	-	-	-	-	-	-
9.10 -	-	-	-	-	-	-	-	-	-	-
Vote 10 - Transport Operations	348 185	204 419	202 510	278 079	265 821	265 821	-	123 378	183 973	145 167
10.1 - Transport services	56 460	55 510	52 911	100 145	61 818	61 818	-	37 062	36 313	40 390
10.2 - Transport services (Planning and operations)	-	-	-	-	-	-	-	-	-	-
10.3 - Transport services (Intelligent transport and syst	-	-	-	-	-	-	-	-	-	-
10.4 - Transport services (Public transport regulation a	-	-	-	-	-	-	-	-	-	-
10.5 - Roads and stormwater (Admin)	-	-	-	-	-	-	-	-	-	-
10.6 - Storm water management and traffic enigneering	-	-	-	-	-	-	-	-	-	-
10.7 - Roads and stormwater (Roads and streets)	291 725	148 909	138 403	173 090	193 724	193 724	-	82 172	147 660	104 777
10.8 - Roads and stormwater (Stormwater)	-	-	11 196	4 843	10 279	10 279	-	4 143	-	-
10.9 -	-	-	-	-	-	-	-	-	-	-
10.10 -	-	-	-	-	-	-	-	-	-	-
Vote 11 - Human Settlement	-	-	-	-	609	609	-	-	-	-
11.1 - Human Settlement	-	-	-	-	-	-	-	-	-	-
11.2 - Human Settlement Housing admin	-	-	-	-	-	-	-	-	-	-
11.3 - Human Settlement Rental housing and programm	-	-	-	-	609	609	-	-	-	-
11.4 -	-	-	-	-	-	-	-	-	-	-
11.5 -	-	-	-	-	-	-	-	-	-	-
11.6 -	-	-	-	-	-	-	-	-	-	-
11.7 -	-	-	-	-	-	-	-	-	-	-
11.8 -	-	-	-	-	-	-	-	-	-	-
11.9 -	-	-	-	-	-	-	-	-	-	-
11.10 -	-	-	-	-	-	-	-	-	-	-
Vote 12 -	-	-	-	-	-	-	-	-	-	-
12.1 -	-	-	-	-	-	-	-	-	-	-
12.2 -	-	-	-	-	-	-	-	-	-	-
12.3 -	-	-	-	-	-	-	-	-	-	-
12.4 -	-	-	-	-	-	-	-	-	-	-
12.5 -	-	-	-	-	-	-	-	-	-	-
12.6 -	-	-	-	-	-	-	-	-	-	-
12.7 -	-	-	-	-	-	-	-	-	-	-
12.8 -	-	-	-	-	-	-	-	-	-	-
12.9 -	-	-	-	-	-	-	-	-	-	-
12.10 -	-	-	-	-	-	-	-	-	-	-
Vote 13 -	-	-	-	-	-	-	-	-	-	-
13.1 -	-	-	-	-	-	-	-	-	-	-
13.2 -	-	-	-	-	-	-	-	-	-	-
13.3 -	-	-	-	-	-	-	-	-	-	-
13.4 -	-	-	-	-	-	-	-	-	-	-
13.5 -	-	-	-	-	-	-	-	-	-	-
13.6 -	-	-	-	-	-	-	-	-	-	-
13.7 -	-	-	-	-	-	-	-	-	-	-
13.8 -	-	-	-	-	-	-	-	-	-	-
13.9 -	-	-	-	-	-	-	-	-	-	-
13.10 -	-	-	-	-	-	-	-	-	-	-
Vote 14 -	-	-	-	-	-	-	-	-	-	-
14.1 -	-	-	-	-	-	-	-	-	-	-
14.2 -	-	-	-	-	-	-	-	-	-	-
14.3 -	-	-	-	-	-	-	-	-	-	-
14.4 -	-	-	-	-	-	-	-	-	-	-
14.5 -	-	-	-	-	-	-	-	-	-	-
14.6 -	-	-	-	-	-	-	-	-	-	-
14.7 -	-	-	-	-	-	-	-	-	-	-
14.8 -	-	-	-	-	-	-	-	-	-	-
14.9 -	-	-	-	-	-	-	-	-	-	-
14.10 -	-	-	-	-	-	-	-	-	-	-
Vote 15 -	-	-	-	-	-	-	-	-	-	-
15.1 -	-	-	-	-	-	-	-	-	-	-
15.2 -	-	-	-	-	-	-	-	-	-	-
15.3 -	-	-	-	-	-	-	-	-	-	-
15.4 -	-	-	-	-	-	-	-	-	-	-
15.5 -	-	-	-	-	-	-	-	-	-	-
15.6 -	-	-	-	-	-	-	-	-	-	-
15.7 -	-	-	-	-	-	-	-	-	-	-
15.8 -	-	-	-	-	-	-	-	-	-	-
15.9 -	-	-	-	-	-	-	-	-	-	-
15.10 -	-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total	746 280	641 918	875 945	820 142	808 419	808 419	-	731 508	928 592	902 457
Total Capital Expenditure	746 280	641 918	875 945	820 142	808 419	808 419	-	731 508	928 592	902 457

LIM354 Polokwane - Table A6 Budgeted Financial Position

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
ASSETS											
Current assets											
Cash and cash equivalents		232 670	184 371	343 279	203 646	238 830	238 830	779 896	322 254	354 270	345 359
Trade and other receivables from exchange transactions	1	794 278	662 168	735 312	668 167	649 408	649 408	767 880	1 110 890	1 523 112	2 003 931
Receivables from non-exchange transactions	1	376 945	366 928	287 730	355 905	378 711	378 711	422 258	275 536	219 504	160 363
Current portion of non-current receivables		22	—	—	—	—	—	—	—	—	—
Inventory	2	399 141	210 235	216 068	98 924	157 044	157 044	108 003	350 030	411 132	665 001
VAT		75 051	104 253	83 534	520 008	520 008	520 008	78 578	567 975	1 108 554	1 674 753
Other current assets		30 341	49 356	106 183	168 007	168 917	168 917	122 274	129 922	139 561	149 811
Total current assets		1 908 448	1 577 313	1 772 106	2 014 658	2 112 918	2 112 918	2 278 890	2 756 607	3 756 133	4 999 219
Non current assets											
Investments		—	—	—	—	—	—	—	—	—	—
Investment property		1 118 195	961 287	997 033	994 131	994 131	994 131	1 024 964	1 029 964	1 035 764	1 035 764
Property, plant and equipment	3	13 652 359	12 476 687	14 408 254	15 112 651	15 100 711	15 100 711	14 631 794	14 894 897	15 390 801	15 835 779
Biological assets		13 479	20 785	24 274	24 274	24 274	24 274	15 622	15 622	15 622	15 622
Living and non-living resources		—	—	—	—	—	—	11 607	11 607	11 607	11 607
Heritage assets		21 900	21 868	21 868	21 868	21 868	21 868	22 004	21 868	21 868	21 868
Intangible assets		214 737	34 994	31 540	35 044	35 262	35 262	33 918	35 905	38 350	41 492
Trade and other receivables from exchange transactions		—	—	—	—	—	—	—	—	—	—
Non-current receivables from non-exchange transactions		144	—	—	—	—	—	—	—	—	—
Other non-current assets		1	1	1	1	1	1	1	1	1	1
Total non current assets		15 020 815	13 515 622	15 482 969	16 187 969	16 176 246	16 176 246	15 739 909	16 009 863	16 514 013	16 962 133
TOTAL ASSETS		16 929 263	15 092 935	17 255 076	18 202 627	18 289 164	18 289 164	18 018 799	18 766 471	20 270 145	21 961 351
LIABILITIES											
Current liabilities											
Bank overdraft		—	—	—	—	—	—	—	—	—	—
Financial liabilities		2 352	449	6 557	27 778	27 778	27 778	(26 539)	12 024	17 530	19 683
Consumer deposits		68 187	66 525	65 539	66 794	66 794	66 794	65 135	65 470	65 470	65 470
Trade and other payables from exchange transactions	4	591 715	480 686	581 497	660 656	719 255	719 255	299 290	871 383	733 148	977 865
Trade and other payables from non-exchange transactions	5	166 844	61 785	31 694	26 296	26 296	26 296	133 741	19 760	23 184	26 601
Provision		20 665	22 407	117 132	117 275	117 275	117 275	19 958	20 086	20 222	20 364
VAT		105 987	117 673	114 506	515 626	515 626	515 626	105 888	561 925	1 077 757	1 656 178
Other current liabilities		—	—	—	—	—	—	—	—	—	—
Total current liabilities		955 750	749 525	916 927	1 414 425	1 473 024	1 473 024	597 473	1 550 648	1 937 310	2 766 162
Non current liabilities											
Financial liabilities	6	402 921	387 346	352 265	319 910	319 910	319 910	369 412	332 266	332 266	332 266
Provision	7	349 108	340 622	191 552	192 667	192 667	192 667	303 436	304 614	305 857	307 170
Long term portion of trade payables		—	—	—	—	—	—	—	—	—	—
Other non-current liabilities		204 408	188 093	214 847	214 847	214 847	214 847	223 958	223 958	223 958	223 958
Total non current liabilities		956 436	916 062	758 664	727 424	727 424	727 424	896 806	860 838	862 081	863 394
TOTAL LIABILITIES		1 912 187	1 665 587	1 675 590	2 141 850	2 200 448	2 200 448	1 494 278	2 411 486	2 799 392	3 629 556
NET ASSETS		15 017 076	13 427 348	15 579 485	16 060 778	16 088 716	16 088 716	16 524 520	16 354 985	17 470 753	18 331 795
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	7 354 889	5 944 051	5 321 566	5 818 424	5 846 362	5 846 362	6 041 784	6 097 065	7 212 834	8 073 876
Reserves and funds	9	7 661 307	7 483 281	10 257 919	10 242 354	10 242 354	10 242 354	10 257 919	10 257 919	10 257 919	10 257 919
Other		—	—	—	—	—	—	—	—	—	—
TOTAL COMMUNITY WEALTH/EQUITY	10	15 016 195	13 427 332	15 579 485	16 060 778	16 088 716	16 088 716	16 299 704	16 354 985	17 470 753	18 331 795

References

1. Detail breakdown in Table SA3 for Trade receivables from Exchange and Non-exchange transactions
2. Include completed low cost housing to be transferred to beneficiaries within 12 months detail provided in Table SA3
3. Include 'Construction-work-in-progress' (disclosed separately in annual financial statements) detail in SA3
4. Detail breakdown in Table SA3.
5. Detail breakdown in Table SA3.
6. Detail breakdown in Table SA3.
7. Detail breakdown in Table SA3.
8. Detail breakdown in Table SA3.
9. Detail breakdown in Table SA3. Includes reserves to be funded by statute.
10. Net assets must balance with Total Community Wealth/Equity

881      16      (0)      0      0      0      224 817      0      0      0

LIM354 Polokwane - Table A7 Budgeted Cash Flows

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		433 538	523 005	540 779	557 771	557 771	557 771	557 771	673 277	714 347	759 708
Service charges		1 856 809	2 094 058	2 078 446	2 325 651	2 313 964	2 313 964	2 313 964	2 866 601	3 201 906	3 585 882
Other revenue		236 547	1 960 445	536 372	257 354	248 555	248 555	248 555	273 413	252 048	259 416
Transfers and Subsidies - Operational	1	1 276 125	1 231 726	1 533 239	1 666 130	1 724 783	1 724 783	1 724 783	1 873 544	1 874 376	1 974 779
Transfers and Subsidies - Capital	1	680 120	659 393	774 458	708 358	659 711	659 711	659 711	597 441	785 717	722 806
Interest		9 427	30 513	64 991	135 707	144 647	144 647	144 647	156 614	166 167	176 719
Dividends		-	-	-	-	-	-	-	-	-	-
Payments											
Suppliers and employees		(2 533 471)	(3 719 599)	(4 054 669)	(4 773 376)	(4 944 347)	(4 944 347)	(4 944 347)	(5 635 754)	(5 641 215)	(6 096 558)
Interest		-	-	(19 746)	(40 588)	(41 988)	(41 988)	(41 988)	(36 999)	(34 284)	(31 454)
Transfers and Subsidies	1	-	-	(10 559)	(9 956)	(46 856)	(46 856)	(46 856)	(57 456)	(65 056)	(64 938)
NET CASH FROM/(USED) OPERATING ACTIVITIES		1 959 095	2 779 541	1 443 311	827 050	616 238	616 238	616 238	710 680	1 254 006	1 286 359
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		2 791	1 919	5	5	205	205	205	196	208	221
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
Payments											
Capital assets		(834 294)	(745 602)	(910 982)	(779 135)	(766 934)	(766 934)	(766 934)	(699 683)	(887 673)	(857 334)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(831 503)	(743 683)	(910 977)	(779 130)	(766 729)	(766 729)	(766 729)	(699 487)	(887 465)	(857 113)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
Payments											
Repayment of borrowing		(27 389)	(30 354)	(39 584)	(27 778)	(27 778)	(27 778)	(27 778)	(31 078)	(34 526)	(38 157)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(27 389)	(30 354)	(39 584)	(27 778)	(27 778)	(27 778)	(27 778)	(31 078)	(34 526)	(38 157)
NET INCREASE/ (DECREASE) IN CASH HELD		1 100 204	2 005 503	492 750	20 142	(178 270)	(178 270)	(178 270)	(19 885)	332 015	391 089
Cash/cash equivalents at the year begin:	2	301 154	232 670	184 371	184 371	343 278	343 278	343 278	343 278	323 394	655 409
Cash/cash equivalents at the year end:	2	1 401 358	2 238 173	677 121	204 513	165 009	165 009	165 009	323 394	655 409	1 046 498

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

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>											
<b><u>Cash and investments available</u></b>											
Cash/cash equivalents at the year end	1	1 401 358	2 238 173	677 121	204 513	165 009	165 009	165 009	323 394	655 409	1 046 498
Other current investments > 90 days		(1 168 688)	(2 053 802)	(333 843)	(867)	73 821	73 821	614 887	(1 140)	(301 139)	(701 139)
Non current Investments	1	—	—	—	—	—	—	—	—	—	—
<b>Cash and investments available:</b>		<b>232 670</b>	<b>184 371</b>	<b>343 279</b>	<b>203 646</b>	<b>238 830</b>	<b>238 830</b>	<b>779 896</b>	<b>322 254</b>	<b>354 270</b>	<b>345 359</b>
<b><u>Application of cash and investments</u></b>											
Unspent conditional transfers		166 832	61 744	31 694	25 772	25 772	25 772	133 701	16 736	16 736	16 736
Unspent borrowing		—	—	—	—	—	—	—	—	—	—
Statutory requirements	2	30 936	11 842	30 972	(4 383)	(4 383)	(4 383)	(27 310)	(6 050)	(30 797)	(18 576)
Other working capital requirements	3	48 762	(340 523)	46 145	212 111	265 296	265 296	(480 524)	(522 930)	(998 823)	(1 164 239)
Other provisions		20 665	22 407	117 132	117 275	117 275	117 275	(19 958)	20 086	20 222	20 364
Long term investments committed	4	—	—	—	—	—	—	—	—	—	—
Reserves to be backed by cash/investments	5	—	—	—	—	—	—	—	—	—	—
<b>Total Application of cash and investments:</b>		<b>267 195</b>	<b>(244 530)</b>	<b>225 944</b>	<b>350 775</b>	<b>403 960</b>	<b>403 960</b>	<b>(394 092)</b>	<b>(492 158)</b>	<b>(992 662)</b>	<b>(1 145 714)</b>
<b>Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits</b>		<b>(34 525)</b>	<b>428 902</b>	<b>117 335</b>	<b>(147 129)</b>	<b>(165 130)</b>	<b>(165 130)</b>	<b>1 173 988</b>	<b>814 413</b>	<b>1 346 932</b>	<b>1 491 073</b>
<b>Creditors transferred to Debt Relief - Non-Current portion</b>		—	—	—	—	—	—	—	—	—	—
<b>Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits</b>		<b>(34 525)</b>	<b>428 902</b>	<b>117 335</b>	<b>(147 129)</b>	<b>(165 130)</b>	<b>(165 130)</b>	<b>1 173 988</b>	<b>814 413</b>	<b>1 346 932</b>	<b>1 491 073</b>

## References

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

Other working capital requirements

Debtors	542 953	821 209	535 352	448 545	453 959	453 959	779 814	1 394 313	1 731 971	2 142 104
Creditors due	591 715	480 686	581 497	660 656	719 255	719 255	299 290	871 383	733 148	977 865
Total	(48 762)	340 523	(46 145)	(212 111)	(265 296)	(265 296)	480 524	522 930	998 823	1 164 239

### Debtors collection assumptions

Balance outstanding - debtors	1 171 389	1 029 097	1 023 043	1 024 072	1 028 119	1 028 119	1 190 139	1 386 426	1 742 617	2 164 294
Estimate of debtors collection rate	46.4%	79.8%	52.3%	43.8%	44.2%	44.2%	65.5%	100.6%	99.4%	99.0%

Long term investments committed

Balance (Insert description; eg sinking fund)

[illegible]

Note:

6. Above reserves do not include Revaluation reserve. Revaluation reserve not required to be cash backed

### LIM354 Polokwane - Table A9 Asset Management

Description	####	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
CAPITAL EXPENDITURE										
<u>Total New Assets</u>	1	443 487	460 979	728 917	646 031	620 955	620 955	593 027	667 564	678 578
Roads Infrastructure		154 388	38 072	77 583	77 366	101 497	101 497	33 936	24 642	43 081
Storm water Infrastructure		2 142	12 358	9 902	17 842	17 725	17 725	16 000	18 000	19 400
Electrical Infrastructure		39 297	51 463	44 592	52 533	43 416	43 416	76 286	96 394	93 903
Water Supply Infrastructure		102 056	167 063	255 208	225 743	204 748	204 748	250 047	301 567	286 844
Sanitation Infrastructure		36 576	127 039	218 319	55 222	64 256	64 256	16 022	32 984	18 043
Solid Waste Infrastructure		699	113	4 728	20 442	17 317	17 317	25 674	27 773	31 565
Rail Infrastructure		—	—	—	—	—	—	—	—	—
Coastal Infrastructure		—	—	—	—	—	—	—	—	—
Information and Communication Infrastructure		—	—	—	958	958	958	400	7 500	12 200
Infrastructure		335 158	396 109	610 332	450 106	449 917	449 917	418 365	508 861	505 036
Community Facilities		25 142	23 702	48 639	63 799	41 089	41 089	19 599	29 613	25 333
Sport and Recreation Facilities		25 143	12 250	11 543	43 214	41 290	41 290	54 106	36 522	39 486
Community Assets		50 285	35 952	60 182	107 013	82 379	82 379	73 705	66 135	64 819
Heritage Assets		—	—	—	50	(0)	(0)	—	—	—
Revenue Generating		2 265	2 591	16 509	17 539	15 436	15 436	1 000	800	—
Non-revenue Generating		—	4 107	994	—	—	—	—	—	7 260
Investment properties		2 265	6 699	17 503	17 539	15 436	15 436	1 000	800	7 260
Operational Buildings		44	1 017	680	461	2 761	2 761	1 000	1 400	500
Housing		—	—	—	—	—	—	—	—	—
Other Assets		44	1 017	680	461	2 761	2 761	1 000	1 400	500
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Servitudes		—	—	—	—	—	—	—	—	—
Licences and Rights		19 239	—	—	—	217	217	—	—	—
Intangible Assets		19 239	—	—	—	217	217	—	—	—
Computer Equipment		2 083	2 171	3 975	2 006	3 334	3 334	7 332	2 378	1 681
Furniture and Office Equipment		192	253	428	500	1 724	1 724	2 700	3 300	3 500
Machinery and Equipment		5 373	2 362	6 577	16 550	13 493	13 493	14 500	14 600	14 600
Transport Assets		28 849	16 415	29 239	51 807	51 694	51 694	74 425	70 090	81 181
Land		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
Mature		—	—	—	—	—	—	—	—	—
Immature		—	—	—	—	—	—	—	—	—
Living Resources		—	—	—	—	—	—	—	—	—
<u>Total Renewal of Existing Assets</u>	2	79 955	59 612	25 455	74 733	85 647	85 647	45 430	112 496	79 915
Roads Infrastructure		33 565	36 242	7 506	45 048	55 479	55 479	18 404	41 205	19 579
Storm water Infrastructure		—	—	—	—	—	—	—	—	—
Electrical Infrastructure		1 449	2 123	1 241	—	—	—	1 500	—	—
Water Supply Infrastructure		—	8 603	—	7 609	9 286	9 286	2 000	7 826	30 435
Sanitation Infrastructure		37 814	3 940	9 548	—	1 564	1 564	13 043	37 399	—
Solid Waste Infrastructure		—	—	—	—	—	—	4 348	13 043	15 497
Rail Infrastructure		—	—	—	—	—	—	—	—	—
Coastal Infrastructure		—	—	—	—	—	—	—	—	—
Information and Communication Infrastructure		—	—	—	—	—	—	—	—	—
Infrastructure		72 828	50 908	18 296	52 657	66 329	66 329	39 295	99 474	65 510
Community Facilities		6 250	2 259	1 229	10 435	8 435	8 435	2 435	6 522	3 804
Sport and Recreation Facilities		—	5 738	4 141	1 855	1 836	1 836	—	2 500	1 000
Community Assets		6 250	7 996	5 371	12 290	10 271	10 271	2 435	9 022	4 804
Heritage Assets		—	—	—	—	—	—	—	—	—
Revenue Generating		—	—	—	—	—	—	—	—	—
Non-revenue Generating		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Operational Buildings		877	707	1 789	9 787	9 047	9 047	3 700	4 000	9 600
Housing		—	—	—	—	—	—	—	—	—
Other Assets		877	707	1 789	9 787	9 047	9 047	3 700	4 000	9 600
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Servitudes		—	—	—	—	—	—	—	—	—
Licences and Rights		—	—	—	—	—	—	—	—	—
Intangible Assets		—	—	—	—	—	—	—	—	—
Computer Equipment		—	—	—	—	—	—	—	—	—
Furniture and Office Equipment		—	—	—	—	—	—	—	—	—
Machinery and Equipment		—	—	—	—	—	—	—	—	—
Transport Assets		—	—	—	—	—	—	—	—	—
Land		—	—	—	—	—	—	—	—	—
Zoo's, Marine and Non-biological Animals		—	—	—	—	—	—	—	—	—
Mature		—	—	—	—	—	—	—	—	—
Immature		—	—	—	—	—	—	—	—	—
Living Resources		—	—	—	—	—	—	—	—	—

<b>Total Upgrading of Existing Assets</b>	6	<b>222 838</b>	<b>121 327</b>	<b>121 573</b>	<b>99 377</b>	<b>101 817</b>	<b>101 817</b>	<b>93 051</b>	<b>148 533</b>	<b>143 965</b>
Roads Infrastructure		119 423	104 210	55 250	51 734	35 756	35 756	7 087	40 141	22 261
Storm water Infrastructure		–	1 271	4 547	11 341	8 434	8 434	4 143	27 198	–
Electrical Infrastructure		2 448	–	–	2 622	2 122	2 122	14 500	7 000	7 500
Water Supply Infrastructure		3 367	12 763	13 722	6 085	6 302	6 302	–	–	–
Sanitation Infrastructure		91 138	–	19 647	3 435	23 428	23 428	44 574	48 103	94 160
Solid Waste Infrastructure		–	–	–	–	–	–	–	1 200	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		2 116	2 524	316	1 408	908	908	1 794	1 000	1 000
<b>Infrastructure</b>		<b>218 493</b>	<b>120 768</b>	<b>93 481</b>	<b>76 625</b>	<b>76 949</b>	<b>76 949</b>	<b>72 099</b>	<b>124 642</b>	<b>124 921</b>
Community Facilities		1 615	–	13 620	13 913	9 493	9 493	10 757	8 848	8 348
Sport and Recreation Facilities		2 355	–	11 374	5 000	13 600	13 600	10 196	15 043	10 696
<b>Community Assets</b>		<b>3 970</b>	<b>–</b>	<b>24 994</b>	<b>18 913</b>	<b>23 093</b>	<b>23 093</b>	<b>20 952</b>	<b>23 891</b>	<b>19 043</b>
<b>Heritage Assets</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
<b>Investment properties</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Operational Buildings		375	560	3 097	3 839	1 775	1 775	–	–	–
Housing		–	–	–	–	–	–	–	–	–
<b>Other Assets</b>		<b>375</b>	<b>560</b>	<b>3 097</b>	<b>3 839</b>	<b>1 775</b>	<b>1 775</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Biological or Cultivated Assets</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
<b>Intangible Assets</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Computer Equipment</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Furniture and Office Equipment</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Machinery and Equipment</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Transport Assets</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Land</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Zoo's, Marine and Non-biological Animals</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Mature		–	–	–	–	–	–	–	–	–
Immature		–	–	–	–	–	–	–	–	–
<b>Living Resources</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Total Capital Expenditure</b>	4	<b>746 280</b>	<b>641 918</b>	<b>875 945</b>	<b>820 142</b>	<b>808 419</b>	<b>808 419</b>	<b>731 508</b>	<b>928 592</b>	<b>902 457</b>
Roads Infrastructure		307 377	178 524	140 339	174 147	192 732	192 732	59 428	105 988	84 920
Storm water Infrastructure		2 142	13 630	14 450	29 183	26 159	26 159	20 143	45 198	19 400
Electrical Infrastructure		43 194	53 586	45 833	55 155	45 538	45 538	92 286	103 394	101 403
Water Supply Infrastructure		105 424	188 429	268 929	239 437	220 336	220 336	252 047	309 393	317 279
Sanitation Infrastructure		165 527	130 979	247 514	58 657	89 248	89 248	73 640	118 486	112 204
Solid Waste Infrastructure		699	113	4 728	20 442	17 317	17 317	30 022	42 017	47 062
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		2 116	2 524	316	2 366	1 866	1 866	2 194	8 500	13 200
<b>Infrastructure</b>		<b>626 479</b>	<b>567 784</b>	<b>722 110</b>	<b>579 388</b>	<b>593 195</b>	<b>593 195</b>	<b>529 760</b>	<b>732 976</b>	<b>695 468</b>
Community Facilities		33 007	25 961	63 489	88 147	59 017	59 017	32 790	44 983	37 485
Sport and Recreation Facilities		27 497	17 988	27 058	50 069	56 726	56 726	64 302	54 065	51 182
<b>Community Assets</b>		<b>60 505</b>	<b>43 949</b>	<b>90 547</b>	<b>138 216</b>	<b>115 743</b>	<b>115 743</b>	<b>97 092</b>	<b>99 048</b>	<b>88 667</b>
<b>Heritage Assets</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>50</b>	<b>(0)</b>	<b>(0)</b>	<b>–</b>	<b>–</b>	<b>–</b>
Revenue Generating		2 265	2 591	16 509	17 539	15 436	15 436	1 000	800	–
Non-revenue Generating		–	4 107	994	–	–	–	–	–	7 260
<b>Investment properties</b>		<b>2 265</b>	<b>6 699</b>	<b>17 503</b>	<b>17 539</b>	<b>15 436</b>	<b>15 436</b>	<b>1 000</b>	<b>800</b>	<b>7 260</b>
Operational Buildings		1 295	2 284	5 566	14 086	13 583	13 583	4 700	5 400	10 100
Housing		–	–	–	–	–	–	–	–	–
<b>Other Assets</b>		<b>1 295</b>	<b>2 284</b>	<b>5 566</b>	<b>14 086</b>	<b>13 583</b>	<b>13 583</b>	<b>4 700</b>	<b>5 400</b>	<b>10 100</b>
<b>Biological or Cultivated Assets</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		19 239	–	–	–	217	217	–	–	–
<b>Intangible Assets</b>		<b>19 239</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>217</b>	<b>217</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Computer Equipment</b>		<b>2 083</b>	<b>2 171</b>	<b>3 975</b>	<b>2 006</b>	<b>3 334</b>	<b>3 334</b>	<b>7 332</b>	<b>2 378</b>	<b>1 681</b>
<b>Furniture and Office Equipment</b>		<b>192</b>	<b>253</b>	<b>428</b>	<b>500</b>	<b>1 724</b>	<b>1 724</b>	<b>2 700</b>	<b>3 300</b>	<b>3 500</b>
<b>Machinery and Equipment</b>		<b>5 373</b>	<b>2 362</b>	<b>6 577</b>	<b>16 550</b>	<b>13 493</b>	<b>13 493</b>	<b>14 500</b>	<b>14 600</b>	<b>14 600</b>
<b>Transport Assets</b>		<b>28 849</b>	<b>16 415</b>	<b>29 239</b>	<b>51 807</b>	<b>51 694</b>	<b>51 694</b>	<b>74 425</b>	<b>70 090</b>	<b>81 181</b>
<b>Land</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>Zoo's, Marine and Non-biological Animals</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Mature		–	–	–	–	–	–	–	–	–
Immature		–	–	–	–	–	–	–	–	–
<b>Living Resources</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<b>TOTAL CAPITAL EXPENDITURE - Asset class</b>		<b>746 280</b>	<b>641 918</b>	<b>875 945</b>	<b>820 142</b>	<b>808 419</b>	<b>808 419</b>	<b>731 508</b>	<b>928 592</b>	<b>902 457</b>



<b>ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	<b>12 383 424</b>	<b>10 886 576</b>	<b>12 365 550</b>	<b>13 154 561</b>	<b>13 156 642</b>	<b>13 156 642</b>	<b>13 016 180</b>	<b>12 726 692</b>	<b>12 409 565</b>
Roads Infrastructure		2 989 212	3 133 917	3 491 302	3 792 823	3 794 748	3 794 748	3 947 274	3 766 173	3 570 005
Storm water Infrastructure		434 630	418 917	1 314 305	1 324 026	1 324 026	1 324 026	1 306 187	1 293 950	1 281 029
Electrical Infrastructure		1 461 384	405 439	332 466	444 846	444 846	444 846	392 984	377 729	361 619
Water Supply Infrastructure		2 030 604	2 048 509	1 829 842	2 065 038	2 065 181	2 065 181	2 073 405	2 070 746	2 067 939
Sanitation Infrastructure		1 063 906	1 067 847	1 044 094	1 060 985	1 060 985	1 060 985	1 281 908	1 271 132	1 259 753
Solid Waste Infrastructure		72 167	82 176	62 878	22 913	22 788	22 788	5 482	(51 745)	(112 289)
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		20 209	20 209	15 557	19 702	19 702	19 702	15 677	14 658	13 583
<b>Infrastructure</b>		<b>8 072 112</b>	<b>7 177 014</b>	<b>8 090 444</b>	<b>8 730 333</b>	<b>8 732 276</b>	<b>8 732 276</b>	<b>9 022 916</b>	<b>8 742 643</b>	<b>8 441 638</b>
<b>Community Assets</b>		<b>2 059 080</b>	<b>1 856 994</b>	<b>2 133 522</b>	<b>2 291 198</b>	<b>2 295 688</b>	<b>2 295 688</b>	<b>2 110 730</b>	<b>2 041 547</b>	<b>1 963 120</b>
<b>Heritage Assets</b>		<b>21 900</b>	<b>21 868</b>	<b>21 868</b>	<b>21 868</b>	<b>21 868</b>	<b>21 868</b>	<b>21 868</b>	<b>21 868</b>	<b>21 868</b>
<b>Investment properties</b>		<b>1 118 195</b>	<b>961 287</b>	<b>997 033</b>	<b>994 131</b>	<b>994 131</b>	<b>994 131</b>	<b>1 029 964</b>	<b>1 035 764</b>	<b>1 035 764</b>
<b>Other Assets</b>		<b>214 246</b>	<b>215 594</b>	<b>370 467</b>	<b>424 564</b>	<b>424 564</b>	<b>424 564</b>	<b>(1 414)</b>	<b>(2 906)</b>	<b>(4 481)</b>
<b>Biological or Cultivated Assets</b>		<b>13 479</b>	<b>20 785</b>	<b>24 274</b>	<b>24 274</b>	<b>24 274</b>	<b>24 274</b>	<b>15 622</b>	<b>15 622</b>	<b>15 622</b>
<b>Intangible Assets</b>		<b>214 737</b>	<b>34 994</b>	<b>31 540</b>	<b>35 044</b>	<b>35 262</b>	<b>35 262</b>	<b>35 905</b>	<b>38 350</b>	<b>41 492</b>
Computer Equipment		14 949	(37 630)	16 145	12 929	14 257	14 257	24 456	27 803	28 283
Furniture and Office Equipment		15 383	11 884	(114)	(3 733)	(2 009)	(2 009)	(298)	(8 488)	(17 121)
Machinery and Equipment		48 965	60 389	48 426	77 099	69 195	69 195	72 166	96 297	122 118
Transport Assets		226 664	198 535	169 463	195 348	195 630	195 630	210 178	244 104	287 174
Land		363 714	364 861	462 482	351 505	351 505	351 505	462 482	462 482	462 482
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Living Resources		–	–	–	–	–	–	11 607	11 607	11 607
<b>TOTAL ASSET REGISTER SUMMARY - PPE (WDV)</b>	5	<b>12 383 424</b>	<b>10 886 576</b>	<b>12 365 550</b>	<b>13 154 561</b>	<b>13 156 642</b>	<b>13 156 642</b>	<b>13 016 180</b>	<b>12 726 692</b>	<b>12 409 565</b>
<b>EXPENDITURE OTHER ITEMS</b>		<b>707 435</b>	<b>1 434 855</b>	<b>2 013 108</b>	<b>1 175 761</b>	<b>1 203 717</b>	<b>1 203 717</b>	<b>1 275 086</b>	<b>1 344 018</b>	<b>1 416 747</b>
<u>Depreciation</u>	7	–	762 068	1 280 636	386 920	386 920	386 920	407 814	430 243	454 337
<u>Repairs and Maintenance by Asset Class</u>	3	<b>707 435</b>	<b>672 787</b>	<b>732 472</b>	<b>788 841</b>	<b>816 797</b>	<b>816 797</b>	<b>867 272</b>	<b>913 775</b>	<b>962 410</b>
Roads Infrastructure		113 035	72 953	89 024	103 984	96 401	96 401	93 975	98 994	104 643
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		132 162	126 904	127 625	158 038	134 868	134 868	163 991	173 011	182 699
Water Supply Infrastructure		201 155	202 327	193 382	203 732	229 863	229 863	252 301	266 177	281 083
Sanitation Infrastructure		19 136	35 658	15 095	16 763	23 144	23 144	23 022	24 288	25 648
Solid Waste Infrastructure		83 003	76 576	94 880	81 064	104 064	104 064	108 101	114 046	120 433
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	1 200	–	–
<b>Infrastructure</b>		<b>548 492</b>	<b>514 417</b>	<b>520 005</b>	<b>563 581</b>	<b>588 340</b>	<b>588 340</b>	<b>642 590</b>	<b>676 516</b>	<b>714 507</b>
Community Facilities		11 989	14 452	23 680	23 603	24 600	24 600	24 773	26 135	27 599
Sport and Recreation Facilities		34 910	35 889	36 312	39 424	39 769	39 769	41 123	43 385	45 814
<b>Community Assets</b>		<b>46 899</b>	<b>50 342</b>	<b>59 992</b>	<b>63 027</b>	<b>64 369</b>	<b>64 369</b>	<b>65 896</b>	<b>69 520</b>	<b>73 413</b>
<b>Heritage Assets</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
<b>Investment properties</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Operational Buildings		42 482	35 938	43 525	51 392	45 412	45 412	46 831	49 407	52 173
Housing		–	–	–	–	–	–	–	–	–
<b>Other Assets</b>		<b>42 482</b>	<b>35 938</b>	<b>43 525</b>	<b>51 392</b>	<b>45 412</b>	<b>45 412</b>	<b>46 831</b>	<b>49 407</b>	<b>52 173</b>
<b>Biological or Cultivated Assets</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		10 154	7 991	8 845	10 859	10 859	10 859	10 859	11 457	12 098
<b>Intangible Assets</b>		<b>10 154</b>	<b>7 991</b>	<b>8 845</b>	<b>10 859</b>	<b>10 859</b>	<b>10 859</b>	<b>10 859</b>	<b>11 457</b>	<b>12 098</b>
Computer Equipment		6 990	7 048	5 932	7 383	12 183	12 183	12 841	13 547	14 306
Furniture and Office Equipment		9 433	9 388	18 343	16 742	12 287	12 287	12 287	12 963	13 689
Machinery and Equipment		–	–	436	502	502	502	577	608	642
Transport Assets		42 984	47 664	75 392	75 355	82 845	82 845	75 392	79 757	81 581
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Mature		–	–	–	–	–	–	–	–	–
Immature		–	–	–	–	–	–	–	–	–
Living Resources		–	–	–	–	–	–	–	–	–
<b>TOTAL EXPENDITURE OTHER ITEMS</b>		<b>707 435</b>	<b>1 434 855</b>	<b>2 013 108</b>	<b>1 175 761</b>	<b>1 203 717</b>	<b>1 203 717</b>	<b>1 275 086</b>	<b>1 344 018</b>	<b>1 416 747</b>
<b>Renewal and upgrading of Existing Assets as % of total capex</b>		40.6%	28.2%	16.8%	21.2%	23.2%	23.2%	18.9%	28.1%	24.8%
<b>Renewal and upgrading of Existing Assets as % of deprecn</b>		0.0%	23.7%	11.5%	45.0%	48.5%	48.5%	34.0%	60.7%	49.3%
<b>R&amp;M as a % of PPE</b>		5.7%	6.2%	5.9%	6.0%	6.2%	6.2%	6.6%	7.1%	7.7%
<b>Renewal and upgrading and R&amp;M as a % of PPE</b>		8.2%	7.8%	7.1%	7.3%	7.6%	7.6%	7.7%	9.2%	9.5%

LIM354 Polokwane - Table A10 Basic service delivery measurement

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>Household service targets</b>										
<b>Water:</b>	1									
Piped water inside dwelling		46 986	50 886	55 109	59 682	59 682	59 682	64 635	69 999	75 808
Piped water inside yard (but not in dwelling)		135 383	140 513	145 837	151 362	151 362	151 362	157 097	163 050	169 227
Using public tap (at least min.service level)	2	37 235	36 998	36 762	36 529	36 529	36 529	36 296	36 065	35 836
Other water supply (at least min.service level)	4	—	—	—	—	—	—	—	—	—
<i>Minimum Service Level and Above sub-total</i>		219 604	228 396	237 708	247 573	247 573	247 573	258 029	269 114	280 872
Using public tap (< min.service level)	3	24 488	23 481	22 515	21 588	21 588	21 588	20 700	19 848	19 032
Other water supply (< min.service level)	4	—	—	—	—	—	—	—	—	—
No water supply		2 891	2 529	2 213	1 937	1 937	1 937	1 694	1 483	1 297
<i>Below Minimum Service Level sub-total</i>		27 379	26 010	24 728	23 525	23 525	23 525	22 395	21 331	20 329
<b>Total number of households</b>	5	<b>246 983</b>	<b>254 406</b>	<b>262 436</b>	<b>271 098</b>	<b>271 098</b>	<b>271 098</b>	<b>280 423</b>	<b>290 445</b>	<b>301 201</b>
<b>Sanitation/sewerage:</b>										
Flush toilet (connected to sewerage)		128 155	140 425	153 870	168 603	168 603	168 603	184 747	202 436	221 818
Flush toilet (with septic tank)		—	—	—	—	—	—	—	—	—
Chemical toilet		80 273	77 420	74 668	72 014	72 014	72 014	69 454	66 986	64 605
Pit toilet (ventilated)		37 292	35 427	33 656	31 973	31 973	31 973	30 375	28 856	27 413
Other toilet provisions (> min.service level)		—	85 121	—	—	—	—	—	—	—
<i>Minimum Service Level and Above sub-total</i>		245 720	338 393	262 195	272 591	272 591	272 591	284 576	298 277	313 836
Bucket toilet		337	386	443	508	508	508	582	668	766
Other toilet provisions (< min.service level)		—	—	—	—	—	—	—	—	—
No toilet provisions		927	748	604	487	487	487	393	317	256
<i>Below Minimum Service Level sub-total</i>		1 264	1 134	1 046	995	995	995	975	985	1 022
<b>Total number of households</b>	5	<b>246 983</b>	<b>339 527</b>	<b>263 241</b>	<b>273 585</b>	<b>273 585</b>	<b>273 585</b>	<b>285 551</b>	<b>299 262</b>	<b>314 858</b>
<b>Energy:</b>										
Electricity (at least min.service level)		223 318	232 235	241 508	251 150	251 150	251 150	261 178	271 606	282 451
Electricity - prepaid (min.service level)		—	—	—	—	—	—	—	—	—
<i>Minimum Service Level and Above sub-total</i>		223 318	232 235	241 508	251 150	251 150	251 150	261 178	271 606	282 451
Electricity (< min.service level)		16 356	15 445	14 585	13 774	13 774	13 774	13 007	12 283	11 599
Electricity - prepaid (< min. service level)		—	—	—	—	—	—	—	—	—
Other energy sources		7 309	6 726	6 190	5 696	5 696	5 696	5 242	4 824	4 439
<i>Below Minimum Service Level sub-total</i>		23 665	22 172	20 775	19 470	19 470	19 470	18 249	17 107	16 038
<b>Total number of households</b>	5	<b>246 983</b>	<b>254 406</b>	<b>262 283</b>	<b>270 620</b>	<b>270 620</b>	<b>270 620</b>	<b>279 427</b>	<b>288 713</b>	<b>298 489</b>
<b>Refuse:</b>										
Removed at least once a week		100 656	107 156	114 076	121 442	121 442	121 442	129 285	137 634	146 522
<i>Minimum Service Level and Above sub-total</i>		100 656	107 156	114 076	121 442	121 442	121 442	129 285	137 634	146 522
Removed less frequently than once a week		13 102	13 683	14 291	14 925	14 925	14 925	15 588	16 280	17 002
Using communal refuse dump		9 207	10 502	11 979	13 664	13 664	13 664	15 585	17 778	20 278
Using own refuse dump		121 385	120 065	118 759	117 466	117 466	117 466	116 188	114 924	113 674
Other rubbish disposal		—	—	—	—	—	—	—	—	—
No rubbish disposal		2 633	3 000	3 419	3 896	3 896	3 896	4 439	5 058	5 764
<i>Below Minimum Service Level sub-total</i>		146 328	147 251	148 447	149 951	149 951	149 951	151 801	154 040	156 718
<b>Total number of households</b>	5	<b>246 983</b>	<b>254 406</b>	<b>262 523</b>	<b>271 394</b>	<b>271 394</b>	<b>271 394</b>	<b>281 085</b>	<b>291 673</b>	<b>303 239</b>
<b>Households receiving Free Basic Service</b>	7									
Water (6 kilolitres per household per month)		15 451	18 077	19 704	21 478	21 478	21 478	23 821	26 444	29 421
Sanitation (free minimum level service)		17 774	18 840	19 970	21 169	21 169	21 169	22 439	23 807	25 319
Electricity/other energy (50kwh per household per month)		—	—	—	—	—	—	—	—	—
Refuse (removed at least once a week)		17 774	18 840	19 970	21 169	21 169	21 169	22 439	23 807	25 319
Informal Settlements		36	38	40	42	42	42	45	48	51
<b>Cost of Free Basic Services provided - Formal Settlements (R'000)</b>										
Water (6 kilolitres per indigent household per month)		25 877	30 276	51 440	56 070	56 070	56 070	62 187	69 034	76 807
Sanitation (free sanitation service to indigent households)		16 724	19 212	20 366	21 588	21 588	21 588	22 884	24 280	25 821
Electricity/other energy (50kwh per indigent household per month)		48 756	57 045	65 752	71 328	71 328	71 328	80 415	90 741	102 618
Refuse (removed once a week for indigent households)		14 020	16 106	17 074	18 099	18 099	18 099	19 185	20 355	21 647
<b>Cost of Free Basic Services provided - Informal Formal Settlements (R'000)</b>										
<b>Total cost of FBS provided</b>	8	<b>162 033</b>	<b>186 294</b>	<b>226 222</b>	<b>242 970</b>	<b>242 970</b>	<b>242 970</b>	<b>265 108</b>	<b>289 753</b>	<b>317 658</b>
<b>Highest level of free service provided per household</b>										
Property rates (R value threshold)		—	—	—	—	—	—	—	—	—
Water (kilolitres per household per month)		—	—	—	—	—	—	—	—	—
Sanitation (kilolitres per household per month)		—	—	—	—	—	—	—	—	—
Sanitation (Rand per household per month)		—	—	—	—	—	—	—	—	—
Electricity (kwh per household per month)		—	—	—	—	—	—	—	—	—
Refuse (average litres per week)		—	—	—	—	—	—	—	—	—
<b>Revenue cost of subsidised services provided (R'000)</b>	9									
Property rates (tariff adjustment) ( impermissable values per section 17 of MPRA)		—	—	—	—	—	—	—	—	—
Property rates exemptions, reductions and rebates and impermissable values in excess of section 17 of MPRA)		5 093	4 262	56 903	74 928	75 944	75 944	79 388	84 230	89 579
Water (in excess of 6 kilolitres per indigent household per month)		(25 877)	(30 275)	(48 003)	0	0	0	5	6	6
Sanitation (in excess of free sanitation service to indigent households)		(16 373)	(16 286)	(2 453)	21 588	23 350	23 350	24 751	26 261	27 929
Electricity/other energy (in excess of 50 kwh per indigent household per month)		(18 676)	(56 953)	(50 735)	5	5	5	6	6	7
Refuse (in excess of one removal a week for indigent households)		(14 020)	(16 106)	(3 316)	18 099	18 099	18 099	19 185	20 355	21 647
Municipal Housing - rental rebates		—	—	—	—	—	—	—	—	—
Housing - top structure subsidies		—	—	—	—	—	—	—	—	—
Other		—	—	—	—	—	—	—	—	—
<b>Total revenue cost of subsidised services provided</b>	6	<b>(69 854)</b>	<b>(115 358)</b>	<b>(47 603)</b>	<b>114 620</b>	<b>117 398</b>	<b>117 398</b>	<b>123 334</b>	<b>130 858</b>	<b>139 168</b>

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

Description	##	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
REVENUE ITEMS:											
Non-exchange revenue by source											
Exchange Revenue	6										
Total Property Rates		536 879	561 444	658 890	716 044	717 059	717 059	6 797 615	749 162	794 861	845 334
Less Revenue Foregone (exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		5 093	4 262	56 903	74 928	75 944	75 944	6 324 198	79 388	84 230	89 579
Net Property Rates		531 786	557 183	601 987	641 116	641 116	641 116	473 417	669 774	710 630	755 755
Exchange revenue service charges											
Service charges - Electricity	6										
Total Service charges - Electricity		1 215 882	1 186 974	1 389 322	2 055 788	2 046 435	2 046 435	1 677 958	2 307 151	2 603 388	2 944 173
Less Revenue Foregone (in excess of 50 kwh per indigent household per month)		(18 676)	(56 953)	(50 735)	5	5	5	617 662	6	6	7
Less Cost of Free Basis Services (50 kwh per indigent household per month)		48 756	57 045	65 752	71 328	71 328	71 328	–	80 415	90 741	102 618
Net Service charges - Electricity		1 185 802	1 186 882	1 374 305	1 984 455	1 975 102	1 975 102	1 060 295	2 226 730	2 512 641	2 841 547
Service charges - Water	6										
Total Service charges - Water		242 998	231 874	267 549	438 481	438 481	438 481	219 354	486 325	539 869	600 658
Less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)		(25 877)	(30 275)	(48 003)	0	0	0	16 649	5	6	6
Less Cost of Free Basis Services (6 kilolitres per indigent household per month)		25 877	30 276	51 440	56 070	56 070	56 070	–	62 187	69 034	76 807
Net Service charges - Water		242 998	231 872	264 112	382 411	382 411	382 411	202 706	424 132	470 829	523 845
Service charges - Waste Water Management											
Total Service charges - Waste Water Management		156 060	156 284	180 323	199 335	201 096	201 096	291 276	213 162	226 165	240 527
Less Revenue Foregone (in excess of free sanitation service to indigent households)		(16 373)	(16 286)	(2 453)	21 588	23 350	23 350	169 992	24 751	26 261	27 929
Less Cost of Free Basis Services (free sanitation service to indigent households)		16 724	19 212	20 366	21 588	21 588	21 588	–	22 884	24 280	25 821
Net Service charges - Waste Water Management		155 709	153 357	162 410	156 158	156 158	156 158	121 284	165 527	175 624	186 777
Service charges - Waste Management	6										
Total refuse removal revenue		139 149	140 768	155 850	186 336	186 336	186 336	–	38 369	40 710	43 295
Total landfill revenue		–	–	–	–	–	–	–	–	–	–
Less Revenue Foregone (in excess of one removal a week to indigent households)		(14 020)	(16 106)	(3 316)	18 099	18 099	18 099	–	19 185	20 355	21 647
Less Cost of Free Basis Services (removed once a week to indigent households)		14 020	16 106	17 074	18 099	18 099	18 099	–	19 185	20 355	21 647
Net Service charges - Waste Management		139 149	140 768	142 091	150 139	150 139	150 139	–	–	–	–
EXPENDITURE ITEMS:											
Employee related costs											
Basic Salaries and Wages	2	569 184	569 584	594 180	807 870	678 468	678 468	420 323	819 800	864 832	913 186
Pension and UIF Contributions		111 650	114 765	119 464	186 289	155 381	155 381	84 406	164 537	173 586	183 306
Medical Aid Contributions		42 518	45 207	49 160	56 394	56 250	56 250	34 720	59 693	62 976	66 502
Overtime		98 630	119 787	107 594	57 280	73 418	73 418	49 410	41 256	43 523	45 959
Performance Bonus		44 426	45 606	47 236	86 437	66 641	66 641	34 701	91 487	96 519	101 924
Motor Vehicle Allowance		55 744	60 367	61 060	80 105	79 619	79 619	47 096	84 571	89 222	94 218
Cellphone Allowance		163	96	33	145	144	144	22	152	160	169
Housing Allowances		16 609	7 949	7 055	11 528	11 254	11 254	4 704	11 779	12 427	13 122
Other benefits and allowances		13 245	27 705	26 196	8 302	23 435	23 435	14 446	25 914	27 339	28 870
Payments in lieu of leave		22 293	23 869	30 730	20 360	33 789	33 789	25 493	35 144	37 077	39 153
Long service awards		5 854	6 641	2 709	10 349	6 982	6 982	1 250	22 893	24 152	25 505
Post-retirement benefit obligations	4	6 879	7 303	7 744	6 500	6 500	6 500	6 172	6 857	7 235	7 640
Entertainment		–	–	–	–	–	–	–	–	–	–
Scarcity		–	–	–	–	–	–	–	–	–	–
Acting and post related allowance		3 696	5 468	7 519	9 589	10 480	10 480	4 410	10 554	11 134	11 758
In kind benefits		–	–	–	–	–	–	–	–	–	–
sub-total	5	990 891	1 034 349	1 060 680	1 341 147	1 202 360	1 202 360	727 153	1 374 635	1 450 181	1 531 312
Less: Employees costs capitalised to PPE		–	–	–	–	–	–	–	–	–	–
Total Employee related costs	1	990 891	1 034 349	1 060 680	1 341 147	1 202 360	1 202 360	727 153	1 374 635	1 450 181	1 531 312

<b>Depreciation and amortisation</b>											
Depreciation of Property, Plant & Equipment		–	761 937	1 277 083	386 871	386 871	386 871	374 589	407 762	430 188	454 279
Lease amortisation		–	131	3 553	49	49	49	1 639	52	55	58
Capital asset impairment		–	–	–	–	–	–	–	–	–	–
<b>Total Depreciation and amortisation</b>	1	–	762 068	1 280 636	386 920	386 920	386 920	376 228	407 814	430 243	454 337
<b>Bulk purchases - electricity</b>											
Electricity bulk purchases		878 180	856 611	1 018 199	1 303 666	1 303 666	1 303 666	804 847	1 469 753	1 550 590	1 637 423
<b>Total bulk purchases</b>	1	878 180	856 611	1 018 199	1 303 666	1 303 666	1 303 666	804 847	1 469 753	1 550 590	1 637 423
<b>Transfers and grants</b>											
Cash transfers and grants		45 240	9 671	15 480	10 480	47 380	47 380	13 367	60 480	68 480	68 355
Non-cash transfers and grants		–	–	–	–	–	–	–	–	–	–
<b>Total transfers and grants</b>	1	45 240	9 671	15 480	10 480	47 380	47 380	13 367	60 480	68 480	68 355
<b>Contracted Services</b>											
Outsourced Services		331 967	301 031	365 257	373 773	506 350	506 350	318 202	496 269	516 402	545 545
Consultants and Professional Services		268 787	252 551	268 900	331 862	500 752	500 752	300 299	465 446	418 872	444 100
Contractors		199 326	215 173	263 197	272 773	279 259	279 259	189 049	291 050	302 713	320 686
<b>Total contracted services</b>		800 080	768 755	897 354	978 409	1 286 361	1 286 361	807 551	1 252 766	1 237 987	1 310 331
<b>Operational Costs</b>											
Collection costs		(847)	0	–	0	0	0	182	10	11	11
Contributions to 'other' provisions		–	–	–	143	143	143	–	128	135	143
Audit fees		15 140	16 190	14 308	16 864	16 864	16 864	15 164	17 775	18 752	19 802
Other Operational Costs		222 678	272 327	327 016	396 972	370 160	370 160	201 303	390 477	408 893	432 867
<b>Total Operational Costs</b>	1	236 971	288 518	341 324	413 979	387 166	387 166	216 649	408 390	427 791	452 824
<b>Repairs and Maintenance by Expenditure Item</b>		8									
Employee related costs		233 064	252 771	250 838	289 206	258 587	258 587	(1 337)	313 245	330 473	348 980
Inventory Consumed (Project Maintenance)		48 551	47 609	44 792	47 113	34 924	34 924	(12 962)	39 790	41 979	44 330
Contracted Services		411 007	361 914	417 908	425 915	496 923	496 923	216	483 028	508 535	533 456
Operational Costs		14 813	10 494	18 933	26 606	26 363	26 363	14 977	31 209	32 788	35 644
<b>Total Repairs and Maintenance Expenditure</b>	9	707 435	672 787	732 472	788 841	816 797	816 797	894	867 272	913 775	962 410
<b>Inventory Consumed</b>											
Inventory Consumed - Water		–	105 710	163 747	220 442	220 442	220 442	181 334	244 691	258 149	272 605
Inventory Consumed - Other		85 462	85 972	85 767	108 071	92 277	92 277	42 122	99 806	105 295	111 192
<b>Total Inventory Consumed &amp; Other Material</b>		85 462	191 681	249 514	328 513	312 719	312 719	223 456	344 497	363 444	383 797

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

Description	###	Vote 1 - Chief operations office	Vote 2 - Municipal managers office	Vote 3 - Water and sanitation	Vote 4 - Energy services	Vote 5 - Community Services	Vote 6 - Public safety	Vote 7 - Corporate and Shared Services	Vote 8 - Planning and Economic Development	Vote 9 - Budget and Treasury office	Vote 10 - Transport Operations	Vote 11 - Human Settlement	Vote 12 -	Vote 13 -	Vote 14 -	Vote 15 -	Total
R thousand	1																
<b>Revenue</b>		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
<b>Exchange Revenue</b>																	
Service charges - Electricity		-	-	-	2 226 730	-	-	-	-	-	-	-	-	-	-	-	2 226 730
Service charges - Water		-	-	424 132	-	-	-	-	-	-	-	-	-	-	-	-	424 132
Service charges - Waste Water Management		-	-	165 527	-	-	-	-	-	-	-	-	-	-	-	-	165 527
Service charges - Waste Management		-	-	-	-	159 147	-	-	-	-	-	-	-	-	-	-	159 147
Sale of Goods and Rendering of Services		-	-	-	-	2 146	2 446	25	12 570	82	4 985	35	-	-	-	-	22 289
Agency services		-	-	-	-	-	-	-	-	-	35 475	-	-	-	-	-	35 475
Interest		-	-	-	-	-	-	-	-	0	-	-	-	-	-	-	0
Interest earned from Receivables		-	-	40 920	38 401	9 827	-	-	-	10 236	-	-	-	-	-	-	99 384
Interest earned from Current and Non Current Assets		-	-	-	-	-	-	-	-	52 986	-	-	-	-	-	-	52 986
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		-	-	-	-	2 826	4	2 273	5 744	-	-	8 277	-	-	-	-	19 125
Licence and permits		-	-	-	-	-	16 073	-	-	106	-	-	-	-	-	-	16 179
Special Rating Levies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		4	2	4	7	23	479	1 605	6 402	17 048	85	7	-	-	-	-	25 667
<b>Non-Exchange Revenue</b>																	
Property rates		-	-	-	-	-	-	-	-	669 774	-	-	-	-	-	-	669 774
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	23	8 903	77	37 225	-	-	573	-	-	-	-	-	-	46 801
Licences or permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		22 435	-	36 466	3 246	2 800	2 000	5 366	1 080	1 488 581	250 865	47 585	-	-	-	-	1 860 423
Interest		-	-	-	-	-	-	-	-	24 846	-	-	-	-	-	-	24 846
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contribution)</b>		22 439	2	667 072	2 277 288	176 847	58 228	9 269	25 796	2 264 232	291 411	55 904	-	-	-	-	5 848 487
<b>Expenditure</b>																	
Employee related costs		100 472	29 747	183 958	124 635	223 194	318 000	111 508	78 359	121 807	66 337	16 617	-	-	-	-	1 374 635
Remuneration of councillors		-	66 479	-	-	-	-	-	-	-	-	-	-	-	-	-	66 479
Bulk purchases - electricity		-	-	-	1 469 753	-	-	-	-	-	-	-	-	-	-	-	1 469 753
Inventory consumed		3 020	195	258 883	32 883	23 162	7 461	3 751	798	4 529	9 681	134	-	-	-	-	344 497
Debt impairment		-	-	41 144	28 570	15 940	-	-	-	194 515	-	-	-	-	-	-	280 169
Depreciation and amortisation		284	1 906	72 047	17 769	76 991	7 283	15 368	10 767	862	203 251	1 285	-	-	-	-	407 814
Interest		-	-	-	-	-	-	2 356	-	37 768	-	-	-	-	-	-	40 124
Contracted services		40 710	13 152	189 701	30 697	140 900	177 740	125 496	3 330	180 135	309 872	41 033	-	-	-	-	1 252 766
Transfers and subsidies		-	10 480	-	-	-	-	-	-	-	50 000	-	-	-	-	-	60 480
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational costs		23 872	21 188	31 143	31 276	66 462	16 709	91 229	13 708	100 067	11 996	752	-	-	-	-	408 390
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		168 358	143 147	776 876	1 735 583	546 649	527 193	349 709	106 962	639 673	651 137	59 820	-	-	-	-	5 705 107
<b>Surplus/(Deficit)</b>		(145 919)	(143 145)	(109 804)	541 704	(369 802)	(468 965)	(340 440)	(81 166)	1 624 559	(359 726)	(3 916)	-	-	-	-	143 379
Transfers and subsidies - capital (monetary allocations)		-	-	352 105	39 429	108 372	-	500	-	-	97 035	-	-	-	-	-	597 441
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		(145 919)	(143 145)	242 301	581 134	(261 430)	(468 965)	(339 940)	(81 166)	1 624 559	(262 691)	(3 916)	-	-	-	-	740 821

LW324 Polokwane - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description		2022/23	2023/24	2024/25	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Forecasts			
IF	Revised	Actual Outcome	Actual Outcome	Actual Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Final outcome	Budget Year 2025/26	Budget Year 2026/27	Budget Year 2027/28
<b>ASSETS</b>											
<b>Trade and other receivables from exchange transactions</b>											
		284 865	280 837	318 229	1 000 196	1 010 186	1 010 186	321 083	489 205	612 603	889 384
		Water	414 191	431 805	432 400	220 940	(189 851)	(189 851)	450 498	319 391	1 429 893
		Waste	101 294	189 840	214 611	200 880	214 880	214 880	220 852	183 887	117 893
		Waste Water	107 266	101 963	119 930	117 146	107 146	107 146	117 662	103 937	138 053
		Other trade receivables from exchange transactions	261 656	260 173	244 896	260 219	260 219	260 219	222 009	269 193	261 110
<b>Debtors Trade and other receivables from exchange transactions</b>											
		1 301 285	1 359 815	1 484 721	1 481 224	1 501 558	1 501 558	1 381 762	2 028 686	2 476 763	3 468 476
		(267 875)	(247 945)	(658 689)	(299 875)	(382 915)	(382 915)	(258 862)	(369 816)	(1 153 462)	(1 462 346)
		Impairment for Debtors	--	--	(158 655)	(65 120)	(27 285)	(27 285)	(142 371)	(183 719)	(264 180)
		Impairment for Water	--	--	(208 284)	(14 485)	(22 321)	(22 321)	(213 126)	(245 351)	(269 016)
		Impairment for Waste	--	--	(4 246)	(7 456)	(15 310)	(15 310)	(30 265)	(125 852)	(137 736)
		Impairment for Waste Water	--	--	(75 533)	(17 753)	(19 945)	(19 945)	(85 134)	(139 635)	(138 262)
		Impairment for other trade receivables from exchange transactions	(807 173)	(847 945)	(110 946)	(885 499)	(885 275)	(885 275)	(80 007)	(254 666)	(464 266)
		<b>Total net Trade and other receivables from Exchange Transactions</b>	<b>1 033 410</b>	<b>1 111 870</b>	<b>1 236 032</b>	<b>1 181 349</b>	<b>1 118 344</b>	<b>1 118 344</b>	<b>1 130 900</b>	<b>1 521 152</b>	<b>2 002 037</b>
<b>Receivables from non-exchange transactions</b>											
		Property sales	313 026	350 566	620 146	620 124	640 116	640 116	650 583	634 033	633 033
		Less: Impairment of Property sales	(218 020)	(218 801)	(220 312)	(220 312)	(248 300)	(248 300)	(259 941)	(244 914)	(428 436)
		<b>Net Property sales</b>	<b>95 006</b>	<b>131 765</b>	<b>400 834</b>	<b>399 812</b>	<b>391 816</b>	<b>391 816</b>	<b>390 642</b>	<b>289 119</b>	<b>124 597</b>
		Other receivables from non-exchange transactions	120 873	168 830	45 137	116 622	116 622	116 622	33 260	81 505	86 485
		Impairment for other receivables from non-exchange transactions	(77 862)	(137 186)	(168 631)	(168 631)	(168 631)	(168 631)	(215 341)	(215 341)	(217 862)
		<b>Total net Receivables from non-exchange transactions</b>	<b>42 011</b>	<b>31 644</b>	<b>(123 494)</b>	<b>(51 999)</b>	<b>(51 999)</b>	<b>(51 999)</b>	<b>(182 081)</b>	<b>(128 836)</b>	<b>(131 377)</b>
		<b>Total net Receivables from non-exchange transactions</b>	<b>137 017</b>	<b>163 409</b>	<b>277 340</b>	<b>347 813</b>	<b>339 817</b>	<b>339 817</b>	<b>208 561</b>	<b>260 283</b>	<b>(56 841)</b>
<b>Liabilities</b>											
<b>Debt</b>											
		Operating Balance	266	400	400	400	400	400	397	397	(11 036)
		System Input Value	229 094	224 873	221 879	226 442	226 442	226 442	185 943	222 456	240 241
		Water Current Note	--	--	--	--	--	--	--	--	--
		Bank Facilities	229 094	222 124	221 879	226 442	226 442	226 442	185 943	222 456	240 241
		Material Shortage	--	--	--	--	--	--	--	--	--
		<b>Authorized Consumption</b>	<b>(170 716)</b>	<b>(163 147)</b>	<b>(226 442)</b>	<b>(226 442)</b>	<b>(226 442)</b>	<b>(226 442)</b>	<b>(181 126)</b>	<b>(244 081)</b>	<b>(268 146)</b>
		<b>Elated Authorized Consumption</b>	<b>--</b>	<b>(163 147)</b>	<b>(226 442)</b>	<b>(226 442)</b>	<b>(226 442)</b>	<b>(226 442)</b>	<b>(181 126)</b>	<b>(244 081)</b>	<b>(268 146)</b>
		Facilities Water	--	(170 716)	(163 147)	(226 442)	(226 442)	(226 442)	(181 126)	(244 081)	(268 146)
		Subsidized Water	--	--	--	--	--	--	--	--	--
		Revenue Water	--	--	--	--	--	--	--	--	--
		<b>Elated Unsubsidized Consumption</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
		Unsubsidized Consumption	--	--	--	--	--	--	--	--	--
		Unsubsidized Consumption	--	--	--	--	--	--	--	--	--
<b>Water Leases</b>											
		Apparent losses	--	--	--	--	--	--	--	--	--
		Unsubsidized Consumption	--	--	--	--	--	--	--	--	--
		Customer Water Inconspicuous	--	--	--	--	--	--	--	--	--
<b>Provisions</b>											
		Leakage on Transmission and Distribution Networks	--	--	--	--	--	--	--	--	--
		Leakage and Corrosion of Storage Tanks/Reservoirs	--	--	--	--	--	--	--	--	--
		Leakage on Service Connections up to the point of Customer Meter	--	--	--	--	--	--	--	--	--
		Other Trade and Management Costs	--	--	--	--	--	--	--	--	--
		Unrecoverable Annual Fixed Losses	--	--	--	--	--	--	--	--	--
<b>Non-current Water</b>											
		Connection of other period areas	--	--	--	--	--	--	--	--	--
		<b>Closing Balance - Water</b>	<b>240 215</b>	<b>118 866</b>	<b>64 916</b>	<b>435</b>	<b>400</b>	<b>400</b>	<b>5 198</b>	<b>(11 036)</b>	<b>(24 346)</b>
<b>Agriculture</b>											
		Operating Balance	--	--	--	--	--	--	--	--	--
		Acquisitions	--	--	--	--	--	--	--	--	--
		Sales	--	--	--	--	--	--	--	--	--
		Adjustments	--	--	--	--	--	--	--	--	--
		Write-offs	--	--	--	--	--	--	--	--	--
		Correction of other period areas	--	--	--	--	--	--	--	--	--
		<b>Closing Balance - Agriculture</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Consumables</b>											
<b>Standard Rate</b>											
		Operating Balance	188 865	158 867	137 238	137 238	137 238	137 238	150 162	150 162	300 665
		Acquisitions	114	32 467	34 846	--	78 232	78 232	18 021	181 716	192 291
		Sales	(8 875)	(22 886)	(22 310)	(11 716)	(22 766)	(22 766)	(22 766)	(22 766)	(27 865)
		Adjustments	(4)	(1 222)	1 024	--	--	--	38	--	--
		Write-offs	--	--	--	--	--	--	--	--	--
		Correction of other period areas	--	--	--	--	--	--	--	--	--
		<b>Closing Balance - Consumables Standard Rate</b>	<b>188 867</b>	<b>137 986</b>	<b>160 762</b>	<b>145 522</b>	<b>201 762</b>	<b>201 762</b>	<b>150 638</b>	<b>300 665</b>	<b>300 665</b>
<b>Zero Rate</b>											
		Operating Balance	(4 625)	(4 610)	(3 964)	(3 964)	(3 964)	(3 964)	(3 426)	(3 426)	(1 946)
		Acquisitions	--	56	56	--	736	736	16	1 736	861
		Sales	113	630	418	(736)	(736)	(736)	291	(294)	(268)
		Adjustments	--	--	--	--	--	--	--	--	--
		Write-offs	--	--	--	--	--	--	--	--	--
		Correction of other period areas	--	--	--	--	--	--	--	--	--
		<b>Closing Balance - Consumables Zero Rate</b>	<b>(4 512)</b>	<b>(3 954)</b>	<b>(3 426)</b>	<b>(4 702)</b>	<b>(3 964)</b>	<b>(3 964)</b>	<b>(3 141)</b>	<b>(1 946)</b>	<b>(1 325)</b>
<b>Finished Goods</b>											
		Operating Balance	2	2	2	2	2	2	2	2	2
		Acquisitions	--	--	--	--	--	--	--	--	--
		Sales	--	--	--	--	--	--	--	--	--
		Adjustments	--	--	--	--	--	--	--	--	--
		Write-offs	--	--	--	--	--	--	--	--	--
		Correction of other period areas	--	--	--	--	--	--	--	--	--
		<b>Closing Balance - Finished Goods</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Materials and Supplies</b>											
		Operating Balance	18	(37 453)	(64 986)	48 032	(80 035)	(80 035)	(50 386)	(50 386)	48 860
		Acquisitions	18 877	29 958	63 462	--	71 456	71 456	16 014	160 910	85 124
		Sales	(17 855)	(22 116)	(22 545)	(26 115)	(27 866)	(27 866)	(27 866)	(66 933)	(57 032)
		Adjustments	211	(1 769)	14 301	--	--	--	291	(294)	(268)
		Write-offs	--	--	--	--	--	--	--	--	--
		Correction of other period areas	--	--	--	--	--	--	--	--	--
		<b>Closing Balance - Materials and Supplies</b>	<b>(1 225)</b>	<b>(57 141)</b>	<b>(41 186)</b>	<b>(40 085)</b>	<b>(40 465)</b>	<b>(40 465)</b>	<b>(35 062)</b>	<b>48 860</b>	<b>85 162</b>
<b>Work-in-progress</b>											
		Operating Balance	--	--	--	--	--	--	--	--	--
		Materials	--	--	--	--	--	--	--	--	--
		Transfers	--	--	--	--	--	--	--	--	--
		<b>Closing Balance - Work-in-progress</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Reserve Stock</b>											
		Operating Balance	0 000	--	--	--	--	--	--	--	--
		Acquisitions	--	--	--	--	--	--	--	--	--
		Transfers	--	--	--	--	--	--	--	--	--
		Sales	--	--	--	--	--	--	--	--	--
		Correction of other period areas	--	--	--	--	--	--	--	--	--
		<b>Closing Balance - Reserve Stock</b>	<b>0 000</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>	<b>--</b>
<b>Land</b>											
		Operating Balance	0 000	5 302	5 302	5 302	5 302	5 302	5 302	5 302	5 302
		Acquisitions	--	--	--	--	--	--	--	--	--
		Sales	--	--	--	--	--	--	--	--	--
		Adjustments	--	--	--	--	--	--	--	--	--
		Correction of other period areas	--	--	--	--	--	--	--	--	--
		Transfers	--	--	--	--	--	--	--	--	--
		<b>Closing Balance - Land</b>	<b>0 000</b>	<b>5 302</b>	<b>5 302</b>	<b>5 302</b>	<b>5 302</b>	<b>5 302</b>	<b>5 302</b>	<b>5 302</b>	<b>5 302</b>
<b>Closing Balance - Inventory &amp; Consumables</b>											
		389 141	219 235	216 588	80 029	107 396	107 396	105 085	260 020	411 122	685 390
<b>Property, plant and equipment (PPE)</b>											
		Cost of acquisition (net of finance lease)	34 947 101	37 461 487	37 461 487	37 021 151	37 041 271	37 041 271	38 391 811	41 993 088	46 110 385
		Assets recognized as PPE	30 352	32 972	33 598	33 598	33 598	33 598	8 368	9 523	9 523
		Less: Impairment	(1 016 245)	(1 221 262)	(1 221 262)	(1 440 678)	(1 440 678)	(1 440 678)	(1 620 558)	(1 691 448)	(1 620 122)
		<b>Total Property, plant and equipment (PPE)</b>	<b>33 330 856</b>	<b>36 473 192</b>	<b>36 440 823</b>	<b>35 614 071</b>	<b>35 614 071</b>	<b>35 614 071</b>	<b>36 879 621</b>	<b>40 311 163</b>	<b>44 510 786</b>
<b>LIABILITIES</b>											
<b>Current liabilities - Financial liabilities</b>											
		Trade and other payables from exchange transactions	2 302	466	6 507	27 718	27 718	27 718	(11)	(12 024)	17 336
		Trade and other payables from non-exchange transactions	30 715	420 880	581 467	600 036	718 275	718 275	(208 138)	12 024	91 863
		Transfers	--	--	--	--	--	--	--	--	--
		Trade payables from non-exchange transactions: Unconditional	168 622	61 844	21 896	21 896	20 715	20 715	133 166	11 816	6 716
		Trade payables from non-exchange transactions: Conditional	12	43	--	--	524	524	4 324	6 498	10 038
		Trade payables from non-exchange transactions: Other	--	--	--	--	--	--	--	--	--
		<b>Total Trade and other payables from exchange transactions</b>	<b>482 657</b>	<b>688 146</b>	<b>777 608</b>	<b>770 219</b>	<b>770 219</b>	<b>770 219</b>	<b>1 402 967</b>	<b>1 024 884</b>	<b>2 068 165</b>
		Receivables									



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

Strategic Objective	Goal	Goal Code	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand												
Develop and refurbish infrastructural services	Develop and refurbish infrastructural services			1 704 682	1 647 015	2 780 681	2 608 212	2 650 777	2 650 777	2 839 115	2 619 099	2 376 095
Create a conducive economic environment	Create a conducive economic environment			18 186	14 344	15 062	32 353	32 677	32 677	34 294	36 386	38 697
Enhance revenue and asset base	Enhance revenue and asset base			1 829 595	2 172 838	2 281 480	3 144 113	3 175 555	3 175 555	3 332 760	3 536 059	3 760 598
Plan sustainable integrated settlements	Plan sustainable integrated settlements			1 076	10 303	10 819	—	—	—	—	—	—
Preserve natural resources	Preserve natural resources			300	360	378	59 249	59 841	59 841	62 804	66 635	70 866
Facilitate, care and support communities	Facilitate, care and support communities			204 324	204 205	214 415	166 934	168 604	168 604	176 950	187 744	199 666
Invest in human capital and retain skills	Invest in human capital and retain skills			2 181	8 177	8 586	—	—	—	—	—	—
Practice good governance	Practice good governance						7	7	7	7	8	8

References  
1. Total revenue must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)  
2. Balance of allocations not directly linked to an IDP strategic objective

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

Strategic Objective	Goal	Goal Code	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	
R thousand													
Develop and refurbish infrastructural services	Develop and refurbish infrastructural services			2 424 827	2 279 421	3 880 650	3 469 227	3 646 658	3 646 658	3 893 640	4 120 293	4 447 527	
Create a conducive economic environment	Create a conducive economic environment			86 788	68 247	77 526	87 170	88 042	88 042	93 753	100 871	106 924	
Enhance revenue and asset base	Enhance revenue and asset base			171 020	1 058 083	430 330	483 862	488 700	488 700	520 402	559 914	593 509	
Plan sustainable integrated settlements	Plan sustainable integrated settlements			14 733	15 457	22 165	24 922	25 171	25 171	26 804	28 839	30 569	
Preserve natural resources	Preserve natural resources			28 580	25 396	—	—	—	—	—	—	—	
Facilitate, care and support communities	Facilitate, care and support communities			781 650	779 906	373 846	420 351	424 554	424 554	452 095	486 421	515 606	
Invest in human capital and retain skills	Invest in human capital and retain skills			318 781	314 064	479 589	539 249	544 641	544 641	579 972	624 007	661 447	
Practice good governance	Practice good governance			1 171 930	566 413	114 479	128 720	130 007	130 007	138 441	148 952	157 889	
Allocations to other priorities													
Total Expenditure				1	4 998 309	5 106 987	5 378 585	5 153 500	5 347 773	5 347 773	5 705 108	6 069 297	6 513 471
References													
1. Total expenditure must reconcile to Table A4 Budgeted Financial Performance (revenue and expenditure)													
2. Balance of allocations not directly linked to an IDP strategic objective													
check op expenditure balance					1 893 066	885 638	106 075	13 287	0	0	0	137 536	254 476

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

Strategic Objective	Goal	Goal Code	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework			
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	
R thousand													
Develop and refurbish infrastructural services	Develop and refurbish infrastructural services	A	3	598 805	552 592	783 196	653 784	640 398	640 398	550 596	722 174	683 373	
Create a conducive economic environment	Create a conducive economic environment	B		2 510	10 065	11 614	25 739	25 996	25 996	24 847	26 363	27 909	
Enhance revenue and asset base	Enhance revenue and asset base	C		2 112	—	—	—	—	—	2 000	2 200	2 420	
Plan sustainable integrated settlements	Plan sustainable integrated settlements	D		—	—	622	—	—	—	—	—	—	
Preserve natural resources	Preserve natural resources	E		—	—	—	21 309	21 522	21 522	15 700	22 543	20 717	
Facilitate, care and support communities	Facilitate, care and support communities	F		54 630	47 170	52 459	98 952	99 942	99 942	92 736	98 973	99 526	
Invest in human capital and retain skills	Invest in human capital and retain skills	G		21 477	29 989	18 465	19 161	19 353	19 353	48 629	59 939	66 092	
Practice good governance	Practice good governance	H		5 957	229	—	1 197	1 209	1 209	2 000	2 200	2 420	
		I		—	—	—	—	—	—	—	—	—	
		J		—	—	—	—	—	—	—	—	—	
		K		—	—	—	—	—	—	—	—	—	
		L		—	—	—	—	—	—	—	—	—	
		M		—	—	—	—	—	—	—	—	—	
		N		—	—	—	—	—	—	—	—	—	
		O		—	—	—	—	—	—	—	—	—	
		P		—	—	—	—	—	—	—	—	—	
Allocations to other priorities													
Total Capital Expenditure				1	685 491	640 044	866 355	820 142	808 419	808 419	736 508	934 392	902 457

References

1. Total capital expenditure must reconcile to Budgeted Capital Expenditure

2. Goal code must be used on Table SA36

3. Balance of allocations not directly linked to an IDP strategic objective

check capital balance

(60 789)

(1 874)

(9 590)

0

0

0

5 000

5 800

0

LIM354 Polokwane - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>Vote 1 - vote name</b>										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
<b>Vote 2 - vote name</b>										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
<b>Vote 3 - vote name</b>										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
<b>And so on for the rest of the Votes</b>										

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



## LIM354 Polokwane - Supporting Table SA8 Performance indicators and benchmarks

Description of financial indicator	Basis of calculation	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b><u>Borrowing Management</u></b>											
Credit Rating		136.00%	105.00%	115.00%	194%	209%	209%	101%			
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating	1.7%	1.2%	1.5%	1.4%	1.3%	1.3%	1.5%	1.2%	1.2%	1.2%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing	1.4%	1.3%	1.8%	1.3%	1.3%	1.3%	1.3%	1.2%	1.1%	1.1%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Safety of Capital</u></b>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b><u>Liquidity</u></b>											
Current Ratio	Current assets/current liabilities	2.0	2.1	1.9	1.4	1.4	1.4	3.8	1.8	1.9	1.8
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current	2.0	2.1	1.9	1.4	1.4	1.4	3.8	1.8	1.9	1.8
Liquidity Ratio	Monetary Assets/Current Liabilities	1.1	1.1	1.2	0.6	0.6	0.6	2.6	0.9	1.0	0.8
<b><u>Revenue Management</u></b>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0.0%	130.5%	150.8%	133.3%	107.3%	107.0%	107.0%	190.0%	118.1%	116.8%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		130.5%	150.8%	133.3%	107.3%	107.0%	107.0%	190.0%	118.1%	116.8%	115.7%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	53.0%	41.5%	35.9%	37.1%	37.8%	37.8%	42.8%	38.0%	44.3%	51.8%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors >										
<b><u>Creditors Management</u></b>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))	35.0%	45.0%	77.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%	95.0%
Creditors to Cash and Investments		11.9%	2.8%	4.7%	12.6%	15.6%	15.6%	81.0%	5.2%	2.6%	1.6%
<b><u>Other Indicators</u></b>											
	Total Volume Losses (kW) technical	5127	4307	5522	5246	5246	5246	5246	4984	4734	4498
	Total Volume Losses (kW) non technical	61117	57218	73363	-	-	-	-	-	-	-
Electricity Distribution Losses (2)	Total Cost of Losses (Rand '000)	103 604	89 292	124 401	93 502	93 502	93 502	93 502	88 827	84 386	80 167
	% Volume (units purchased and generated less units sold)/units purchased and generated										
		11.80%	10.42%	12.22%	12.9%	12.9%	12.9%	12.9%	12.2%	11.6%	11.0%
	Bulk Purchase	240127523	221222862	23554	267 680	267 680	267 680	267 680	296 884	311 728	328 873
Water Volumes :System input	Water treatment works	0	0	0							
	Natural sources	10844	6277	7129	9 745	9 745	9 745	9 745	10 808	11 348	11 972
	Total Volume Losses (kℓ)	12 927	10 797	7 469	9 745	9 745	9 745	9 745	9 257	8 795	8 355
	Total Cost of Losses (Rand '000)	86 995	87 443	68 506	78 513	78 513	78 513	78 513	74 587	70 858	67 315
Water Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated										
		34.00%	36.00%	24.00%	32.5%	32.5%	32.5%	32.5%	30.9%	29.3%	27.9%
Employee costs	Employee costs/(Total Revenue - capital	26.7%	26.1%	24.0%	25.3%	22.2%	22.2%	19.0%	23.5%	23.2%	22.4%
Remuneration	Total remuneration/(Total Revenue - capital	27.0%	27.2%	25.0%	26.2%	23.9%	23.9%	37.7%	24.6%	24.3%	23.5%
Repairs & Maintenance	R&M/(Total Revenue excluding capital	19.0%	17.0%	16.6%	14.9%	15.1%	15.1%	22.7%	14.8%	14.6%	14.1%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	0.7%	19.8%	29.9%	8.1%	7.9%	7.9%	10.4%	7.7%	7.5%	7.2%
<b><u>IDP regulation financial viability indicators</u></b>											
i. Debt coverage	(Total Operating Revenue - Operating	61.1	37.8	27.0	30.8	31.5	31.5	20.4	29.1	29.1	31.8
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual	45.6%	38.8%	29.5%	35.8%	38.8%	38.8%	39.8%	39.3%	51.3%	65.8%
iii. Cost coverage	(Available cash + Investments)/monthly fixed	5.8	9.2	2.5	0.6	0.4	0.4	0.8	0.8	1.6	2.4

## References

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

### Calculation data

Debtors > 90 days

[illegible]



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

Description of economic indicator	Ref	Basis of calculation	2001 Census	2007 Survey	2011 Census	2021/22	2022/23	2023/24	Current Year 2024/25	2025/26 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
<b>Demographics</b>												
Population		State SA Estimates	508	562	629	850	870	885	897	908	920	931
Females aged 5 - 14		State SA Estimates	47		58	85	86	86	87	86	94	100
Males aged 5 - 14		State SA Estimates	48		60	84	84	85	87	96	97	99
Females aged 15 - 34		State SA Estimates	100		123	167	167	170	173	191	194	197
Males aged 15 - 34		State SA Estimates	100		122	178	178	181	184	203	206	210
Unemployment		State SA Estimates	211	--	74	65	75	76	78	86	87	89
<b>Monthly household income (no. of households)</b>	1, 12											
No income		State SA	21 485		24 585	24 585	24 585	25 830	25 830	26 475	27 137	27 616
R1 - R1 500		State SA	7 473		8 551	8 551	8 551	8 984	8 984	9 208	9 439	9 675
R1 601 - R3 200		State SA	13 234		15 051	15 051	15 051	15 813	15 813	16 206	16 613	17 028
R3 201 - R5 400		State SA	30 046		34 367	34 367	34 367	36 107	36 107	37 010	37 935	38 883
R6 401 - R12 800		State SA	30 671		35 053	35 053	35 053	36 828	36 828	37 748	38 692	39 659
R12 801 - R25 600		State SA	18 216		20 794	20 794	20 794	21 847	21 847	22 393	22 953	23 527
R25 601 - R51 200		State SA	12 611		14 454	14 454	14 454	15 186	15 186	15 565	15 955	16 353
R52 201 - R102 400		State SA	11 210		12 900	12 900	12 900	13 553	13 553	13 892	14 239	14 596
R102 401 - R204 800		State SA	7 162		8 201	8 201	8 201	8 616	8 616	8 832	9 052	9 279
R204 801 - R409 600		State SA	2 491		2 834	2 834	2 834	2 977	2 977	3 052	3 128	3 206
R409 601 - R819 200		State SA	623		691	691	691	726	726	744	763	782
> R819 200		State SA	467		510	510	510	536	536	549	563	577
<b>Poverty profiles (no. of households)</b>	13											
< R5 500 per household per month												
Insert description	2											
<b>Household demographics (000)</b>												
Number of people in municipal area			508 277	--	628 999	860	870	885	897	908	920	931
Number of poor people in municipal area			--	--	--	--	--	--	--	--	--	--
Number of households in municipal area			124 978	--	130 361	157	178	182	239	255	263	270
Number of poor households in municipal area			--	--	--	--	--	--	8	161	165	170
Definition of poor household (R per month)			--	--	--	--	--	--	4 630	4 630	4 630	4 630
<b>Housing statistics</b>	3											
Formal			99 107	--	110 285	136 688	136 402	141 170	213 770	229 373	236 133	243 190
Informal			25 971	--	20 076	20 878	21 296	21 721	25 345	25 980	26 629	27 295
<b>Total number of households</b>			124 978	--	130 361	156 566	159 697	162 891	239 116	255 353	262 762	270 485
Dwellings provided by municipality	4											
Dwellings provided by provincials												
Dwellings provided by private sector	5											
<b>Total new housing dwellings</b>			--	--	--	--	--	--	--	--	--	--
<b>Economic</b>	6											
Inflation/inflation outlook (CPI)												
Interest rate - borrowing												
Interest rate - investment												
Remuneration increases												
Consumption growth (electricity)												
Consumption growth (water)												
<b>Collection rates</b>	7											
Property tax/service charges						88.0%	88.0%	88.0%	88.0%	95.0%	95.0%	95.0%
Rental of facilities & equipment						88.0%	88.0%	88.0%	88.0%	95.0%	95.0%	95.0%
Interest - external investments						88.0%	88.0%	88.0%	88.0%	95.0%	95.0%	95.0%
Interest - debtors						88.0%	88.0%	88.0%	88.0%	95.0%	95.0%	95.0%
Revenue from agency services						88.0%	88.0%	88.0%	88.0%	95.0%	95.0%	95.0%

**Detail on the provision of municipal services for A10**

Total municipal services				2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
Ref				Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2024/25	Budget Year +1 2026/27	Budget Year +2 2027/28
			<b>Household service targets (000)</b>									
			<b>Water:</b>									
			Piped water inside dwelling	46 986	50 886	55 109	59 682	59 682	59 682	64 635	69 959	75 808
			Piped water inside yard (but not in dwelling)	135 383	140 513	145 837	151 362	151 362	151 362	157 097	163 050	169 227
			Using public tap (at least min service level)	37 235	36 968	36 762	36 529	36 529	36 529	36 296	36 065	35 836
			Other water supply (at least min service level)	-	-	-	-	-	-	-	-	-
			Minimum Service Level and Above sub-total	219 604	229 366	237 706	247 573	247 573	247 673	258 029	269 114	280 872
			Using public tap (< min service level)	24 488	23 481	22 515	21 588	21 588	21 588	20 700	19 848	19 032
			Other water supply (< min service level)	-	-	-	-	-	-	-	-	-
			No water supply	2 891	2 529	2 213	1 937	1 937	1 937	1 694	1 483	1 297
			Below Minimum Service Level sub-total	27 379	26 010	24 728	23 525	23 525	23 525	22 395	21 331	20 339
			<b>Total number of households</b>	<b>246 983</b>	<b>254 406</b>	<b>262 436</b>	<b>271 098</b>	<b>271 098</b>	<b>271 098</b>	<b>280 423</b>	<b>290 445</b>	<b>301 211</b>
			<b>Sanitation/sewerage:</b>									
			Flush toilet (connected to sewerage)	128 155	140 425	153 870	168 603	168 603	168 603	184 747	202 436	221 818
			Flush toilet (with septic tank)	-	-	-	-	-	-	-	-	-
			Chemical toilet	80 273	77 420	74 688	72 014	72 014	72 014	69 654	66 986	64 605
			Pi toilet (ventilated)	37 292	35 427	33 656	31 973	31 973	31 973	30 375	28 865	27 413
			Other toilet provisions (< min service level)	-	-	-	-	-	-	-	-	-
			Minimum Service Level and Above sub-total	245 720	338 393	262 195	272 591	272 591	272 591	284 576	298 277	313 836
			Bucket toilet	337	336	443	508	508	508	582	668	766
			Other toilet provisions (< min service level)	-	-	-	-	-	-	-	-	-
			No toilet provisions	927	748	604	487	487	487	393	317	256
			Below Minimum Service Level sub-total	1 264	1 134	1 048	995	995	995	975	985	1 022
			<b>Total number of households</b>	<b>246 983</b>	<b>339 527</b>	<b>263 241</b>	<b>273 585</b>	<b>273 585</b>	<b>273 585</b>	<b>285 551</b>	<b>299 262</b>	<b>314 858</b>
			<b>Energy:</b>									
			Electricity (at least min service level)	223 318	232 235	241 508	251 150	251 150	251 150	261 178	271 606	282 451
			Electricity - prepaid (min service level)	-	-	-	-	-	-	-	-	-
			Minimum Service Level and Above sub-total	223 318	232 235	241 508	251 150	251 150	251 150	261 178	271 606	282 451
			Electricity (< min service level)	16 356	15 445	14 585	13 774	13 774	13 774	13 007	12 283	11 599
			Electricity - prepaid (< min service level)	-	-	-	-	-	-	-	-	-
			Other energy sources	7 309	6 726	6 190	5 696	5 696	5 696	5 242	4 924	4 439

Municipal entity services			2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Ref.		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Name of municipal entity		Household service targets (000) Water: Piped water inside dwelling Piped water inside yard (but not in dwelling) Using public tap (at least min.service level) Other water supply (at least min.service level) <i>Minimum Service Level and Above sub-total</i> Using public tap (< min.service level) Other water supply (< min.service level) No water supply <i>Below Minimum Service Level sub-total</i>									
	8										
	9		--	--	--	--	--	--	--	--	--
	10										
		Total number of households	--	--	--	--	--	--	--	--	--
Name of municipal entity		Sanitation/sewerage: Flush toilet (connected to sewerage) Flush toilet (with septic tank) Chemical toilet PI toilet (ventilated) Other toilet provisions (> min.service level) <i>Minimum Service Level and Above sub-total</i> Bucket toilet Other toilet provisions (< min.service level) No toilet provisions <i>Below Minimum Service Level sub-total</i>									
		Total number of households	--	--	--	--	--	--	--	--	--
Name of municipal entity		Energy: Electricity (at least min.service level) Electricity - prepaid (min.service level) <i>Minimum Service Level and Above sub-total</i> Electricity (< min.service level) Electricity - prepaid (< min. service level) Other energy sources <i>Below Minimum Service Level sub-total</i>									
		Total number of households	--	--	--	--	--	--	--	--	--
Name of municipal entity		Refuse: Removed at least once a week <i>Minimum Service Level and Above sub-total</i> Removed less frequently than once a week Using communal refuse dump Using own refuse dump Other rubbish disposal No rubbish disposal <i>Below Minimum Service Level sub-total</i>									
		Total number of households	--	--	--	--	--	--	--	--	--
Services provided by 'external mechanisms'			2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	Ref.		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Names of service providers		Household service targets (000) Water: Piped water inside dwelling Piped water inside yard (but not in dwelling) Using public tap (at least min.service level) Other water supply (at least min.service level) <i>Minimum Service Level and Above sub-total</i> Using public tap (< min.service level) Other water supply (< min.service level) No water supply <i>Below Minimum Service Level sub-total</i>									
	8										
	9		--	--	--	--	--	--	--	--	--
	10										
		Total number of households	--	--	--	--	--	--	--	--	--
Names of service providers		Sanitation/sewerage: Flush toilet (connected to sewerage) Flush toilet (with septic tank) Chemical toilet PI toilet (ventilated) Other toilet provisions (> min.service level) <i>Minimum Service Level and Above sub-total</i> Bucket toilet Other toilet provisions (< min.service level) No toilet provisions <i>Below Minimum Service Level sub-total</i>									
		Total number of households	--	--	--	--	--	--	--	--	--
Names of service providers		Energy: Electricity (at least min.service level) Electricity - prepaid (min.service level) <i>Minimum Service Level and Above sub-total</i> Electricity (< min.service level) Electricity - prepaid (< min. service level) Other energy sources <i>Below Minimum Service Level sub-total</i>									
		Total number of households	--	--	--	--	--	--	--	--	--
Names of service providers		Refuse: Removed at least once a week <i>Minimum Service Level and Above sub-total</i> Removed less frequently than once a week Using communal refuse dump Using own refuse dump Other rubbish disposal No rubbish disposal <i>Below Minimum Service Level sub-total</i>									
		Total number of households	--	--	--	--	--	--	--	--	--
Detail of Free Basic Services (FBS) provided			2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
Electricity	Ref.	Location of households for each type of FBS	Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28

List type of FBS service	Ref.	Formal settlements - (50 kwh per indigent household per month Rands) Number of HH receiving this type of FBS Informal settlements (Rands) Number of HH receiving this type of FBS Informal settlements targeted for upgrading (Rands) Number of HH receiving this type of FBS Living in informal backyard rental agreement (Rands) Number of HH receiving this type of FBS Other (Rands) Number of HH receiving this type of FBS	48 756 124	57 044 665	65 752 296	71 328 031	71 328 031	71 328 031	80 415 222	90 740 537	102 618 473
		Total cost of FBS - Electricity for informal settlements	—	—	—	—	—	—	—	—	—
Water	Ref.	Location of households for each type of FBS									
List type of FBS service		Formal settlements - (6 kilolitre per indigent household per month Rands) Number of HH receiving this type of FBS Informal settlements (Rands) Number of HH receiving this type of FBS Informal settlements targeted for upgrading (Rands) Number of HH receiving this type of FBS Living in informal backyard rental agreement (Rands) Number of HH receiving this type of FBS Other (Rands) Number of HH receiving this type of FBS	25 877 183 15 451	30 276 304 18 077	51 440 232 19 704	56 069 853 21 478	56 069 853 21 478	56 069 853 21 478	62 187 074 23 821	69 033 871 26 444	76 807 084 29 421
		Total cost of FBS - Water for informal settlements	—	—	—	—	—	—	—	—	—
Sanitation	Ref.	Location of households for each type of FBS									
List type of FBS service		Formal settlements - (free sanitation service to indigent households) Number of HH receiving this type of FBS Informal settlements (Rands) Number of HH receiving this type of FBS Informal settlements targeted for upgrading (Rands) Number of HH receiving this type of FBS Living in informal backyard rental agreement (Rands) Number of HH receiving this type of FBS Other (Rands) Number of HH receiving this type of FBS	16 724 000 17 774 16 105 908 17 774	19 212 211 18 840 17 072 262 18 840	20 366 244 19 970 20 366 244 19 970	21 588 372 21 169 21 588 372 21 169	21 588 372 21 169 21 588 372 21 169	21 588 372 21 169 21 588 372 21 169	22 883 674 22 439 22 883 674 22 439	24 279 578 23 807 24 279 578 23 807	25 821 332 25 319 25 821 332 25 319
		Total cost of FBS - Sanitation for informal settlements	16 105 908	17 072 262	20 366 244	21 588 372	21 588 372	21 588 372	22 883 674	24 279 578	25 821 332
Refuse Removal	Ref.	Location of households for each type of FBS									
List type of FBS service		Formal settlements - (removed once a week to indigent households) Number of HH receiving this type of FBS Informal settlements (Rands) Number of HH receiving this type of FBS Informal settlements targeted for upgrading (Rands) Number of HH receiving this type of FBS Living in informal backyard rental agreement (Rands) Number of HH receiving this type of FBS Other (Rands) Number of HH receiving this type of FBS	14 020 000 17 774 13 264 972 17 774	16 105 908 18 840 15 238 546 18 840	17 074 308 19 970 17 074 308 19 970	18 098 766 21 169 18 098 766 21 169	18 098 766 21 169 18 098 766 21 169	18 098 766 21 169 18 098 766 21 169	19 184 692 22 439 19 184 692 22 439	20 354 959 23 807 20 354 959 23 807	21 647 499 25 319 21 647 499 25 319
		Total cost of FBS - Refuse Removal for informal settlements	40 549 944	46 582 999	51 222 924	54 296 289	54 296 289	54 296 289	57 554 077	61 064 876	64 942 496

References

1. Monthly household income threshold. Should include all sources of income.
2. Show the poverty analysis the municipality uses to determine its indigents policy and the provision of services
3. Include total of all housing units within the municipality
4. Number of subsidised dwellings to be constructed by the municipality under agency agreement with province
5. Provide estimate based on building approval information. Include any non-subsidised dwellings constructed by the municipality
6. Insert actual or estimated % increases assumed as a basis for budget calculations
7. Insert actual or estimated % collection rate assumed as a basis for budget calculations for each revenue group
8. Stand distance <= 200m from dwelling
9. Stand distance > 200m from dwelling
10. Borehole, spring, rain-water tank etc.
11. Must agree to total number of households in municipal area
12. Household income categories assume an average 4 person household. Stats SA - Census 2011 Questionnaire
13. Based on National poverty line of R515 per capita per month (2008 prices), assuming an average household size of 4 persons

LIM354 Polokwane - Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>Funding measures</b>												
Cash/equivalents at the year beg - R000	18/1/a	1	301 154	232 070	184 371	184 371	343 278	343 278	343 278	343 278	323 394	655 409
Cash + investments at the year end less applications - R000	18/1/a	2	(34 525)	428 902	117 335	(147 129)	(165 130)	(165 130)	1 173 988	814 413	1 346 932	1 491 073
Cash year end/monthly employee/supplier payments	18/1/a	3	5.8	9.2	2.5	0.6	0.4	0.4	0.8	0.8	1.6	2.4
Surplus/(deficit) excluding depreciation charges: R000	18/1/a	4	1 308 343	348 837	(101 844)	870 686	738 887	739 887	915 365	740 921	1 115 789	1 296 102
Service charge rev % change - macro CPIX target exclude	18/1/a(2)	5	N.A.	(5.4%)	6.1%	24.2%	(8.3%)	(8.0%)	(46.5%)	4.3%	4.8%	5.1%
Cash receipts % of Ratepayer & Other revenue	18/1/a(2)	6	46.4%	79.8%	52.3%	43.8%	44.2%	44.2%	65.5%	100.0%	99.4%	99.0%
Debt impairment expense as a % of total billable revenue	18/1/a(2)	7	0.0%	0.0%	0.0%	4.9%	8.1%	8.1%	8.1%	0.0%	7.7%	7.0%
Capital payments % of capital expenditure	18/1/a(2)	8	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Borrowing receipts % of capital expenditure (incl. transfers)	18/1/a	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/localised allocations	18/1/a	10								100.2%	100.2%	100.2%
Current consumer debtors % change - (incl/dec)	18/1/a	11	N.A.	(12.1%)	(0.6%)	0.1%	0.4%	0.0%	15.8%	16.5%	25.7%	24.2%
Long term receivables % change - (incl/dec)	18/1/a	12	N.A.	(100.0%)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20/1(a)	13	5.7%	6.2%	5.9%	6.0%	6.2%	6.2%	6.6%	7.1%	7.7%	0.0%
Asset renewal % of capital budget	20/1(a)	14	10.7%	9.3%	2.9%	9.1%	10.6%	10.6%	0.0%	6.2%	12.1%	8.9%
<b>Notes</b>												
1. Positive cash balances indicative of minimum compliance - subject to 2												
2. Deduct cash and investment applications (billed) from cash balances												
3. Indicative of sufficient liquidity to meet average monthly operating payments												
4. Indicative of funded operational requirements												
5. Indicative of adherence to macro-economic targets (prior to 2024/04 revenue not available for high capacity municipalities and later for other capacity classifications)												
6. Realistic average cash collection forecasts as % of annual billable revenue												
7. Realistic average increase in debt impairment (doubtful debt) provision												
8. Indicative of planned capital expenditure level & cash payment timing												
9. Indicative of compliance with borrowing 'only' for the capital budget - should not exceed 100% unless refinancing												
10. Substantiation of National/Provincial allocations included in budget												
11. Indicative of realistic current annum debt collection targets (prior to 2024/04 revenue not available for high capacity municipalities and later for other capacity classifications)												
12. Indicative of realistic long term annum debt collection targets (prior to 2024/04 revenue not available for high capacity municipalities and later for other capacity classifications)												
13. Indicative of a credible allowance for repairs & maintenance of assets - functioning assets revenue protection												
14. Indicative of a credible allowance for asset renewal (requires analysis of asset renewal projects as % of total capital projects - detailed capital plan) - functioning assets revenue protection												
<b>Supporting indicators</b>												
% inc total service charges (incl pump rates)	18/1/a		0.0%	0.8%	12.1%	30.2%	(0.3%)	0.0%	(40.0%)	10.3%	10.8%	11.1%
% inc Property Tax	18/1/a		0.0%	4.8%	8.0%	6.5%	0.0%	0.0%	(26.2%)	4.5%	6.1%	6.3%
% inc Service charges - Electricity	18/1/a		0.0%	0.1%	15.8%	44.4%	(0.5%)	0.0%	(46.3%)	12.7%	12.8%	13.1%
% inc Service charges - Water	18/1/a		0.0%	(4.8%)	13.9%	44.8%	(0.0%)	0.0%	(47.0%)	10.9%	11.0%	11.3%
% inc Service charges - Waste Water Management	18/1/a		0.0%	(1.5%)	5.9%	(3.8%)	0.0%	0.0%	(22.3%)	6.0%	6.1%	6.4%
% inc Service charges - Waste Management	18/1/a		0.0%	1.2%	0.9%	5.7%	0.0%	0.0%	(20.5%)	6.0%	6.1%	6.4%
% inc in Sale of Goods and Rendering of Services	18/1/a		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total billable revenue	18/1/a		2 255 444	2 270 083	2 544 904	3 314 278	3 304 926	3 304 926	1 965 816	3 645 311	4 038 590	4 497 501
Service charges			2 255 444	2 270 083	2 544 904	3 314 278	3 304 926	3 304 926	1 965 816	3 645 311	4 038 590	4 497 501
Property rates			537 786	557 183	601 987	641 116	641 116	641 116	473 417	869 774	710 630	755 755
Service charges - electricity revenue			1 185 802	1 186 882	1 314 305	1 964 455	1 975 102	1 975 102	1 160 265	2 226 738	2 512 641	2 841 547
Service charges - water revenue			242 988	231 872	264 112	382 411	382 411	382 411	202 706	424 132	470 629	523 946
Service charges - sanitation revenue			155 709	153 357	162 410	156 158	156 158	156 158	121 284	165 527	175 624	186 777
Service charges - refuse removal			139 149	140 768	142 091	150 139	150 139	150 139	108 114	159 147	168 855	179 577
Agency services			111 355	21 280	24 411	33 487	33 487	33 487	16 500	35 475	37 639	40 029
Capital expenditure excluding capital grant funding			142 274	100 042	228 840	204 178	221 020	221 020	111 874	211 964	245 301	273 931
Cash receipts from ratepayers	18/1/a		2 526 894	4 577 507	3 155 597	3 140 776	3 120 289	3 120 289	3 120 289	3 813 291	4 168 301	4 605 006
Other revenue	18/1/a		5 451 627	5 736 293	6 030 238	7 170 690	7 066 776	7 066 776	4 762 130	3 791 722	4 193 923	4 652 708
Change in consumer debtors (current and non-current)	N/A			(142 280)	(6 054)	1 029	4 048	--	162 020	196 286	356 190	421 677
Debtors and Capital Grant Revenue	18/1/a		1 659 165	1 979 358	2 293 509	2 374 408	2 459 183	2 459 183	1 925 059	2 407 864	2 645 289	2 880 841
Capital expenditure - total	20/1(a)		746 280	641 918	875 945	820 142	808 419	808 419	435 248	731 508	928 592	902 457
Capital expenditure - renewal	20/1(a)		79 955	59 612	25 455	74 733	85 847	85 847		45 430	112 496	79 915
<b>Supporting benchmarks</b>												
Growth guideline maximum			6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%	6.0%
CPI guideline			4.3%	3.9%	4.6%	5.0%	5.0%	5.0%	5.0%	5.4%	5.6%	5.4%
DuRA operating grants total MFY										1 486 112	1 598 432	1 630 322
DuRA capital grants total MFY										987 167	1 032 883	1 044 975
Provincial operating grants										47 585	48 518	--
Provincial capital grants												
District Municipality grants												
Total gazetted/national, provincial and district grants										2 452 884	2 640 333	2 675 297
Average annual collection rate (means inclusive)										95.0%	95.0%	95.0%
<b>DuRA accounting</b>												
Equitable Share										1 481 181	1 548 132	1 618 222
Financial Management Grant (FMG)										2 400	2 530	2 600
Electricity Demand Side Management Grant (EDSM)										--	--	--
Infrastructure Skills Development Grant (ISDG)										8 000	8 000	9 000
Extended Public Works Programme (EPWP)										6 531	--	--
										1 488 112	1 598 432	1 630 322
<b>DuRA capital</b>												
Integrated Urban Development Grant (IUDG)										433 487	454 587	474 581
Regional Bulk Infrastructure Grant (RBIG)										155 509	295 509	297 387
Integrated National Electrification Programme Grant (INEP)										11 755	12 000	12 542
Public Transport Network Grant (PTNG)										189 331	196 295	209 729
Water Services Infrastructure Grant (WSIG)										65 000	70 022	95 386
Neighbourhood Development Partnership Grant (NDPG)										44 320	44 500	40 000
Energy Efficiency and Demand Side Management Grant (EEDSM)										3 000	--	5 000
Municipal Disaster Response Grant										4 765	--	--
										987 167	1 032 883	1 044 975
<b>Trend</b>												
Change in consumer debtors (current and non-current)			N/A	(142 280)	(6 054)	1 029	4 048	--	162 020	196 286	356 190	421 677
<b>Total Operating Revenue</b>												
Total Operating Revenue			3 716 878	3 956 682	4 411 789	5 302 511	5 423 452	5 423 452	5 423 452	5 848 487	6 261 812	6 832 280
Total Operating Expenditure			3 105 243	4 221 349	5 272 509	5 140 213	5 347 773	5 347 773	5 347 773	5 705 107	5 931 761	6 258 994
Operating Performance Surplus/(Deficit)			611 636	(264 667)	(860 720)	162 298	75 679	75 679	75 679	143 379	330 052	573 286
<b>Cash and Cash Equivalents 30 June 2023</b>												
Revenue												
% increase in Total Operating Revenue				6.5%	11.5%	20.2%	2.3%	0.0%	0.0%	7.8%	7.1%	9.1%
% increase in Property Rates Revenue				4.8%	8.0%	6.5%	0.0%	0.0%	(26.2%)	41.5%	6.1%	6.3%
% increase in Electricity Revenue				0.1%	15.8%	44.4%	(0.5%)	0.0%	(46.3%)	12.7%	12.8%	13.1%
% increase in Property Rates & Services Charges				0.6%	12.1%	30.2%	(0.3%)	0.0%	0.0%	10.3%	10.8%	11.1%
Expenditure												
% increase in Total Operating Expenditure				0.0%	35.9%	24.9%	(2.5%)	4.0%	0.0%	6.7%	4.0%	5.5%
% increase in Employee Costs				0.0%	4.4%	2.5%	26.4%	(16.3%)	0.0%	14.3%	5.5%	5.8%
% increase in Electricity Bulk Purchases				0.0%	(2.5%)	18.9%	28.0%	0.0%	0.0%	(38.1%)	12.7%	5.5%
Average Cost Per Budgeted Employee Position (Remuneration)			0	504012 0189	133689 251	129254 714	159548 818	202029 234.4	116050 871	123588 166	176450 382	1937944 2
Average Cost Per Councilor (Remuneration)			0	0	487523 3691	527278 3333	0	1020763 956	1020763 956	738654 46	0	822020 1533
R&M % of PPE			5.7%	6.2%	5.9%	6.0%	6.2%	6.2%	6.6%	6.6%	7.1%	7.7%
Asset Renewal and R&M as a % of PPE			8.2%	7.8%	7.1%	7.3%	7.8%	7.8%	7.7%	7.7%	9.2%	9.5%
Cash Investment % of Total Billable Revenue			0.0%	0.0%	0.0%	4.9%	8.1%	8.1%	0.0%	7.7%	7.3%	7.0%
<b>Capital Revenue</b>												
Internally Funded and Other (R000)			--	--	--	--	--	--	--	--	--	--
Borrowing (R000)			--	--	--	--	--	--	--	--	--	--
Grant Funding and Other Funds			746 280	641 918	875 945	820 142	808 419	808 419	435 248	731 508	928 592	902 457
Total Investment % of Non Grant Funding			(100.2%)	(100.2%)	(100.2%)	(100.2%)	(100.2%)	(100.2%)	(46.3%)	(100.2%)	(100.2%)	(100.2%)
Borrowing % of Non Grant Funding			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grant Funding % of Non Grant Funding			524.5%	641.7%	382.8%	401.7%	348.9%	348.9%	389.1%	345.1%	376.9%	329.4%
<b>Capital Expenditure</b>												
Total Capital Expenditure (R000)			--	--	--	--	--	--	--	--	--	--
Asset Renewal			--	--	--	--	--	--	--	--	--	--
Asset Renewal % of Total Capital Expenditure			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Cash</b>												
Cash Receipts % of Rate Payer & Other			46.4%	79.8%	52.3%	43.8%	44.2%	44.2%	65.5%	100.0%	99.4%	99.0%
Cash Coverage Ratio			0	0	0	0	0	0	0	0	0	0
<b>Borrowing</b>												
Current credit Rating										1.94		
Capital Charges to Operating			1.7%	1.2%	1.5%	1.4%	1.3%	1.3%	1.5%	1.2%	1.2%	1.2%
Borrowing Receipts % of Capital Expenditure			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Reserves</b>												
Uncommitted reserves after application of cash and investments			(34 525)	428 902	117 335	(147 129)	(165 130)	(165 130)	1 173 988	814 413	1 346 932	1 491 073
<b>Free Reserves</b>												
Free Base Services as a % of Equitable Share			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
(including transfers)			(2.7%)	(4.6%)	(1.7%)	3.2%	3.2%	3.2%	3.4%	3.1%	3.0%	2.9%
<b>High Level Outcome of Funding Compliance</b>												
Total Operating Revenue			3 716 878	3 956 682	4 411 789	5 302 511	5 423 452	5 423 452	5 423 452	5 848 487	6 261 812	6 832 280
Total Operating Expenditure			3 105 243	4 221 349	5 272 509	5 140 213	5 347 773	5 347 773	5 347 773	5 705 107	5 931 761	6 258 994
Surplus/(Deficit) Considering Operating Statement			611 636	(264 667)	(860 720)	162 298	75 679	75 679	75 679	143 379	330 052	573 286
Surplus/(Deficit) Considering Reserves and Cash Baking			(34 525)	428 902	117 335	(147 129)	(165 130)	(165 130)	1 173 988	814 413	1 346 932	1 491 073
MTREF Funded / Unfunded (0)	15	0	0	0	1	0	0	0	1	0	0	

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

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>Valuation:</b>	1									
Date of valuation:		79805	79805	79805	79805	0	0	0	0	0
Financial year valuation used		2021	2022	2023	2023	0	0	0	0	0
Municipal by-laws s6 in place? (Y/N)	2	1	1	1	1	0	0	1	0	0
Municipal/assistant valuer appointed? (Y/N)		1	1	1	1	0	0	1	0	0
Municipal partnership s38 used? (Y/N)		2	2	2	2	2	2	2	2	2
No. of assistant valuers (FTE)	3	2	2	2	2	2	2	2	2	2
No. of data collectors (FTE)	3	14	14	14	14	14	14	14	14	14
No. of internal valuers (FTE)	3	0	0	0	0	0	0	0	0	0
No. of external valuers (FTE)	3	1	1	1	1	1	1	1	1	0
No. of additional valuers (FTE)	4	0	0	0	0	0	0	0	0	0
Valuation appeal board established? (Y/N)		1	1	1	1	0	0	1	0	0
Implementation time of new valuation roll (mths)		60	60	60	60	0	0	60	0	0
No. of properties	5	70583	71806	70583	73641	73641	73641	73641	73641	73641
No. of sectional title values	5	6039	6039	6544	6544	6544	6544	6544	6544	6544
No. of unreasonably difficult properties s7(2)		0	0	0	0	0	0	0	0	0
No. of supplementary valuations		1	1	1	1	1	1	1	1	1
No. of valuation roll amendments		1	1	1	0	0	0	0	0	0
No. of objections by rate payers		3	1	0	0	0	0	0	0	0
No. of appeals by rate payers		37	37	37	0	0	0	0	0	0
No. of successful objections	8	45	45	45	0	0	0	0	0	0
No. of successful objections > 10%	8	18	18	18	0	0	0	0	0	0
Supplementary valuation		2	2	2	0	0	0	0	0	0
Public service infrastructure value (Rm)	5	75076000	75076000	75076000	75076000	75076000	75076000	0	0	0
Municipality owned property value (Rm)		2083095300	2083095300	2083095300	2083095300	2083095300	2083095300	0	0	0
<b>Valuation reductions:</b>										
Valuation reductions-public infrastructure (Rm)		0	0	0	0	0	0	0	0	0
Valuation reductions-nature reserves/park (Rm)		0	0	0	0	0	0	0	0	0
Valuation reductions-mineral rights (Rm)		0	0	0	0	0	0	0	0	0
Valuation reductions-R15,000 threshold (Rm)		806254800	841730011.2	879607861.7	879607861.7	879607861.7	879607861.7	879607861.7	879607861.7	879607861.7
Valuation reductions-public worship (Rm)		312395200	326140588.8	340816915.3	340816915.3	340816915.3	340816915.3	340816915.3	340816915.3	340816915.3
Valuation reductions-other (Rm)		4568777200	4769803397	4984444550	4984444550	4984444550	4984444550	4984444550	4984444550	4984444550
<b>Total valuation reductions:</b>		<b>5 687</b>	<b>5 938</b>	<b>6 205</b>	<b>6 205</b>	<b>6 205</b>	<b>6 205</b>	<b>6 205</b>	<b>6 205</b>	<b>6 205</b>
Total value used for rating (Rm)	5	5687427200	5937673997	6204869327	6204869327	6204869327	6204869327	6204869327	6204869327	6204869327
Total land value (Rm)	5	0	0	0	0	0	0	0	0	0
Total value of improvements (Rm)	5	0	0	0	0	0	0	0	0	0
Total market value (Rm)	5	0	0	0	0	0	0	0	0	0
<b>Rating:</b>										
Residential rate used to determine rate for other categories? (Y/N)	5	1	1	1	1	0	0	1	0	0
Differential rates used? (Y/N)		0	0	0	0	0	0	0	0	0
Limit on annual rate increase (s20)? (Y/N)		0	0	0	0	0	0	0	0	0
Special rating area used? (Y/N)		0	0	0	0	0	0	0	0	0
Phasing-in properties s21 (number)		0	0	0	0	0	0	0	0	0
Rates policy accompanying budget? (Y/N)		1	1	1	1	0	0	1	0	0
Fixed amount minimum value (R'000)		0	0	0	0	0	0	0	0	0
Non-residential prescribed ratio s19? (%)		0	0	0	0	0	0	0	0	0
<b>Rate revenue:</b>										
Rate revenue budget (R '000)	6	526156769.6	547228000	587175644	622442469	622442469	622442469	669774047	710630289	755755312.4
Rate revenue expected to collect (R'000)	6	463017957.3	481560640	516714566.7	529076098.7	529076098.7	529076098.7	602796642.3	639567260.1	680179781.1
Expected cash collection rate (%)		0.86	0.87	0.88	0.85	0.85	0.85	0.9	0.9	0.9
Special rating areas (R'000)	7	0	0	0	0	0	0	0	0	0
Rebates, exemptions - indigent (R'000)		0	0	0	0	0	0	0	0	0
Rebates, exemptions - pensioners (R'000)		0	0	0	0	0	0	0	0	0
Rebates, exemptions - bona fide farm. (R'000)		0	0	0	0	0	0	0	0	0
Rebates, exemptions - other (R'000)		61713787.45	64961881.52	68380927.92	72745668	72745668	72745668	79423758	84268607.24	89619663.8
Phase-in reductions/discounts (R'000)		0	0	0	0	0	0	0	0	0
<b>Total rebates,exemptns,eductns,discs (R'000)</b>		<b>61 714</b>	<b>64 962</b>	<b>68 381</b>	<b>72 746</b>	<b>72 746</b>	<b>72 746</b>	<b>79 424</b>	<b>84 269</b>	<b>89 620</b>

**References**

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



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

Description	###	Business and commercial properties	Industrial properties	Mining properties	Residential properties	Agricultural properties	Public benefit organisations	Public service purpose properties	Public service infrastructure properties	Vacant land	Sport Clubs and Fields (Bitou only)	Sectional Title Garages (Drakenstein only)
<b>Current Year 2024/25</b>												
<b>Valuation:</b>												
No. of properties		2 741	1 191	1	60 196	2 293	13	307	212	-	-	-
No. of sectional title property values		692	13	-	6 343	-	-	-	-	-	-	-
No. of unreasonably difficult properties s7(2)		-	-	-	-	-	-	-	-	-	-	-
No. of supplementary valuations		1	1	1	1	1	1	1	1	-	-	-
Supplementary valuation (Rm)		43	13	-	832	50	2	2	5	-	-	-
No. of valuation roll amendments		-	-	-	-	-	-	-	-	-	-	-
No. of objections by rate-payers		177	54	-	680	33	-	1	4	-	-	-
No. of appeals by rate-payers		24	4	-	26	7	-	-	1	-	-	-
No. of appeals by rate-payers finalised		4	-	-	20	3	-	-	1	-	-	-
No. of successful objections	5	49	6	-	382	18	-	1	2	-	-	-
No. of successful objections > 10%	5	21	-	-	93	3	-	-	-	-	-	-
Estimated no. of properties not valued		-	-	-	-	-	-	-	-	-	-	-
Years since last valuation ( <b>select</b> )		1	1	1	1	1	1	1	1	-	-	-
Frequency of valuation ( <b>select</b> )		1	1	1	1	1	1	1	1	-	-	-
Method of valuation used ( <b>select</b> )		-	-	-	-	-	-	-	-	-	-	-
Base of valuation ( <b>select</b> )		-	-	-	-	-	-	-	-	-	-	-
Phasing-in properties s21 (number)		N	N	N	N	N	N	N	N	N	-	-
Combination of rating types used? (Y/N)		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	-	-	-
Flat rate used? (Y/N)		N	N	N	N	N	N	N	N	N	-	-
Is balance rated by uniform rate/variable rate?		-	-	-	-	-	-	-	-	-	-	-
<b>Valuation reductions:</b>												
Valuation reductions-public infrastructure (Rm)		-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-nature reserves/park (Rm)		-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-mineral rights (Rm)		-	-	-	-	15 000	-	-	-	-	-	-
Valuation reductions-R15,000 threshold (Rm)		-	-	-	-	-	-	-	-	-	-	-
Valuation reductions-public worship (Rm)		-	-	-	-	85 000	-	-	-	-	-	-
Valuation reductions-other (Rm)	2	-	-	-	-	-	-	-	-	-	-	-
<b>Total valuation reductions:</b>		-	-	-	-	-	-	-	-	-	-	-
Total value used for rating (Rm)	6											
Total land value (Rm)	6											
Total value of improvements (Rm)	6											
Total market value (Rm)	6	<b>9 978</b>	<b>563</b>	<b>-</b>	<b>4 610</b>							
<b>Rating:</b>												
Average rate	3	-	-	-	-	-	-	-	-	-	-	-
Rate revenue budget (R'000)		222 023 063	19 089 987	18 710	350 540 953	4 594 005	2 467 410	41 673 078	708 520	-	-	-
Rate revenue expected to collect (R'000)		270 674 678	73 705 992	243 552	308 508 915	12 940 118	199 049	43 413 662	194 979	-	-	-
Expected cash collection rate (%)	4	0.86	0.86	0.86	0.86	0.86	0.86	0.86	0.86	-	-	-
Special rating areas (R'000)		-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - indigent (R'000)		-	-	-	(36 288 567)	-	-	-	-	-	-	-
Rebates, exemptions - pensioners (R'000)		-	-	-	24 562	-	-	-	-	-	-	-
Rebates, exemptions - bona fide farm. (R'000)		-	-	-	-	-	-	-	-	-	-	-
Rebates, exemptions - other (R'000)		(5 190 551)	(195 282)	-	(18 936 960)	-	-	-	-	-	-	-
Phase-in reductions/discounts (R'000)		-	-	-	-	-	-	-	-	-	-	-
<b>Total rebates, exemptns, reductns, discs (R'000)</b>		<b>(5 191)</b>	<b>(195)</b>	<b>-</b>	<b>(55 201)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**References**

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

6. *Provide relevant information for historical comparisons.*

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

Description	###	Business and commercial properties	Industrial properties	Mining properties	Residential properties	Agricultural properties	Public benefit organisations	Public service purpose properties	Public service infrastructure properties	Vacant land	Sport Clubs and Fields (Bitou only)	Sectional Title Garages (Drakenstein only)
<b>Budget Year 2025/26</b>												
<b>Valuation:</b>												
No. of properties		2 905	1 262	1	63 808	2 431	14	325	225	–	–	–
No. of sectional title property values		734	14	–	6 724	–	–	–	–	–	–	–
No. of unreasonably difficult properties s7(2)		–	–	–	–	–	–	–	–	–	–	–
No. of supplementary valuations		1	1	1	1	1	1	1	1	–	–	–
Supplementary valuation (Rm)		46	14	–	882	53	2	2	5	–	–	–
No. of valuation roll amendments		–	–	–	–	–	–	–	–	–	–	–
No. of objections by rate-payers		–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers		–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers finalised		–	–	–	–	–	–	–	–	–	–	–
No. of successful objections	5	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections > 10%	5	–	–	–	–	–	–	–	–	–	–	–
Estimated no. of properties not valued		–	–	–	–	–	–	–	–	–	–	–
Years since last valuation ( <b>select</b> )		5	5	5	5	5	5	5	5	5	5	5
Frequency of valuation ( <b>select</b> )		5	5	5	5	5	5	5	5	5	5	5
Method of valuation used ( <b>select</b> )		Market	Market	Market	Market	Market	Market	Market	Market	–	–	–
Base of valuation ( <b>select</b> )		Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	Land & impr.	–	–	–
Phasing-in properties s21 (number)		N	N	N	N	N	N	N	N	–	–	–
Combination of rating types used? (Y/N)		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	–	–	–
Flat rate used? (Y/N)		No	No	No	No	No	No	No	No	–	–	–
Is balance rated by uniform rate/variable rate?		–	–	–	–	–	–	–	–	–	–	–
<b>Valuation reductions:</b>												
Valuation reductions-public infrastructure (Rm)		–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-nature reserves/park (Rm)		–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-mineral rights (Rm)		–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)		–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-public worship (Rm)		–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-other (Rm)	2	–	–	–	–	–	–	–	–	–	–	–
<b>Total valuation reductions:</b>		–	–	–	–	–	–	–	–	–	–	–
Total value used for rating (Rm)	6	–	–	–	–	–	–	–	–	–	–	–
Total land value (Rm)	6	–	–	–	–	–	–	–	–	–	–	–
Total value of improvements (Rm)	6	–	–	–	–	–	–	–	–	–	–	–
Total market value (Rm)	6	10 576 658 800	596 356 000	–	4 886 097 560	–	–	–	–	–	–	–
<b>Rating:</b>												
Average rate	3	–	–	–	–	–	–	–	–	–	–	–
Rate revenue budget (R'000)		235 344 447	20 235 386	19 833	361 057 182	4 869 645	2 541 432	44 173 463	729 776	–	–	–
Rate revenue expected to collect (R'000)		286 915 159	78 128 351	258 165	317 764 182	13 716 525	205 020	46 018 482	200 829	–	–	–
Expected cash collection rate (%)	4	95	95	95	95	95	95	95	95	–	–	–
Special rating areas (R'000)		–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - indigent (R'000)		–	–	–	(37 377 224)	–	–	–	–	–	–	–
Rebates, exemptions - pensioners (R'000)		–	–	–	25 299	–	–	–	–	–	–	–
Rebates, exemptions - bona fide farm. (R'000)		–	–	–	num(2dec) DIV 100	–	–	–	–	–	–	–
Rebates, exemptions - other (R'000)		(5 501 984)	(206 999)	–	(19 505 069)	–	–	–	–	–	–	–
Phase-in reductions/discounts (R'000)		–	–	–	–	–	–	–	–	–	–	–
<b>Total rebates,exemptns,eductns,discs (R'000)</b>		(5 502)	(207)	–	(56 857)	–	–	–	–	–	–	–
<b>References</b>												

1. Land & Assistance Act, Restitution of Land Rights, Communal Property Associations

2. Include value of additional reductions is 'free' value greater than MPRA minimum.

3. Average rate - cents in the Rand. Eg 10.26 cents in the Rand is 0.1026, expressed to 6 decimal places maximum

4. Include arrears collections

5. In favour of the rate-payer

6. Provide relevant information for historical comparisons.

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

Description	Ref	Provide description of tariff structure where appropriate	2021/22	2022/23	2023/24	Current Year 2024/25	2025/26 Medium Term Revenue & Expenditure Framework		
							Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>Property rates (rate in the Rand)</b>	1								
Residential properties			0.01	0.01	0.01	0.01	0.01	0.01	0.01
Residential properties - vacant land			-	-	-	-	-	-	-
Formal/informal settlements			-	-	-	-	-	-	-
Small holdings			-	-	-	-	-	-	-
Farm properties - used			0.00	0.00	0.00	0.00	0.00	0.00	0.00
Farm properties - not used			-	-	-	-	-	-	-
Industrial properties			0.01	0.01	0.01	0.01	0.02	0.02	0.02
Business and commercial properties			0.01	0.01	0.01	0.01	0.02	0.02	0.02
Communal land - residential			-	-	-	-	-	-	-
Communal land - small holdings			-	-	-	-	-	-	-
Communal land - farm property			-	-	-	-	-	-	-
Communal land - business and commercial			-	-	-	-	-	-	-
Communal land - other			-	-	-	-	-	-	-
State-owned properties			0.01	0.01	0.01	0.01	0.02	0.02	0.02
Municipal properties			-	-	-	-	-	-	-
Public service infrastructure			0.00	0.00	0.00	0.00	0.00	0.00	0.00
Privately owned towns serviced by the owner			-	-	-	-	-	-	-
State trust land			-	-	-	-	-	-	-
Restitution and redistribution properties			-	-	-	-	-	-	-
Protected areas			-	-	-	-	-	-	-
National monuments properties			-	-	-	-	-	-	-
<b>Property rates by usage</b>			-	-	-	-	-	-	-
Business and commercial properties			-	-	-	-	-	-	-
Industrial properties			-	-	-	-	-	-	-
Mining properties			-	-	-	-	-	-	-
Residential properties			-	-	-	-	-	-	-
Agricultural properties			-	-	-	-	-	-	-
Public benefit organisations			-	-	-	-	-	-	-
Public service purpose properties			-	-	-	-	-	-	-
Public service infrastructure properties			-	-	-	-	-	-	-
Vacant land			-	-	-	-	-	-	-
Sport Clubs and Fields (Bitou only)			-	-	-	-	-	-	-
Sectional Title Garages (Drakenstein only)			-	-	-	-	-	-	-
<b>Exemptions, reductions and rebates (Rands)</b>	2								
<b>Residential properties</b>									
R15 000 threshold rebate									
General residential rebate			85000	85000	85000	85000	85000	85000	85000
Indigent rebate or exemption			1	1	1	1	1	1	1
Pensioners/social grants rebate or exemption			0.8	0.8	0.8	0.8	0.8	0.8	0.8
Temporary relief rebate or exemption			0	0	0	0	0	0	0
Bona fide farmers rebate or exemption			0	0	0	0	0	0	0
<b>Other rebates or exemptions</b>			0	0	0	0	0	0	0
<b>Water tariffs</b>									
<b>Domestic</b>									
Basic charge/fixd fee (Rands/month)			0	0	0	0	0	0	0
Service point - vacant land (Rands/month)			0	0	0	0	0	0	0
Water usage - flat rate tariff (c/k)			0	0	0	0	0	0	0
Water usage - life line tariff		(describe structure)	0	0	0	0	0	0	0
Water usage - Block 1 (c/k)		(fill in thresholds)	8.93	9.68	12.34	14.44	16.02	17.78	19.78
Water usage - Block 2 (c/k)		(fill in thresholds)	14.03	15.22	19.41	22.71	25.19	27.96	31.11

Water usage - Block 3 (c/kl)	2	(fill in thresholds)	15.31	16.61	21.18	24.78	27.48	30.51	33.94
Water usage - Block 4 (c/kl)		(fill in thresholds)	20.42	22.15	28.24	33.05	36.65	40.69	45.27
Water usage - Block 5 (c/kl)		(fill in thresholds)	24.25	26.31	33.56	39.26	43.54	48.34	53.78
Water usage - Block 6 (c/kl)		(fill in thresholds)	29.36	31.85	40.62	47.53	52.71	58.52	65.11
<b>Other</b>			0	0	0	0	0	0	0
<b>Waste water tariffs</b>									
<b>Domestic</b>									
Basic charge/fixd fee (Rands/month)			0	0	0	0	0	0	0
Service point - vacant land (Rands/month)			0	0	0	0	0	0	0
Waste water - flat rate tariff (c/kl)			0	0	0	0	0	0	0
Volumetric charge - Block 1 (c/kl)		(fill in structure)	121.38	109.39	135.66	142.44	115.95	123.02	130.83
Volumetric charge - Block 2 (c/kl)		(fill in structure)	19.82	17.88	22.17	23.28	18.95	20.11	21.39
Volumetric charge - Block 3 (c/kl)		(fill in structure)	16.09	14.51	18	18.9	15.38	16.32	17.36

Volumetric charge - Block 4 (c/kI)		(fill in structure)	22.29	20.09	24.92	26.16	21.3	22.6	24.03
<b>Other</b>	2		0	0	0	0	0	0	0
<b>Electricity tariffs</b>									
<b>Domestic</b>									
Basic charge/ fixed fee (Rands/month)			110	120.32	151.29	158.86	179.1	202.09	228.55
Service point - vacant land (Rands/month)			0	0	0	0	0	0	0
FBE		(how is this targeted?)	0	0	0	0	0	0	0
Life-line tariff - meter		(describe structure)	138	151.25	207.04	217.4	245.09	276.56	312.76
Life-line tariff - prepaid		(describe structure)	138	151.25	207.04	217.4	245.09	276.56	312.76
Flat rate tariff - meter (c/kwh)			0	0	0	0	0	0	0
Flat rate tariff - prepaid (c/kwh)			0	0	0	0	0	0	0
Meter - IBT Block 1 (c/kwh)		(fill in thresholds)	102.82	117.82	148.15	155.55	175.37	197.89	223.79
Meter - IBT Block 2 (c/kwh)		(fill in thresholds)	134.23	153.81	193.39	203.06	228.93	258.32	292.14
Meter - IBT Block 3 (c/kwh)		(fill in thresholds)	198.16	227.07	285.52	299.79	337.98	381.38	431.3
Meter - IBT Block 4 (c/kwh)		(fill in thresholds)	233	267	336.69	353.53	398.56	449.74	508.61
Meter - IBT Block 5 (c/kwh)		(fill in thresholds)	0	0	0	0	0	0	0
Prepaid - IBT Block 1 (c/kwh)		(fill in thresholds)	125	117.82	148.15	155.55	175.37	197.89	223.79
Prepaid - IBT Block 2 (c/kwh)		(fill in thresholds)	156	153.81	193.39	203.06	228.93	258.32	292.14
Prepaid - IBT Block 3 (c/kwh)		(fill in thresholds)	230	227.07	285.52	299.79	337.98	381.38	431.3
Prepaid - IBT Block 4 (c/kwh)		(fill in thresholds)	266	267	336.69	353.53	398.56	449.74	508.61
Prepaid - IBT Block 5 (c/kwh)		(fill in thresholds)	0	0	0	0	0	0	0
<b>Other</b>	2		0	0	0	0	0	0	0
<b>Waste management tariffs</b>									
<b>Domestic</b>									
Street cleaning charge			0	0	0	0	0	0	0
Basic charge/ fixed fee			0	0	0	0	0	0	0
80l bin - once a week			0	0	0	0	0	0	0
250l bin - once a week			0	0	0	0	0	0	0

#### References

1. If properties are not rated or zero rated this must be indicated as such

2. Please provide detailed descriptions on Sheet SA13b



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

[illegible]

LIM354 Polokwane - Supporting Table SA14 Household bills

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26 % incr.	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		286.00	299.00	315.00	333.90	333.90	333.90	6.00%	353.93	350.60	368.12
Electricity: Basic levy		89.27	100.94	107.20	125.42	125.42	125.42	12.70%	141.40	159.55	180.44
Electricity: Consumption		1 525.48	1 724.86	1 831.81	2 143.21	2 143.21	2 143.21	12.70%	2 416.25	2 726.50	3 083.40
Water: Basic levy		-	-	-	-	-	-	0.00%	-	-	-
Water: Consumption		363.41	390.67	411.76	481.76	481.76	481.76	10.90%	534.32	593.15	659.94
Sanitation		67.09	71.12	74.96	79.46	79.46	79.46	6.00%	84.23	350.60	368.12
Refuse removal		112.00	118.72	125.13	132.63	132.63	132.63	6.00%	140.59	350.60	368.12
Other		116.60	123.60	130.27	138.09	138.09	138.09	6.00%	146.38	350.60	368.12
sub-total		2 559.85	2 828.91	2 996.13	3 434.47	3 434.47	3 434.47	11.1%	3 817.10	4 881.60	5 396.26
VAT on Services		333.89	368.99	390.80	447.98	447.98	447.98	6.00%	474.86	350.60	368.12
Total large household bill:		2 893.74	3 197.90	3 386.93	3 882.45	3 882.45	3 882.45	10.5%	4 291.96	5 232.20	5 764.38
% increase/-decrease		-	10.5%	5.9%	14.6%	-	-	(100.0%)	10.5%	21.9%	10.2%
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		190.67	199.33	210.00	222.60	222.60	222.60	0.00%	222.60	233.73	245.42
Electricity: Basic levy		89.27	100.94	107.20	125.42	125.42	125.42	12.70%	141.40	159.55	180.44
Electricity: Consumption		642.96	727.00	772.07	903.32	903.32	903.32	12.70%	1 018.40	1 149.17	1 299.59
Water: Basic levy		-	-	-	-	-	-	0.00%	-	-	-
Water: Consumption		296.89	319.16	336.39	393.58	393.58	393.58	10.90%	436.52	484.58	539.14
Sanitation		67.09	71.12	74.96	79.46	79.46	79.46	6.00%	84.23	350.60	368.12
Refuse removal		112.00	118.72	125.13	132.63	132.63	132.63	6.00%	140.59	350.60	368.12
Other		58.30	61.80	65.14	69.04	69.04	69.04	6.00%	73.18	350.60	368.12
sub-total		1 457.18	1 598.07	1 690.89	1 926.05	1 926.05	1 926.05	9.9%	2 116.92	3 078.83	3 368.95
VAT on Services		190.07	208.44	220.55	251.23	251.23	251.23	6.00%	266.30	350.60	368.12
Total small household bill:		1 647.25	1 806.51	1 911.44	2 177.28	2 177.28	2 177.28	9.5%	2 383.22	3 429.43	3 737.07
% increase/-decrease		-	9.7%	5.8%	13.9%	-	-	(100.0%)	9.5%	43.9%	9.0%
Monthly Account for Household - 'Indigent'	3										
Household receiving free basic services											
Rates and services charges:											
Property rates		96.81	102.62	108.16	114.65	114.65	114.65	6.00%	121.53	350.60	368.12
Electricity: Basic levy		89.27	100.94	107.20	125.42	125.42	125.42	12.70%	141.40	159.55	180.44
Electricity: Consumption		366.29	414.16	439.84	514.61	514.61	514.61	12.70%	580.17	654.67	740.36
Water: Basic levy		-	-	-	-	-	-	0.00%	-	-	-
Water: Consumption		177.35	190.65	200.94	235.10	235.10	235.10	10.90%	260.75	289.46	322.05
Sanitation		-	-	-	-	-	-	0.00%	-	-	-
Refuse removal		41.84	44.35	46.74	49.55	49.55	49.55	6.00%	52.52	350.60	368.12
Other		-	-	-	-	-	-	0.00%	-	-	-
sub-total		771.56	852.72	902.88	1 039.33	1 039.33	1 039.33	11.3%	1 156.37	1 804.88	1 979.09
VAT on Services		100.64	111.22	117.77	135.57	135.57	135.57	6.00%	143.70	350.60	368.12
Total small household bill:		872.20	963.94	1 020.65	1 174.90	1 174.90	1 174.90	10.7%	1 300.07	2 155.48	2 347.21
% increase/-decrease		-	10.5%	5.9%	15.1%	-	-	(100.0%)	10.7%	65.8%	8.9%

References

1. Use as basis property value of R700 000, 1 000 kWh electricity and 30kl water

2. Use as basis property value of R500 000 and R700 000, 500 kWh electricity and 25kl water

3. Use as basis property value of R 300 000, 350kWh electricity and 20kl water (50 kWh electricity and 6 kl water free)

LIM354 Polokwane - Supporting Table SA15 Investment particulars by type

Investment type	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
Parent municipality	1									
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Municipal Bonds										
Municipality sub-total		-	-	-	-	-	-	-	-	-
Entities										
Securities - National Government										
Listed Corporate Bonds										
Deposits - Bank										
Deposits - Public Investment Commissioners										
Deposits - Corporation for Public Deposits										
Bankers Acceptance Certificates										
Negotiable Certificates of Deposit - Banks										
Guaranteed Endowment Policies (sinking)										
Repurchase Agreements - Banks										
Entities sub-total		-	-	-	-	-	-	-	-	-
Consolidated total:		-	-	-	-	-	-	-	-	-

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

LIM354 Polokwane - Supporting Table SA16 Investment particulars by maturity

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

References

1. Total investments must reconcile to all items in Table SA15 for the Current Year (30 June)

2. List investments in expiry date order

3. If 'variable' is selected in column F, input interest rate range

4. Withdrawals to be entered as negative

### LIM354 Polokwane - Supporting Table SA17 Borrowing

Borrowing - Categorised by type	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>										
<b><u>Parent municipality</u></b>										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)		395 365	372 777	347 688	347 688	347 688	347 688	288 832	254 306	216 149
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
<b>Municipality sub-total</b>	1	395 365	372 777	347 688	347 688	347 688	347 688	288 832	254 306	216 149
<b><u>Entities</u></b>										
Annuity and Bullet Loans										
Long-Term Loans (non-annuity)										
Local registered stock										
Instalment Credit										
Financial Leases										
PPP liabilities										
Finance Granted By Cap Equipment Supplier										
Marketable Bonds										
Non-Marketable Bonds										
Bankers Acceptances										
Financial derivatives										
Other Securities										
<b>Entities sub-total</b>	1	-	-	-	-	-	-	-	-	-
<b>Total Borrowing</b>	1	395 365	372 777	347 688	347 688	347 688	347 688	288 832	254 306	216 149

[illegible]

## References

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

check borrowing balance

#REF!

#REF!

#REF!

#REF!

#REF!

#REF!

#REF!

#REF!

#REF!

LIM354 Polokwane - Supporting Table SA18 Transfers and grant receipts

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		1 321 834	1 360 972	1 542 057	1 661 130	1 719 765	1 590 525	1 807 838	1 805 798	1 952 486
Expanded Public Works Programme Integrated Grant		7 971	11 570	11 135	6 117	6 117	6 117	6 531	–	–
Integrated National Electrification Programme Grant		28 000	24 091	–	–	–	–	–	–	–
Infrastructure Skills Development Grant		6 217	6 000	5 869	18 439	20 954	13 637	7 500	7 450	9 195
Local Government Financial Management Grant		2 400	2 400	2 400	2 400	2 400	2 400	2 400	2 500	2 600
Integrated Urban Development Grant		161 012	52 426	115 195	135 688	135 672	81 301	160 517	93 181	154 189
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	3 000	–	5 000
Public Transport Network Grant		60 350	67 936	88 837	90 643	146 779	79 261	146 709	154 535	163 281
Equitable Share		1 055 884	1 196 550	1 318 621	1 407 843	1 407 843	1 407 809	1 481 181	1 548 132	1 618 222
Provincial Government:		1 000	–	44	–	74 689	(368)	47 585	48 518	–
Specify (Add grant description)		–	–	44	–	–	332	–	–	–

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

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		1 163 581	1 375 443	1 534 516	1 661 130	1 715 467	1 587 373	1 807 838	1 805 798	1 952 486
Expanded Public Works Programme Integrated Grant		7 971	11 570	10 714	6 117	6 117	2 926	6 531	–	–
Integrated National Electrification Programme Grant		9 892	22 949	–	–	–	–	–	–	–
Infrastructure Skills Development Grant		6 217	6 000	2 698	8 000	10 515	5 487	7 500	7 450	9 195
Local Government Financial Management Grant		2 400	2 055	2 024	2 400	2 400	1 449	2 400	2 500	2 600
Integrated Urban Development Grant		16 743	78 145	115 041	135 688	131 374	112 858	160 517	93 181	154 189
Energy Efficiency and Demand Side Management Grant		–	–	–	–	–	–	3 000	–	5 000
Public Transport Network Grant		64 474	58 174	85 418	101 082	157 218	56 844	146 709	154 535	163 281
Equitable Share		1 055 884	1 196 550	1 318 621	1 407 843	1 407 843	1 407 809	1 481 181	1 548 132	1 618 222
Provincial Government:		866	–	–	–	74 689	–	47 585	48 518	–



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

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand										
Operating transfers and grants:	1,3									
National Government										
Balance unspent at beginning of the year		(256 020)	21 556	12 112	12 112	12 112	12 112	15 943	15 943	15 943
Current year receipts		1 321 834	1 360 972	1 542 057	1 661 130	1 719 765	1 719 765	1 807 838	1 805 798	1 952 486
Repayment of grants		446	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		1 163 581	1 375 443	1 534 516	1 661 130	1 715 467	1 715 467	1 807 838	1 805 798	1 952 486
Conditions still to be met - transferred to liabilities		(98 213)	7 086	19 653	12 112	16 410	16 410	15 943	15 943	15 943
Provincial Government:										
Balance unspent at beginning of the year		3 484	3 617	3 541	3 541	3 541	3 541	3 585	3 585	3 585
Current year receipts		1 000	–	44	–	74 689	74 689	47 585	48 518	–
Repayment of grants		–	134	–	–	–	–	–	–	–
Conditions met - transferred to revenue		866	–	–	–	74 689	74 689	47 585	48 518	–
Conditions still to be met - transferred to liabilities		3 617	3 484	3 585	3 541	3 541	3 541	3 585	3 585	3 585
District Municipality:										
Balance unspent at beginning of the year		18	18	18	18	18	18	18	18	18
Current year receipts		–	–	–	–	18	18	–	–	–
Repayment of grants		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	18	18	–	–	–
Conditions still to be met - transferred to liabilities		18	18	18	18	18	18	18	18	18
Other grant providers:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	5 000	5 000	5 000	5 000	5 255	5 549
Repayment of grants		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	5 000	5 000	5 000	5 000	5 255	5 549
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Total operating transfers and grants revenue		1 164 448	1 375 443	1 534 516	1 666 130	1 795 174	1 795 174	1 860 423	1 859 571	1 958 036
Total operating transfers and grants - CTBM	2	(94 578)	10 587	23 256	15 671	19 969	19 969	19 546	19 546	19 546
Capital transfers and grants:	1,3									
National Government										
Balance unspent at beginning of the year		333 044	130 590	10 101	10 101	10 101	10 101	(2 435)	(2 435)	(2 435)
Current year receipts		680 120	659 393	759 743	708 358	659 011	659 011	597 441	785 717	722 806
Repayment of grants		57 031	135 999	17 245	–	–	–	–	–	–
Conditions met - transferred to revenue		694 723	602 483	743 785	708 358	663 309	663 309	597 441	785 717	722 806
Conditions still to be met - transferred to liabilities		261 410	51 502	8 814	10 101	5 803	5 803	(2 435)	(2 435)	(2 435)
Provincial Government:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	700	700	–	–	–
Repayment of grants		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	700	700	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
District Municipality:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Repayment of grants		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Other grant providers:										
Balance unspent at beginning of the year		–	–	–	–	–	–	–	–	–
Current year receipts		–	–	–	–	–	–	–	–	–
Repayment of grants		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities		–	–	–	–	–	–	–	–	–
Total capital transfers and grants revenue		694 723	602 483	743 785	708 358	664 009	664 009	597 441	785 717	722 806
Total capital transfers and grants - CTBM	2	261 410	51 502	8 814	10 101	5 803	5 803	(2 435)	(2 435)	(2 435)
TOTAL TRANSFERS AND GRANTS REVENUE		1 859 170	1 977 926	2 278 301	2 374 488	2 459 183	2 459 183	2 457 864	2 645 288	2 680 841
TOTAL TRANSFERS AND GRANTS - CTBM		166 832	62 089	32 070	25 772	25 772	25 772	17 111	17 111	17 111

References

1. Total capital transfers and grants revenue must reconcile to Budgeted Financial Performance and Financial Position; total recurrent grants revenue must reconcile to Budgeted Financial Performance
2. CTBM = conditions to be met
3. National Treasury database will require this reconciliation for each transfer/grant

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

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
<b>Cash Transfers to other municipalities</b>											
<i>Insert description</i>	1										
Total Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to Entities/Other External Mechanisms</b>											
<i>Polokwane</i>	2	44 800	9 191	15 000	10 000	16 000	16 000	16 000	10 000	10 000	10 000
Total Cash Transfers To Entities/Ems'		44 800	9 191	15 000	10 000	16 000	16 000	16 000	10 000	10 000	10 000
<b>Cash Transfers to other Organs of State</b>											
<i>Insert description</i>	3										
Total Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
<b>Cash Transfers to Organisations</b>											
<i>SPCA</i>		480	480	480	480	480	480	480	480	480	480
<i>Taxi industry Compensation</i>					30 900	30 900	30 900	30 900	50 000	58 000	57 875
Total Cash Transfers To Organisations		480	480	480	31 380	31 380	31 380	31 380	50 480	58 480	58 355
<b>Cash Transfers to Groups of Individuals</b>											
<i>Insert description</i>											
Total Cash Transfers To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL CASH TRANSFERS AND GRANTS	6	45 280	9 671	15 480	41 380	47 380	47 380	47 380	60 480	68 480	68 355
<b>Non-Cash Transfers to other municipalities</b>											
<i>Insert description</i>	1										
Total Non-Cash Transfers To Municipalities:		-	-	-	-	-	-	-	-	-	-
<b>Non-Cash Transfers to Entities/Other External Mechanisms</b>											
<i>Insert description</i>	2										
Total Non-Cash Transfers To Entities/Ems'		-	-	-	-	-	-	-	-	-	-
<b>Non-Cash Transfers to other Organs of State</b>											
<i>Insert description</i>	3										
Total Non-Cash Transfers To Other Organs Of State:		-	-	-	-	-	-	-	-	-	-
<b>Non-Cash Grants to Organisations</b>											
<i>Insert description</i>	4										
Total Non-Cash Grants To Organisations		-	-	-	-	-	-	-	-	-	-
<b>Groups of Individuals</b>											
<i>Insert description</i>	5										
Total Non-Cash Grants To Groups Of Individuals:		-	-	-	-	-	-	-	-	-	-
TOTAL NON-CASH TRANSFERS AND GRANTS		-	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERS AND GRANTS	6	45 280	9 671	15 480	41 380	47 380	47 380	47 380	60 480	68 480	68 355

References

1. Insert description listed by municipal name and demarcation code of recipient

2. Insert description of each entity or external mechanism (an external mechanism may be provided with resources to ensure a minimum level of service)

3. Insert description of each Organ of State (e.g. transfer to electricity provider to compensate for FBS provided)

4. Insert description of each other organisation (e.g. charity)

5 Insert description of each other organisation (e.g. the aged, child-headed households)

6. All descriptions should separate transfers for 'capital purposes' and 'operating purposes'

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

Summary of Employee and Councillor remuneration		###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
R thousand			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
	1		A	B	C	D	E	F	G	H	I
<b>Councillors (Political Office Bearers plus Other)</b>											
Basic Salaries and Wages			25 035	26 581	27 888	30 535	56 208	56 208	41 617	43 906	46 364
Pension and UIF Contributions			3 466	3 714	3 874	4 347	7 810	7 810	5 941	6 268	6 619
Medical Aid Contributions			394	321	333	370	655	655	562	593	626
Motor Vehicle Allowance			5 317	6 058	7 179	7 252	20 188	20 188	14 171	14 951	15 788
Cellphone Allowance			3 881	3 821	4 264	4 499	6 395	6 395	3 845	4 056	4 283
Housing Allowances			–	–	–	–	–	–	–	–	–
Other benefits and allowances			357	888	340	453	613	613	342	361	381
<b>Sub Total - Councillors</b>			<b>38 449</b>	<b>41 384</b>	<b>43 877</b>	<b>47 455</b>	<b>91 869</b>	<b>91 869</b>	<b>66 479</b>	<b>70 135</b>	<b>74 063</b>
<b>% increase</b>	4			<b>7.6%</b>	<b>6.0%</b>	<b>8.2%</b>	<b>93.6%</b>	<b>–</b>	<b>(27.6%)</b>	<b>5.5%</b>	<b>5.6%</b>
<b>Senior Managers of the Municipality</b>											
	2										
Basic Salaries and Wages			9 890	7 483	8 422	16 147	14 296	14 296	15 082	15 912	16 803
Pension and UIF Contributions			1 340	998	1 455	3 278	2 766	2 766	2 918	3 078	3 251
Medical Aid Contributions			162	139	231	701	743	743	784	827	874
Overtime			–	–	–	–	–	–	–	–	–
Performance Bonus			59	–	–	–	–	–	–	–	–
Motor Vehicle Allowance	3		2 416	1 611	1 879	3 748	3 734	3 734	3 939	4 156	4 389
Cellphone Allowance	3		–	–	–	–	–	–	–	–	–
Housing Allowances	3		2 020	1 586	1 032	1 113	1 425	1 425	1 503	1 586	1 675
Other benefits and allowances	3		–	189	108	3	5	5	5	6	6
Payments in lieu of leave			327	–	–	–	–	–	–	–	–
Long service awards			–	–	–	–	–	–	–	–	–
Post-retirement benefit obligations	6		–	–	–	–	–	–	–	–	–
Entertainment			–	–	–	–	–	–	–	–	–
Scarcity			–	–	–	–	–	–	–	–	–
Acting and post related allowance			218	85	124	155	155	155	163	172	182
In kind benefits			–	–	–	–	–	–	–	–	–
<b>Sub Total - Senior Managers of Municipality</b>			<b>16 432</b>	<b>12 092</b>	<b>13 251</b>	<b>25 144</b>	<b>23 124</b>	<b>23 124</b>	<b>24 396</b>	<b>25 737</b>	<b>27 179</b>
<b>% increase</b>	4			<b>(26.4%)</b>	<b>9.6%</b>	<b>89.8%</b>	<b>(8.0%)</b>	<b>–</b>	<b>5.5%</b>	<b>5.5%</b>	<b>5.6%</b>
<b>Other Municipal Staff</b>											
Basic Salaries and Wages			559 294	562 101	585 758	791 723	664 171	664 171	804 718	848 920	896 383
Pension and UIF Contributions			110 310	113 767	118 009	183 011	152 615	152 615	161 619	170 507	180 055
Medical Aid Contributions			42 356	45 069	48 928	55 693	55 507	55 507	58 908	62 148	65 629
Overtime			98 630	119 787	107 594	57 280	73 418	73 418	41 256	43 523	45 959
Performance Bonus			44 367	45 606	47 236	86 437	66 641	66 641	91 487	96 519	101 924
Motor Vehicle Allowance	3		53 328	58 756	59 181	76 357	75 885	75 885	80 631	85 066	89 830
Cellphone Allowance	3		163	96	33	145	144	144	152	160	169
Housing Allowances	3		14 588	6 363	6 024	10 415	9 829	9 829	10 275	10 841	11 448

Sub Total - Board Members of Entities	-	-	-	-	-	-	-	-	-
% increase	4	-	-	-	-	-	-	-	-

<b>Senior Managers of Entities</b>										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Entities</b>		-	-	-	-	-	-	-	-	-
<b>% increase</b>	4		-	-	-	-	-	-	-	-
<b>Other Staff of Entities</b>										
Basic Salaries and Wages		-	-	-	-	-	-	-	-	-
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance	3	-	-	-	-	-	-	-	-	-
Cellphone Allowance	3	-	-	-	-	-	-	-	-	-
Housing Allowances	3	-	-	-	-	-	-	-	-	-
Other benefits and allowances	3	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations	6	-	-	-	-	-	-	-	-	-
Entertainment		-	-	-	-	-	-	-	-	-
Scarcity		-	-	-	-	-	-	-	-	-
Acting and post related allowance		-	-	-	-	-	-	-	-	-
In kind benefits		-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Staff of Entities</b>		-	-	-	-	-	-	-	-	-
<b>% increase</b>	4		-	-	-	-	-	-	-	-
<b>Total Municipal Entities</b>		-	-	-	-	-	-	-	-	-
<b>TOTAL SALARY, ALLOWANCES &amp; BENEFITS</b>		1 029 340	1 075 732	1 104 557	1 388 602	1 294 228	1 294 228	1 441 114	1 520 316	1 605 375
<b>% increase</b>	4		4.5%	2.7%	25.7%	(6.8%)	-	11.3%	5.5%	5.6%
<b>TOTAL MANAGERS AND STAFF</b>	5.7	990 891	1 034 349	1 060 680	1 341 147	1 202 360	1 202 360	1 374 635	1 450 181	1 531 312

[illegible]

### References

1. Pension and medical aid

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

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

Summary of Personnel Numbers		2023/24			Current Year 2024/25			Budget Year 2025/26		
Number	###	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Municipal Council and Boards of Municipal Entities</b>										
Councillors (Political Office Bearers plus Other Councillors)		90	–	90	90	–	90	90	–	90
Board Members of municipal entities	4	–	–	–	–	–	–	–	–	–
<b>Municipal employees</b>	5	–	–	–	–	–	–	–	–	–
Municipal Manager and Senior Managers	3	–	–	–	–	–	–	–	–	–
Other Managers	7	11	3	3	12	3	3	11	6	3
Professionals		207	113	3	207	109	3	207	95	3
Finance		–	–	–	–	–	–	–	–	–
Spatial/town planning		–	–	–	–	–	–	–	–	–
Information Technology		–	–	–	–	–	–	–	–	–
Roads		–	–	–	–	–	–	–	–	–
Electricity		–	–	–	–	–	–	–	–	–
Water		–	–	–	–	–	–	–	–	–
Sanitation		–	–	–	–	–	–	–	–	–
Refuse		–	–	–	–	–	–	–	–	–
Other		207	113	3	207	109	3	207	95	3
Technicians		254	224	–	254	218	–	254	250	8
Finance		–	–	–	–	–	–	–	–	–
Spatial/town planning		–	–	–	–	–	–	–	–	–
Information Technology		–	–	–	–	–	–	–	–	–
Roads		–	–	–	–	–	–	–	–	–
Electricity		–	–	–	–	–	–	–	–	–
Water		–	–	–	–	–	–	–	–	–
Sanitation		–	–	–	–	–	–	–	–	–
Refuse		–	–	–	–	–	–	–	–	–
Other		254	224	–	254	218	–	254	250	8
Clerks (Clerical and administrative)		375	311	–	375	308	–	375	311	–
Service and sales workers		58	40	–	58	43	–	58	51	–
Skilled agricultural and fishery workers		55	40	–	55	36	–	55	40	–
Craft and related trades		18	15	–	18	5	–	18	17	–
Plant and Machine Operators		58	42	–	58	49	–	58	52	–
Elementary Occupations		–	–	–	–	–	–	–	–	–
<b>TOTAL PERSONNEL NUMBERS</b>	9	<b>1 126</b>	<b>788</b>	<b>96</b>	<b>1 127</b>	<b>771</b>	<b>96</b>	<b>1 126</b>	<b>822</b>	<b>104</b>
<b>% increase</b>					0.1%	(2.2%)	–	(0.1%)	6.6%	8.3%
<b>Total municipal employees headcount</b>	6, 10	–	–	–	–	–	–	–	–	–
Finance personnel headcount	8, 10	183	144	2	180	139	1	198	148	–
Human Resources personnel headcount	8, 10	–	–	–	–	–	–	–	–	–

**References**

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



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

Description	####	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>																
<b>Revenue</b>																
<b>Exchange Revenue</b>																
Service charges - Electricity		185 561	185 561	185 561	185 561	185 561	185 561	185 561	185 561	185 561	185 561	185 561	185 561	2 226 730	2 512 641	2 841 547
Service charges - Water		35 344	35 344	35 344	35 344	35 344	35 344	35 344	35 344	35 344	35 344	35 344	35 344	424 132	470 829	523 845
Service charges - Waste Water Management		13 794	13 794	13 794	13 794	13 794	13 794	13 794	13 794	13 794	13 794	13 794	13 794	165 527	175 624	186 777
Service charges - Waste Management		13 262	13 262	13 262	13 262	13 262	13 262	13 262	13 262	13 262	13 262	13 262	13 262	159 147	168 855	179 577
Sale of Goods and Rendering of Services		1 857	1 857	1 857	1 857	1 857	1 857	1 857	1 857	1 857	1 857	1 857	1 857	22 289	23 649	25 151
Agency services		2 956	2 956	2 956	2 956	2 956	2 956	2 956	2 956	2 956	2 956	2 956	2 956	35 475	37 639	40 029
Interest		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Interest earned from Receivables		8 282	8 282	8 282	8 282	8 282	8 282	8 282	8 282	8 282	8 282	8 282	8 282	99 384	105 447	112 142
Interest earned from Current and Non Current Assets		4 416	4 416	4 416	4 416	4 416	4 416	4 416	4 416	4 416	4 416	4 416	4 416	52 986	56 218	59 788
Dividends		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		1 594	1 594	1 594	1 594	1 594	1 594	1 594	1 594	1 594	1 594	1 594	1 594	19 125	20 292	21 580
Licence and permits		1 348	1 348	1 348	1 348	1 348	1 348	1 348	1 348	1 348	1 348	1 348	1 348	16 179	17 166	18 256
Special rating levies		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		2 139	2 139	2 139	2 139	2 139	2 139	2 139	2 139	2 139	2 139	2 139	2 139	25 667	27 233	28 962
<b>Non-Exchange Revenue</b>																
Property rates		55 815	55 815	55 815	55 815	55 815	55 815	55 815	55 815	55 815	55 815	55 815	55 815	669 774	710 630	755 755
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		3 900	3 900	3 900	3 900	3 900	3 900	3 900	3 900	3 900	3 900	3 900	3 900	46 801	49 656	52 809
Licences or permits		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		155 035	155 035	155 035	155 035	155 035	155 035	155 035	155 035	155 035	155 035	155 035	155 035	1 860 423	1 859 571	1 958 036
Interest		2 071	2 071	2 071	2 071	2 071	2 071	2 071	2 071	2 071	2 071	2 071	2 071	24 846	26 362	28 036
Fuel Levy		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>487 374</b>	<b>487 374</b>	<b>487 374</b>	<b>487 374</b>	<b>487 374</b>	<b>487 374</b>	<b>487 374</b>	<b>487 374</b>	<b>487 374</b>	<b>487 374</b>	<b>487 374</b>	<b>487 374</b>	<b>5 848 487</b>	<b>6 261 812</b>	<b>6 832 290</b>
<b>Expenditure</b>																
Employee related costs		114 553	114 553	114 553	114 553	114 553	114 553	114 553	114 553	114 553	114 553	114 553	114 553	1 374 635	1 450 181	1 531 312
Remuneration of councillors		5 540	5 540	5 540	5 540	5 540	5 540	5 540	5 540	5 540	5 540	5 540	5 540	66 479	70 135	74 063
Bulk purchases - electricity		122 479	122 479	122 479	122 479	122 479	122 479	122 479	122 479	122 479	122 479	122 479	122 479	1 469 753	1 550 590	1 637 423
Inventory consumed		28 708	28 708	28 708	28 708	28 708	28 708	28 708	28 708	28 708	28 708	28 708	28 708	344 497	363 444	383 797
Debt impairment		23 347	23 347	23 347	23 347	23 347	23 347	23 347	23 347	23 347	23 347	23 347	23 347	280 169	295 578	312 131
Depreciation and amortisation		33 984	33 984	33 984	33 984	33 984	33 984	33 984	33 984	33 984	33 984	33 984	33 984	407 814	430 243	454 337
Interest		3 344	3 344	3 344	3 344	3 344	3 344	3 344	3 344	3 344	3 344	3 344	3 344	40 124	37 331	34 422
Contracted services		104 397	104 397	104 397	104 397	104 397	104 397	104 397	104 397	104 397	104 397	104 397	104 397	1 252 766	1 237 987	1 310 331
Transfers and subsidies		5 040	5 040	5 040	5 040	5 040	5 040	5 040	5 040	5 040	5 040	5 040	5 040	60 480	68 480	68 355
Irrecoverable debts written off		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Operational costs		34 033	34 033	34 033	34 033	34 033	34 033	34 033	34 033	34 033	34 033	34 033	34 033	408 390	427 791	452 824
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>475 426</b>	<b>475 426</b>	<b>475 426</b>	<b>475 426</b>	<b>475 426</b>	<b>475 426</b>	<b>475 426</b>	<b>475 426</b>	<b>475 426</b>	<b>475 426</b>	<b>475 426</b>	<b>475 426</b>	<b>5 705 107</b>	<b>5 931 761</b>	<b>6 258 994</b>
<b>Surplus/(Deficit)</b>		<b>11 948</b>	<b>11 948</b>	<b>11 948</b>	<b>11 948</b>	<b>11 948</b>	<b>11 948</b>	<b>11 948</b>	<b>11 948</b>	<b>11 948</b>	<b>11 948</b>	<b>11 948</b>	<b>11 948</b>	<b>143 379</b>	<b>330 052</b>	<b>573 296</b>
Transfers and subsidies - capital (monetary allocations)		49 787	49 787	49 787	49 787	49 787	49 787	49 787	49 787	49 787	49 787	49 787	49 787	597 441	785 717	722 806
Transfers and subsidies - capital (in-kind)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>61 735</b>	<b>61 735</b>	<b>61 735</b>	<b>61 735</b>	<b>61 735</b>	<b>61 735</b>	<b>61 735</b>	<b>61 735</b>	<b>61 735</b>	<b>61 735</b>	<b>61 735</b>	<b>61 735</b>	<b>740 821</b>	<b>1 115 769</b>	<b>1 296 102</b>
Income Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>61 735</b>	<b>61 735</b>	<b>61 735</b>	<b>61 735</b>	<b>61 735</b>	<b>61 735</b>	<b>61 735</b>	<b>61 735</b>	<b>61 735</b>	<b>61 735</b>	<b>61 735</b>	<b>61 735</b>	<b>740 821</b>	<b>1 115 769</b>	<b>1 296 102</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>61 735</b>	<b>61 735</b>	<b>61 735</b>	<b>61 735</b>	<b>61 735</b>	<b>61 735</b>	<b>61 735</b>	<b>61 735</b>	<b>61 735</b>	<b>61 735</b>	<b>61 735</b>	<b>61 735</b>	<b>740 821</b>	<b>1 115 769</b>	<b>1 296 102</b>
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>1</b>	<b>61 735</b>	<b>61 735</b>	<b>61 735</b>	<b>61 735</b>	<b>61 735</b>	<b>61 735</b>	<b>61 735</b>	<b>61 735</b>	<b>61 735</b>	<b>61 735</b>	<b>61 735</b>	<b>61 735</b>	<b>740 821</b>	<b>1 115 769</b>	<b>1 296 102</b>

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

Description	###	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>Revenue by Vote</b>																
Vote 1 - Chief operations office		-	-	-	-	-	-	-	-	-	-	-	22 439	22 439	22 478	23 602
Vote 2 - Municipal managers office		-	-	-	-	-	-	-	-	-	-	-	2	2	2	2
Vote 3 - Water and sanitation		-	-	-	-	-	-	-	-	-	-	-	1 019 177	1 019 177	1 188 303	1 227 002
Vote 4 - Energy services		-	-	-	-	-	-	-	-	-	-	-	2 316 717	2 316 717	2 607 826	2 941 494
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-	-	285 218	285 218	298 587	316 420
Vote 6 - Public safety		-	-	-	-	-	-	-	-	-	-	-	58 228	58 228	59 658	63 446
Vote 7 - Corporate and Shared Services		-	-	-	-	-	-	-	-	-	-	-	9 769	9 769	7 919	8 093
Vote 8 - Planning and Economic Development		-	-	-	-	-	-	-	-	-	-	-	25 796	25 796	29 334	32 520
Vote 9 - Budget and Treasury office		-	-	-	-	-	-	-	-	-	-	-	2 264 232	2 264 232	2 378 853	2 501 596
Vote 10 - Transport Operations		-	-	-	-	-	-	-	-	-	-	-	388 446	388 446	397 226	431 533
Vote 11 - Human Settlement		-	-	-	-	-	-	-	-	-	-	-	55 904	55 904	57 344	9 387
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue by Vote</b>		-	-	-	-	-	-	-	-	-	-	-	6 445 928	6 445 928	7 047 529	7 555 096
<b>Expenditure by Vote to be appropriated</b>																
Vote 1 - Chief operations office		-	-	-	-	-	-	-	-	-	-	-	168 358	168 358	176 450	186 196
Vote 2 - Municipal managers office		-	-	-	-	-	-	-	-	-	-	-	143 147	143 147	150 444	158 282
Vote 3 - Water and sanitation		-	-	-	-	-	-	-	-	-	-	-	776 876	776 876	827 214	863 240
Vote 4 - Energy services		-	-	-	-	-	-	-	-	-	-	-	1 735 583	1 735 583	1 828 288	1 935 020
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-	-	546 649	546 649	576 445	604 360
Vote 6 - Public safety		-	-	-	-	-	-	-	-	-	-	-	527 193	527 193	552 322	582 109
Vote 7 - Corporate and Shared Services		-	-	-	-	-	-	-	-	-	-	-	349 709	349 709	365 561	385 896
Vote 8 - Planning and Economic Development		-	-	-	-	-	-	-	-	-	-	-	106 962	106 962	114 813	122 595
Vote 9 - Budget and Treasury office		-	-	-	-	-	-	-	-	-	-	-	639 673	639 673	669 818	702 281
Vote 10 - Transport Operations		-	-	-	-	-	-	-	-	-	-	-	651 137	651 137	607 489	695 921
Vote 11 - Human Settlement		-	-	-	-	-	-	-	-	-	-	-	59 820	59 820	62 917	23 095
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure by Vote</b>		-	-	-	-	-	-	-	-	-	-	-	5 705 107	5 705 107	5 931 761	6 258 994
<b>Surplus/(Deficit) before assoc.</b>		-	-	-	-	-	-	-	-	-	-	-	740 821	740 821	1 115 769	1 296 102
Income Tax		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Associate		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	1	-	-	-	-	-	-	-	-	-	-	-	740 821	740 821	1 115 769	1 296 102

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

Description	###	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand																
<b>Revenue - Functional</b>																
Governance and administration		189 604	189 604	189 604	189 604	189 604	189 604	189 604	189 604	189 604	189 604	189 604	189 604	2 275 243	2 387 241	2 510 188
Executive and council		0	0	0	0	0	0	0	0	0	0	0	0	2	2	2
Finance and administration		189 603	189 603	189 603	189 603	189 603	189 603	189 603	189 603	189 603	189 603	189 603	189 603	2 275 241	2 387 238	2 510 185
<b>Internal audit</b>		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Community and public safety		11 440	11 440	11 440	11 440	11 440	11 440	11 440	11 440	11 440	11 440	11 440	11 440	137 286	131 660	82 949
Community and social services		226	226	226	226	226	226	226	226	226	226	226	226	2 713	2 030	2 159
Sport and recreation		6 522	6 522	6 522	6 522	6 522	6 522	6 522	6 522	6 522	6 522	6 522	6 522	78 270	71 862	70 953
Public safety		33	33	33	33	33	33	33	33	33	33	33	33	396	420	446
Housing		4 659	4 659	4 659	4 659	4 659	4 659	4 659	4 659	4 659	4 659	4 659	4 659	55 904	57 344	9 387
<b>Health</b>		0	0	0	0	0	0	0	0	0	0	0	0	4	4	4
Economic and environmental services		41 167	41 167	41 167	41 167	41 167	41 167	41 167	41 167	41 167	41 167	41 167	41 167	493 999	508 578	550 974
Planning and development		4 019	4 019	4 019	4 019	4 019	4 019	4 019	4 019	4 019	4 019	4 019	4 019	48 232	51 809	56 119
Road transport		36 961	36 961	36 961	36 961	36 961	36 961	36 961	36 961	36 961	36 961	36 961	36 961	443 530	455 670	493 689
<b>Environmental protection</b>		186	186	186	186	186	186	186	186	186	186	186	186	2 237	1 099	1 166
Trading services		294 950	294 950	294 950	294 950	294 950	294 950	294 950	294 950	294 950	294 950	294 950	294 950	3 539 401	4 020 051	4 410 985
Energy sources		193 060	193 060	193 060	193 060	193 060	193 060	193 060	193 060	193 060	193 060	193 060	193 060	2 316 717	2 607 826	2 941 494
Water management		60 153	60 153	60 153	60 153	60 153	60 153	60 153	60 153	60 153	60 153	60 153	60 153	721 839	836 560	875 740
Waste water management		24 778	24 778	24 778	24 778	24 778	24 778	24 778	24 778	24 778	24 778	24 778	24 778	297 339	351 742	351 262
<b>Waste management</b>		16 959	16 959	16 959	16 959	16 959	16 959	16 959	16 959	16 959	16 959	16 959	16 959	203 506	223 922	242 488
<b>Other</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Revenue - Functional</b>		537 161	537 161	537 161	537 161	537 161	537 161	537 161	537 161	537 161	537 161	537 161	537 161	6 445 928	7 047 529	7 555 096
<b>Expenditure - Functional</b>																
Governance and administration		126 091	126 091	126 091	126 091	126 091	126 091	126 091	126 091	126 091	126 091	126 091	126 091	1 513 095	1 586 475	1 669 549
Executive and council		14 445	14 445	14 445	14 445	14 445	14 445	14 445	14 445	14 445	14 445	14 445	14 445	173 342	182 299	191 921
Finance and administration		110 219	110 219	110 219	110 219	110 219	110 219	110 219	110 219	110 219	110 219	110 219	110 219	1 322 624	1 386 104	1 458 544
<b>Internal audit</b>		1 427	1 427	1 427	1 427	1 427	1 427	1 427	1 427	1 427	1 427	1 427	1 427	17 130	18 072	19 084
Community and public safety		41 737	41 737	41 737	41 737	41 737	41 737	41 737	41 737	41 737	41 737	41 737	41 737	500 850	527 360	513 546
Community and social services		7 621	7 621	7 621	7 621	7 621	7 621	7 621	7 621	7 621	7 621	7 621	7 621	91 450	95 636	100 992
Sport and recreation		20 501	20 501	20 501	20 501	20 501	20 501	20 501	20 501	20 501	20 501	20 501	20 501	246 016	259 547	274 082
Public safety		7 834	7 834	7 834	7 834	7 834	7 834	7 834	7 834	7 834	7 834	7 834	7 834	94 008	99 179	104 733
Housing		4 985	4 985	4 985	4 985	4 985	4 985	4 985	4 985	4 985	4 985	4 985	4 985	59 820	62 917	23 095
<b>Health</b>		796	796	796	796	796	796	796	796	796	796	796	796	9 555	10 081	10 645
Economic and environmental services		80 397	80 397	80 397	80 397	80 397	80 397	80 397	80 397	80 397	80 397	80 397	80 397	964 766	936 145	1 043 056
Planning and development		11 386	11 386	11 386	11 386	11 386	11 386	11 386	11 386	11 386	11 386	11 386	11 386	136 634	144 949	154 284
Road transport		66 418	66 418	66 418	66 418	66 418	66 418	66 418	66 418	66 418	66 418	66 418	66 418	797 015	759 633	855 442
<b>Environmental protection</b>		2 593	2 593	2 593	2 593	2 593	2 593	2 593	2 593	2 593	2 593	2 593	2 593	31 116	31 562	33 329
Trading services		227 200	227 200	227 200	227 200	227 200	227 200	227 200	227 200	227 200	227 200	227 200	227 200	2 726 397	2 881 781	3 032 844
Energy sources		144 632	144 632	144 632	144 632	144 632	144 632	144 632	144 632	144 632	144 632	144 632	144 632	1 735 583	1 828 288	1 935 020
Water management		53 515	53 515	53 515	53 515	53 515	53 515	53 515	53 515	53 515	53 515	53 515	53 515	642 181	685 501	715 441
Waste water management		11 225	11 225	11 225	11 225	11 225	11 225	11 225	11 225	11 225	11 225	11 225	11 225	134 695	141 713	147 799
<b>Waste management</b>		17 828	17 828	17 828	17 828	17 828	17 828	17 828	17 828	17 828	17 828	17 828	17 828	213 937	226 278	234 584
<b>Other</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure - Functional</b>		475 426	475 426	475 426	475 426	475 426	475 426	475 426	475 426	475 426	475 426	475 426	475 426	5 705 107	5 931 761	6 258 994
<b>Surplus/(Deficit) before assoc.</b>		61 735	61 735	61 735	61 735	61 735	61 735	61 735	61 735	61 735	61 735	61 735	61 735	740 821	1 115 769	1 296 102
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit)</b>	1	61 735	61 735	61 735	61 735	61 735	61 735	61 735	61 735	61 735	61 735	61 735	61 735	740 821	1 115 769	1 296 102

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

Description	###	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>																
<b>Multi-year expenditure to be appropriated</b>	1	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 1 - Chief operations office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal managers office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Water and sanitation		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 4 - Energy services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 6 - Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Corporate and Shared Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 8 - Planning and Economic Development		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 9 - Budget and Treasury office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 10 - Transport Operations		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 11 - Human Settlement		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure sub-total</b>	2	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Single-year expenditure to be appropriated</b>		-	-	-	-	-	-	-	-	-	-	-	2 800	2 800	2 200	2 420
Vote 1 - Chief operations office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 2 - Municipal managers office		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 3 - Water and sanitation		-	-	-	-	-	-	-	-	-	-	-	336 778	336 778	436 570	431 883
Vote 4 - Energy services		-	-	-	-	-	-	-	-	-	-	-	94 286	94 286	104 894	108 503
Vote 5 - Community Services		-	-	-	-	-	-	-	-	-	-	-	108 436	108 436	121 517	123 113
Vote 6 - Public safety		-	-	-	-	-	-	-	-	-	-	-	11 000	11 000	11 500	12 600
Vote 7 - Corporate and Shared Services		-	-	-	-	-	-	-	-	-	-	-	52 129	52 129	65 339	69 512
Vote 8 - Planning and Economic Development		-	-	-	-	-	-	-	-	-	-	-	1 000	1 000	800	7 260
Vote 9 - Budget and Treasury office		-	-	-	-	-	-	-	-	-	-	-	1 700	1 700	1 800	2 000
Vote 10 - Transport Operations		-	-	-	-	-	-	-	-	-	-	-	123 378	123 378	183 973	145 167
Vote 11 - Human Settlement		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 12 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 13 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 14 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 15 -		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Capital single-year expenditure sub-total</b>	2	-	-	-	-	-	-	-	-	-	-	-	731 508	731 508	928 592	902 457
<b>Total Capital Expenditure</b>	2	-	-	-	-	-	-	-	-	-	-	-	731 508	731 508	928 592	902 457

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

Description	###	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>Capital Expenditure - Functional</b>	1															
<b>Governance and administration</b>		4 844	4 844	4 844	4 844	4 844	4 844	4 844	4 844	4 844	4 844	4 844	4 844	58 129	71 139	77 612
Executive and council		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Finance and administration		4 844	4 844	4 844	4 844	4 844	4 844	4 844	4 844	4 844	4 844	4 844	4 844	58 129	71 139	77 612
Internal audit		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Community and public safety</b>		7 043	7 043	7 043	7 043	7 043	7 043	7 043	7 043	7 043	7 043	7 043	7 043	84 515	85 700	79 471
Community and social services		800	800	800	800	800	800	800	800	800	800	800	800	9 600	9 200	9 420
Sport and recreation		6 243	6 243	6 243	6 243	6 243	6 243	6 243	6 243	6 243	6 243	6 243	6 243	74 915	76 500	70 051
Public safety		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>		10 523	10 523	10 523	10 523	10 523	10 523	10 523	10 523	10 523	10 523	10 523	10 523	126 278	187 273	153 927
Planning and development		83	83	83	83	83	83	83	83	83	83	83	83	1 000	800	7 260
Road transport		10 440	10 440	10 440	10 440	10 440	10 440	10 440	10 440	10 440	10 440	10 440	10 440	125 278	186 473	146 667
Environmental protection		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Trading services</b>		38 549	38 549	38 549	38 549	38 549	38 549	38 549	38 549	38 549	38 549	38 549	38 549	462 586	584 481	591 447
Energy sources		7 857	7 857	7 857	7 857	7 857	7 857	7 857	7 857	7 857	7 857	7 857	7 857	94 286	104 894	108 503
Water management		21 421	21 421	21 421	21 421	21 421	21 421	21 421	21 421	21 421	21 421	21 421	21 421	257 047	316 793	324 679
Waste water management		6 644	6 644	6 644	6 644	6 644	6 644	6 644	6 644	6 644	6 644	6 644	6 644	79 732	119 777	107 204
Waste management		2 627	2 627	2 627	2 627	2 627	2 627	2 627	2 627	2 627	2 627	2 627	2 627	31 522	43 017	51 062
<b>Other</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure - Functional</b>	2	60 959	60 959	60 959	60 959	60 959	60 959	60 959	60 959	60 959	60 959	60 959	60 959	731 508	928 592	902 457
<b>Funded by:</b>																
National Government		43 293	43 293	43 293	43 293	43 293	43 293	43 293	43 293	43 293	43 293	43 293	43 293	519 514	683 232	628 527
Provincial Government		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		43 293	43 293	43 293	43 293	43 293	43 293	43 293	43 293	43 293	43 293	43 293	43 293	519 514	683 232	628 527
<b>Borrowing</b>		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		17 666	17 666	17 666	17 666	17 666	17 666	17 666	17 666	17 666	17 666	17 666	17 666	211 994	245 360	273 931
<b>Total Capital Funding</b>		60 959	60 959	60 959	60 959	60 959	60 959	60 959	60 959	60 959	60 959	60 959	60 959	731 508	928 592	902 457

LIM354 Polokwane - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2025/26												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>															
<b>Cash Receipts By Source</b>													1		
Property rates	56 106	56 106	56 106	56 106	56 106	56 106	56 106	56 106	56 106	56 106	56 106	56 106	673 277	714 347	759 708
Service charges - electricity revenue	171 943	171 943	171 943	171 943	171 943	171 943	171 943	171 943	171 943	171 943	171 943	171 943	2 063 313	2 328 242	2 633 010
Service charges - water revenue	36 280	36 280	36 280	36 280	36 280	36 280	36 280	36 280	36 280	36 280	36 280	36 280	435 361	483 295	537 714
Service charges - sanitation revenue	15 847	15 847	15 847	15 847	15 847	15 847	15 847	15 847	15 847	15 847	15 847	15 847	190 162	201 761	214 573
Service charges - refuse revenue	14 814	14 814	14 814	14 814	14 814	14 814	14 814	14 814	14 814	14 814	14 814	14 814	177 765	188 608	200 585
Rental of facilities and equipment	1 541	1 541	1 541	1 541	1 541	1 541	1 541	1 541	1 541	1 541	1 541	1 541	18 494	19 622	20 868
Interest earned - external investments	3 842	3 842	3 842	3 842	3 842	3 842	3 842	3 842	3 842	3 842	3 842	3 842	46 098	48 910	52 016
Interest earned - outstanding debtors	9 210	9 210	9 210	9 210	9 210	9 210	9 210	9 210	9 210	9 210	9 210	9 210	110 516	117 257	124 703
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	4 109	4 109	4 109	4 109	4 109	4 109	4 109	4 109	4 109	4 109	4 109	4 109	49 311	52 319	55 641
Licences and permits	1 407	1 407	1 407	1 407	1 407	1 407	1 407	1 407	1 407	1 407	1 407	1 407	16 880	17 910	19 047
Agency services	2 661	2 661	2 661	2 661	2 661	2 661	2 661	2 661	2 661	2 661	2 661	2 661	31 928	33 875	36 026
Transfers and Subsidies - Operational	156 129	156 129	156 129	156 129	156 129	156 129	156 129	156 129	156 129	156 129	156 129	156 129	1 873 544	1 874 376	1 974 779
Other revenue	13 067	13 067	13 067	13 067	13 067	13 067	13 067	13 067	13 067	13 067	13 067	13 067	156 800	128 322	127 834
<b>Cash Receipts by Source</b>	<b>486 954</b>	<b>486 954</b>	<b>486 954</b>	<b>486 954</b>	<b>486 954</b>	<b>486 954</b>	<b>486 954</b>	<b>486 954</b>	<b>486 954</b>	<b>486 954</b>	<b>486 954</b>	<b>486 954</b>	<b>5 843 448</b>	<b>6 208 844</b>	<b>6 756 503</b>
<b>Other Cash Flows by Source</b>															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	49 787	49 787	49 787	49 787	49 787	49 787	49 787	49 787	49 787	49 787	49 787	49 787	597 441	785 717	722 806
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Proceeds on Disposal of Fixed and Intangible Assets	16	16	16	16	16	16	16	16	16	16	16	16	196	208	221
Short term loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VAT Control (receipts)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cash Receipts by Source</b>	<b>536 757</b>	<b>536 757</b>	<b>536 757</b>	<b>536 757</b>	<b>536 757</b>	<b>536 757</b>	<b>536 757</b>	<b>536 757</b>	<b>536 757</b>	<b>536 757</b>	<b>536 757</b>	<b>536 757</b>	<b>6 441 085</b>	<b>6 994 769</b>	<b>7 479 529</b>
<b>Cash Payments by Type</b>															
Employee related costs	108 820	108 820	108 820	108 820	108 820	108 820	108 820	108 820	108 820	108 820	108 820	108 820	1 305 838	1 377 603	1 454 674
Remuneration of councillors	5 263	5 263	5 263	5 263	5 263	5 263	5 263	5 263	5 263	5 263	5 263	5 263	63 155	66 628	70 360
Interest	3 083	3 083	3 083	3 083	3 083	3 083	3 083	3 083	3 083	3 083	3 083	3 083	36 999	34 284	31 454
Bulk purchases - electricity	116 355	116 355	116 355	116 355	116 355	116 355	116 355	116 355	116 355	116 355	116 355	116 355	1 396 266	1 473 060	1 555 552
Acquisitions - water & other inventory	47 021	47 021	47 021	47 021	47 021	47 021	47 021	47 021	47 021	47 021	47 021	47 021	564 255	415 581	618 732
Contracted services	99 082	99 082	99 082	99 082	99 082	99 082	99 082	99 082	99 082	99 082	99 082	99 082	1 188 988	1 176 088	1 244 815
Transfers and subsidies - other municipalities	792	792	792	792	792	792	792	792	792	792	792	792	9 500	9 500	9 500
Transfers and subsidies - other	3 996	3 996	3 996	3 996	3 996	3 996	3 996	3 996	3 996	3 996	3 996	3 996	47 956	55 556	55 438
Other expenditure	78 789	78 789	78 789	78 789	78 789	78 789	78 789	78 789	78 789	78 789	78 789	78 789	945 472	943 296	944 572
<b>Cash Payments by Type</b>	<b>463 202</b>	<b>463 202</b>	<b>463 202</b>	<b>463 202</b>	<b>463 202</b>	<b>463 202</b>	<b>463 202</b>	<b>463 202</b>	<b>463 202</b>	<b>463 202</b>	<b>463 202</b>	<b>463 202</b>	<b>5 558 428</b>	<b>5 551 596</b>	<b>5 985 094</b>
<b>Other Cash Flows/Payments by Type</b>															
Capital assets	58 307	58 307	58 307	58 307	58 307	58 307	58 307	58 307	58 307	58 307	58 307	58 307	699 683	887 673	857 334
Repayment of borrowing	(2 590)	(2 590)	(2 590)	(2 590)	(2 590)	(2 590)	(2 590)	(2 590)	(2 590)	(2 590)	(2 590)	(2 590)	(31 078)	(34 526)	(38 157)
Other Cash Flows/Payments	14 315	14 315	14 315	14 315	14 315	14 315	14 315	14 315	14 315	14 315	14 315	14 315	171 781	188 959	207 854
<b>Total Cash Payments by Type</b>	<b>533 235</b>	<b>533 235</b>	<b>533 235</b>	<b>533 235</b>	<b>533 235</b>	<b>533 235</b>	<b>533 235</b>	<b>533 235</b>	<b>533 235</b>	<b>533 235</b>	<b>533 235</b>	<b>533 235</b>	<b>6 398 814</b>	<b>6 593 702</b>	<b>7 012 126</b>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	<b>3 523</b>	<b>3 523</b>	<b>3 523</b>	<b>3 523</b>	<b>3 523</b>	<b>3 523</b>	<b>3 523</b>	<b>3 523</b>	<b>3 523</b>	<b>3 523</b>	<b>3 523</b>	<b>(58 633)</b>	<b>42 271</b>	<b>401 067</b>	<b>467 403</b>
Cash/cash equivalents at the month/year begin:	343 278	346 801	350 324	353 846	357 369	360 891	364 414	367 937	371 459	374 982	378 504	382 027	343 278	385 549	786 617
Cash/cash equivalents at the month/year end:	346 801	350 324	353 846	357 369	360 891	364 414	367 937	371 459	374 982	378 504	382 027	323 394	385 549	786 617	1 254 020





LIM354 Polokwane - Supporting Table SA32 List of external mechanisms

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

References

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

LIM354 Polokwane - Supporting Table SA33 Contracts having future budgetary implications

Description	Ref	Preceding Years	Current Year 2024/25	2025/26 Medium Term Revenue & Expenditure Framework			Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Forecast 2032/33	Forecast 2033/34	Forecast 2034/35	Total Contract Value
R thousand	1,3	Total	Original Budget	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Parent Municipality:														
<u>Revenue Obligation By Contract</u>	2													-
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Expenditure Obligation By Contract</u>	2													-
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Capital Expenditure Obligation By Contract</u>	2													-
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Parent Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Entities:														
<u>Revenue Obligation By Contract</u>	2													-
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Revenue Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Expenditure Obligation By Contract</u>	2													-
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Operating Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
<u>Capital Expenditure Obligation By Contract</u>	2													-
Contract 1														-
Contract 2														-
Contract 3 etc														-
Total Capital Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-
Total Entity Expenditure Implication		-	-	-	-	-	-	-	-	-	-	-	-	-

References

1. Total implication for all preceding years to be summed and total stated in 'Preceding Years' column

2. List all contracts with future financial obligations beyond the three years covered by the MTREF (MFMA s33)

3. For municipalities with approved total revenue not exceeding R250 m - all contracts with an annual cost greater than R500 000. For municipalities with approved total revenue greater than R250 m - all contracts with an annual cost greater than R1million. For municipalities with approved total revenue greater than R500 m - all contracts with an annual cost greater than R5 million

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

Annex 1: Supporting Table 2024 Capital Expenditure on New Assets by Asset Class										
Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		335 158	396 109	610 332	450 106	449 917	449 917	418 365	508 861	505 036
Roads Infrastructure		154 388	38 072	77 583	77 366	101 497	101 497	33 936	24 642	43 081
Roads		585	18 654	64 828	57 873	81 907	81 907	29 241	16 642	43 081
Road Structures		153 803	19 418	10 516	19 493	19 590	19 590	2 087	8 000	-
Road Furniture		-	-	2 240	-	-	-	2 609	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		2 142	12 358	9 902	17 842	17 725	17 725	16 000	18 000	19 400
Drainage Collection		2 142	12 358	9 902	17 842	17 725	17 725	16 000	18 000	19 400
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		39 297	51 463	44 592	52 533	43 416	43 416	76 286	96 394	93 903
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	18 847	50 263	54 649
HV Switching Station		-	15 864	6 351	-	-	-	-	-	-
HV Transmission Conductors		34 090	25 031	10 588	27 478	9 659	9 659	4 087	-	6 000
MV Substations		-	-	870	5 000	3 728	3 728	2 500	-	2 000
MV Switching Stations		-	-	4 420	-	-	-	-	-	-
MV Networks		164	9	-	-	-	-	5 217	8 696	4 348
LV Networks		-	9 633	18 970	20 055	30 029	30 029	45 635	37 435	26 906
Capital Spares		5 042	926	3 393	-	-	-	-	-	-
Water Supply Infrastructure		102 056	167 063	255 208	225 743	204 748	204 748	250 047	301 567	286 844
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		11 945	-	12 748	12 434	12 485	12 485	42 947	135 739	96 423
Reservoirs		-	-	-	-	-	-	15 635	17 339	32 934
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	38 372	-	-	-	-	-	-	-
Bulk Mains		41 966	72 831	182 615	157 944	125 369	125 369	140 958	104 526	116 118
Distribution		48 146	55 860	59 845	47 505	58 989	58 989	40 998	34 154	30 369
Distribution Points		-	-	-	7 861	7 904	7 904	9 508	9 809	11 000
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		36 576	127 039	218 319	55 222	64 256	64 256	16 022	32 984	18 043
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	7 130	8 696	4 348
Waste Water Treatment Works		36 576	117 029	210 860	55 222	60 343	60 343	8 891	24 288	13 696
Outfall Sewers		-	-	-	-	3 913	3 913	-	-	-
Toilet Facilities		-	10 010	7 459	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		699	113	4 728	20 442	17 317	17 317	25 674	27 773	31 565
Landfill Sites		-	-	2 568	5 549	5 549	5 549	15 652	19 686	26 087
Waste Transfer Stations		699	-	434	12 893	9 893	9 893	8 522	6 087	3 478
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	113	1 725	2 000	1 875	1 875	1 500	2 000	2 000
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection	-	-	-	-	-	-	-	-	-	
Storm water Conveyance	-	-	-	-	-	-	-	-	-	
Attenuation	-	-	-	-	-	-	-	-	-	
MV Substations	-	-	-	-	-	-	-	-	-	
LV Networks	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
Coastal Infrastructure	-	-	-	-	-	-	-	-	-	
Sand Pumps	-	-	-	-	-	-	-	-	-	
Piers	-	-	-	-	-	-	-	-	-	
Revetments	-	-	-	-	-	-	-	-	-	
Promenades	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
Information and Communication Infrastructure	-	-	-	-	958	958	958	400	7 500	12 200
Data Centres	-	-	-	-	958	958	958	400	7 500	12 200
Core Layers	-	-	-	-	-	-	-	-	-	-
Distribution Layers	-	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-	-

[illegible]

Zoological plants and animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	443 487	460 979	728 917	646 031	620 955	620 955	593 027	667 564	678 578

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

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		72 828	50 908	18 296	52 657	66 329	66 329	39 295	99 474	65 510
Roads Infrastructure		33 565	36 242	7 506	45 048	55 479	55 479	18 404	41 205	19 579
Roads		32 339	14 253	6 982	44 348	54 779	54 779	10 649	34 848	16 079
Road Structures		1 227	21 989	223	–	–	–	5 255	3 357	–
Road Furniture		–	–	301	700	700	700	2 500	3 000	3 500
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		1 449	2 123	1 241	–	–	–	1 500	–	–
Power Plants		–	–	–	–	–	–	–	–	–
HV Substations		–	–	–	–	–	–	–	–	–
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		–	–	–	–	–	–	–	–	–
LV Networks		–	–	–	–	–	–	1 500	–	–
Capital Spares		1 449	2 123	1 241	–	–	–	–	–	–
Water Supply Infrastructure		–	8 603	–	7 609	9 286	9 286	2 000	7 826	30 435
Dams and Weirs		–	–	–	–	–	–	–	–	–
Boreholes		–	–	–	–	–	–	–	–	–
Reservoirs		–	–	–	–	–	–	–	–	–
Pump Stations		–	–	–	–	–	–	–	–	–
Water Treatment Works		–	–	–	–	–	–	–	–	–
Bulk Mains		–	–	–	–	–	–	–	–	–
Distribution		–	–	–	3 261	3 198	3 198	2 000	7 826	30 435
Distribution Points		–	–	–	–	–	–	–	–	–
PRV Stations		–	–	–	–	–	–	–	–	–
Capital Spares		–	8 603	–	4 348	6 088	6 088	–	–	–
Sanitation Infrastructure		37 814	3 940	9 548	–	1 564	1 564	13 043	37 399	–
Pump Station		–	–	–	–	–	–	–	–	–
Reticulation		–	–	–	–	–	–	–	–	–
Waste Water Treatment Works		37 814	3 940	9 548	–	1 564	1 564	13 043	37 399	–
Outfall Sewers		–	–	–	–	–	–	–	–	–
Toilet Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	4 348	13 043	15 497
Landfill Sites		–	–	–	–	–	–	4 348	13 043	15 497
Waste Transfer Stations		–	–	–	–	–	–	–	–	–
Waste Processing Facilities		–	–	–	–	–	–	–	–	–
Waste Drop-off Points		–	–	–	–	–	–	–	–	–
Waste Separation Facilities		–	–	–	–	–	–	–	–	–
Electricity Generation Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines		–	–	–	–	–	–	–	–	–
Rail Structures		–	–	–	–	–	–	–	–	–
Rail Furniture		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps		–	–	–	–	–	–	–	–	–
Piers		–	–	–	–	–	–	–	–	–
Revetments		–	–	–	–	–	–	–	–	–
Promenades		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Data Centres		–	–	–	–	–	–	–	–	–
Core Layers		–	–	–	–	–	–	–	–	–
Distribution Layers		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Community Assets		6 250	7 996	5 371	12 290	10 271	10 271	2 435	9 022	4 804
Community Facilities		6 250	2 259	1 229	10 435	8 435	8 435	2 435	6 522	3 804
Halls		811	268	–	–	–	–	2 000	1 000	500
Centres		786	25	–	–	–	–	–	–	–
Crèches		–	–	–	–	–	–	–	–	–
Clinics/Care Centres		–	–	–	–	–	–	–	–	–
Fire/Ambulance Stations		–	–	–	–	–	–	–	–	–
Testing Stations		–	–	–	–	–	–	–	–	–
Museums		–	–	–	–	–	–	–	–	–

Galleries	-	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-	-
Libraries	524	732	-	-	-	-	-	1 000	-
Cemeteries/Crematoria	-	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-	-
Parks	-	-	-	-	-	-	-	-	-
Public Open Space	-	-	-	-	-	-	-	-	-
Nature Reserves	-	-	-	-	-	-	-	-	-
Public Ablution Facilities	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Stalls	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	4 129	1 234	1 229	10 435	8 435	8 435	435	4 522	3 304
Capital Spares	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	5 738	4 141	1 855	1 836	1 836	-	2 500	1 000
Indoor Facilities	-	-	-	-	-	-	-	2 000	-
Outdoor Facilities	-	5 738	4 141	1 855	1 836	1 836	-	500	1 000
Capital Spares	-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
<b>Other assets</b>	877	707	1 789	9 787	9 047	9 047	3 700	4 000	9 600
Operational Buildings	877	707	1 789	9 787	9 047	9 047	3 700	4 000	9 600
Municipal Offices	877	707	1 789	9 787	9 047	9 047	3 700	2 000	6 500
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	-	2 000	3 100
Stores	-	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Staff Housing	-	-	-	-	-	-	-	-	-
Social Housing	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	-	-	-	-	-	-	-	-
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	-	-	-
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-	-	-	-
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
<b>Machinery and Equipment</b>	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-
<b>Transport Assets</b>	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
<b>Land</b>	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
<b>Living resources</b>	-	-	-	-	-	-	-	-	-
Mature	-	-	-	-	-	-	-	-	-
Policing and Protection	-	-	-	-	-	-	-	-	-
Zoological plants and animals	-	-	-	-	-	-	-	-	-
Immature	-	-	-	-	-	-	-	-	-
Policing and Protection	-	-	-	-	-	-	-	-	-
Zoological plants and animals	-	-	-	-	-	-	-	-	-
<b>Total Capital Expenditure on renewal of existing assets</b>	1	79 955	59 612	25 455	74 733	85 647	85 647	45 430	112 496
<b>Renewal of Existing Assets as % of total capex</b>		10.7%	9.3%	2.9%	9.1%	10.6%	10.6%	6.2%	12.1%
<b>Renewal of Existing Assets as % of deprecn"</b>		0.0%	7.8%	2.0%	19.3%	22.1%	22.1%	11.1%	26.1%



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

IM354 Polokwane - Supporting Table SA34c Repairs and maintenance expenditure by asset class										
Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		548 492	514 417	520 005	563 581	588 340	588 340	642 590	676 516	714 507
Roads Infrastructure		113 035	72 953	89 024	103 984	96 401	96 401	93 975	98 994	104 643
Roads		-	-	2 467	13 435	13 435	13 435	8 232	8 535	9 119
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		113 035	72 953	86 557	90 549	82 967	82 967	85 743	90 459	95 525
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		132 162	126 904	127 625	158 038	134 868	134 868	163 991	173 011	182 699
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	6 000	100	100	100	105	111
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	2	-	-	-	-	-	-
Capital Spares		132 162	126 904	127 623	152 038	134 768	134 768	163 891	172 905	182 588
Water Supply Infrastructure		201 155	202 327	193 382	203 732	229 863	229 863	252 301	266 177	281 083
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		201 155	202 327	193 382	203 732	229 863	229 863	252 301	266 177	281 083
Sanitation Infrastructure		19 136	35 658	15 095	16 763	23 144	23 144	23 022	24 288	25 648
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		19 136	35 658	15 095	16 763	23 144	23 144	23 022	24 288	25 648
Solid Waste Infrastructure		83 003	76 576	94 880	81 064	104 064	104 064	108 101	114 046	120 433
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		83 003	76 576	94 880	81 064	104 064	104 064	108 101	114 046	120 433
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	1 200	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	1 200	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Community Assets		46 899	50 342	59 992	63 027	64 369	64 369	65 896	69 520	73 413
Community Facilities		11 989	14 452	23 680	23 603	24 600	24 600	24 773	26 135	27 599
Halls		-	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-

Testing Stations	-	-	-	-	-	-	-	-	-
Museums	-	-	-	25	25	25	30	32	33
Galleries	-	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria	-	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-	-
Parks	2 000	-	-	-	-	-	-	-	-
Public Open Space	-	-	-	-	-	-	-	-	-
Nature Reserves	6	-	-	1	1	1	-	-	-
Public Ablution Facilities	-	-	2 822	3 003	3 003	3 003	3 003	3 169	3 346
Markets	-	-	-	-	-	-	-	-	-
Stalls	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-
Capital Spares	9 984	14 452	20 858	20 573	21 570	21 570	21 739	22 935	24 219
Sport and Recreation Facilities	34 910	35 889	36 312	39 424	39 769	39 769	41 123	43 385	45 814
Indoor Facilities	-	-	-	-	-	-	-	-	-
Outdoor Facilities	-	-	-	-	-	-	-	-	-
Capital Spares	34 910	35 889	36 312	39 424	39 769	39 769	41 123	43 385	45 814
Heritage assets	-	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
Other assets	42 482	35 938	43 525	51 392	45 412	45 412	46 831	49 407	52 173
Operational Buildings	42 482	35 938	43 525	51 392	45 412	45 412	46 831	49 407	52 173
Municipal Offices	42 482	35 938	43 525	51 392	45 412	45 412	46 831	49 407	52 173
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Staff Housing	-	-	-	-	-	-	-	-	-
Social Housing	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Intangible Assets	10 154	7 991	8 845	10 859	10 859	10 859	10 859	11 457	12 098
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	10 154	7 991	8 845	10 859	10 859	10 859	10 859	11 457	12 098
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	-	-	-	-	-	-	-	-
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	10 154	7 991	8 845	10 859	10 859	10 859	10 859	11 457	12 098
Computer Equipment	6 990	7 048	5 932	7 383	12 183	12 183	12 841	13 547	14 306
Computer Equipment	6 990	7 048	5 932	7 383	12 183	12 183	12 841	13 547	14 306
Furniture and Office Equipment	9 433	9 388	18 343	16 742	12 287	12 287	12 287	12 963	13 689
Furniture and Office Equipment	9 433	9 388	18 343	16 742	12 287	12 287	12 287	12 963	13 689
Machinery and Equipment	-	-	436	502	502	502	577	608	642
Machinery and Equipment	-	-	436	502	502	502	577	608	642
Transport Assets	42 984	47 664	75 392	75 355	82 845	82 845	75 392	79 757	81 581
Transport Assets	42 984	47 664	75 392	75 355	82 845	82 845	75 392	79 757	81 581
Land	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
Living resources	-	-	-	-	-	-	-	-	-

Mature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
<b>Total Repairs and Maintenance Expenditure</b>	<b>1</b>	<b>707 435</b>	<b>672 787</b>	<b>732 472</b>	<b>788 841</b>	<b>816 797</b>	<b>816 797</b>	<b>867 272</b>	<b>913 775</b>	<b>962 410</b>
<b>R&amp;M as a % of PPE &amp; Investment Property</b>		5.7%	6.2%	5.9%	6.0%	6.2%	6.2%	6.6%	7.1%	7.7%
<b>R&amp;M as % Operating Expenditure</b>		22.8%	15.9%	13.9%	15.3%	15.3%	15.3%	16.2%	16.0%	16.2%

LIM354 Polokwane - Supporting Table SA34d Depreciation by asset class

Description	###	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>	<b>1</b>									
<b>Depreciation by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		–	504 732	945 982	270 157	270 157	270 157	283 198	298 773	315 505
Roads Infrastructure		–	270 163	486 950	179 173	179 173	179 173	187 300	197 602	208 667
Roads		–	–	–	–	–	–	–	–	–
Road Structures		–	270 163	486 950	179 173	179 173	179 173	187 300	197 602	208 667
Road Furniture		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	29 264	34 848	11 004	11 004	11 004	11 598	12 236	12 921
Drainage Collection		–	–	21 518	–	–	–	–	–	–
Storm water Conveyance		–	29 264	13 330	11 004	11 004	11 004	11 598	12 236	12 921
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	36 486	148 662	13 719	13 719	13 719	14 460	15 256	16 110
Power Plants		–	–	–	–	–	–	–	–	–
HV Substations		–	–	30 570	–	–	–	–	–	–
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		–	–	–	–	–	–	–	–	–
MV Substations		–	–	70 042	–	–	–	–	–	–
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		–	–	–	–	–	–	–	–	–
LV Networks		–	–	47 966	–	–	–	–	–	–
Capital Spares		–	36 486	83	13 719	13 719	13 719	14 460	15 256	16 110
Water Supply Infrastructure		–	6 358	228 124	2 391	2 391	2 391	2 520	2 658	2 807
Dams and Weirs		–	–	2 397	–	–	–	–	–	–
Boreholes		–	–	14 595	–	–	–	–	–	–
Reservoirs		–	–	30 528	–	–	–	–	–	–
Pump Stations		–	–	3 042	–	–	–	–	–	–
Water Treatment Works		–	–	11 465	–	–	–	–	–	–
Bulk Mains		–	–	15 693	–	–	–	–	–	–
Distribution		–	6 358	150 141	2 391	2 391	2 391	2 520	2 658	2 807
Distribution Points		–	–	–	–	–	–	–	–	–
PRV Stations		–	–	262	–	–	–	–	–	–
Capital Spares		–	–	0	–	–	–	–	–	–
Sanitation Infrastructure		–	25 773	30 592	9 691	9 691	9 691	10 214	10 776	11 380
Pump Station		–	–	848	–	–	–	–	–	–
Reticulation		–	–	12 083	–	–	–	–	–	–
Waste Water Treatment Works		–	–	13 222	–	–	–	–	–	–
Outfall Sewers		–	–	4 434	–	–	–	–	–	–
Toilet Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	25 773	5	9 691	9 691	9 691	10 214	10 776	11 380
Solid Waste Infrastructure		–	134 253	11 743	53 263	53 263	53 263	56 140	59 227	62 544
Landfill Sites		–	–	10 537	–	–	–	–	–	–
Waste Transfer Stations		–	134 253	1 206	53 263	53 263	53 263	56 140	59 227	62 544
Waste Processing Facilities		–	–	–	–	–	–	–	–	–
Waste Drop-off Points		–	–	–	–	–	–	–	–	–
Waste Separation Facilities		–	–	–	–	–	–	–	–	–
Electricity Generation Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines		–	–	–	–	–	–	–	–	–
Rail Structures		–	–	–	–	–	–	–	–	–
Rail Furniture		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps		–	–	–	–	–	–	–	–	–
Piers		–	–	–	–	–	–	–	–	–
Revetments		–	–	–	–	–	–	–	–	–
Promenades		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	2 436	5 061	916	916	916	965	1 018	1 075
Data Centres		–	–	1 936	–	–	–	–	–	–
Core Layers		–	–	2 910	–	–	–	–	–	–
Distribution Layers		–	–	106	–	–	–	–	–	–
Capital Spares		–	2 436	108	916	916	916	965	1 018	1 075
<b>Community Assets</b>		–	125 057	212 408	67 024	67 024	67 024	72 191	76 161	80 426
Community Facilities		–	33 220	56 277	12 491	12 491	12 491	14 714	15 523	16 392
Halls		–	–	3 846	–	–	–	–	–	–
Centres		–	2 735	8 582	1 028	1 028	1 028	1 084	1 143	1 208
Crèches		–	–	–	–	–	–	–	–	–
Clinics/Care Centres		–	211	327	79	79	79	83	88	93
Fire/Ambulance Stations		–	2 570	4 490	966	966	966	1 019	1 075	1 135

Testing Stations	-	449	770	169	169	178	188	198
Museums	-	-	4 099	-	-	-	-	-
Galleries	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-
Libraries	-	-	7 350	-	-	-	-	-
Cemeteries/Crematoria	-	910	1 108	342	342	342	360	402
Police	-	-	-	-	-	-	-	-
Parks	-	-	7 078	-	-	-	-	-
Public Open Space	-	4 630	-	1 741	1 741	1 741	1 835	1 936
Nature Reserves	-	-	-	-	-	-	-	2 044
Public Ablution Facilities	-	92	115	34	34	34	36	40
Markets	-	-	1 169	-	-	-	-	-
Stalls	-	-	198	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-
Airports	-	-	8 713	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	8 395	-	-	-	-	-
Capital Spares	-	21 625	38	8 131	8 131	8 131	10 118	11 272
Sport and Recreation Facilities	-	91 837	156 131	54 533	54 533	54 533	57 477	60 639
Indoor Facilities	-	-	155 871	-	-	-	-	64 034
Outdoor Facilities	-	5 817	260	2 187	2 187	2 187	2 306	2 569
Capital Spares	-	86 020	-	52 345	52 345	52 345	55 172	58 206
Heritage assets	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-
Other assets	-	3 568	56 372	1 342	1 342	1 342	1 414	1 492
Operational Buildings	-	3 568	55 018	1 342	1 342	1 342	1 414	1 492
Municipal Offices	-	3 568	44 963	1 342	1 342	1 342	1 414	1 575
Pay/Enquiry Points	-	-	2 008	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-
Workshops	-	-	2 859	-	-	-	-	-
Yards	-	-	5 189	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-
Housing	-	-	1 354	-	-	-	-	-
Staff Housing	-	-	865	-	-	-	-	-
Social Housing	-	-	489	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-
Intangible Assets	-	131	3 553	49	49	49	52	58
Servitudes	-	-	-	-	-	-	-	-
Licences and Rights	-	131	3 553	49	49	49	52	58
Water Rights	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-
Computer Software and Applications	-	131	3 553	49	49	49	52	58
Load Settlement Software Applications	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-
Computer Equipment	-	7 249	2 159	2 726	2 726	2 726	2 873	3 031
Computer Equipment	-	7 249	2 159	2 726	2 726	2 726	2 873	3 031
Furniture and Office Equipment	-	27 479	8 967	10 333	10 333	10 333	10 890	11 489
Furniture and Office Equipment	-	27 479	8 967	10 333	10 333	10 333	10 890	11 489
Machinery and Equipment	-	10 707	2 637	4 026	4 026	4 026	4 243	4 477
Machinery and Equipment	-	10 707	2 637	4 026	4 026	4 026	4 243	4 477
Transport Assets	-	83 144	48 558	31 264	31 264	31 264	32 952	34 764
Transport Assets	-	83 144	48 558	31 264	31 264	31 264	32 952	34 764
Land	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-
Living resources	-	-	-	-	-	-	-	-

Mature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
<b>Total Depreciation</b>	1	-	762 068	1 280 636	386 920	386 920	386 920	407 814	430 243	454 337

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

Description	##	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1									
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		218 493	120 768	93 481	76 625	76 949	76 949	72 099	124 642	124 921
Roads Infrastructure		119 423	104 210	55 250	51 734	35 756	35 756	7 087	40 141	22 261
Roads		1 085	89 552	49 375	29 739	33 012	33 012	7 087	31 972	4 000
Road Structures		118 338	14 658	5 656	20 595	2 043	2 043	–	8 168	18 261
Road Furniture		–	–	218	1 400	700	700	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	1 271	4 547	11 341	8 434	8 434	4 143	27 198	–
Drainage Collection		–	1 271	634	11 341	8 434	8 434	–	27 198	–
Storm water Conveyance		–	–	3 913	–	–	–	4 143	–	–
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		2 448	–	–	2 622	2 122	2 122	14 500	7 000	7 500
Power Plants		–	–	–	–	–	–	–	–	–
HV Substations		–	–	–	1 622	1 122	1 122	2 500	2 500	4 500
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		2 448	–	–	–	–	–	10 000	3 000	3 000
LV Networks		–	–	–	1 000	1 000	1 000	2 000	1 500	–
Capital Spares		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		3 367	12 763	13 722	6 085	6 302	6 302	–	–	–
Dams and Weirs		–	–	–	–	–	–	–	–	–
Boreholes		–	–	–	–	–	–	–	–	–
Reservoirs		–	–	–	–	–	–	–	–	–
Pump Stations		–	–	–	–	–	–	–	–	–
Water Treatment Works		3 367	12 763	13 722	6 085	6 302	6 302	–	–	–
Bulk Mains		–	–	–	–	–	–	–	–	–
Distribution		–	–	–	–	–	–	–	–	–
Distribution Points		–	–	–	–	–	–	–	–	–
PRV Stations		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		91 138	–	19 647	3 435	23 428	23 428	44 574	48 103	94 160
Pump Station		–	–	–	–	–	–	–	–	–
Reticulation		–	–	–	–	–	–	–	–	–
Waste Water Treatment Works		91 138	–	19 647	3 435	23 428	23 428	44 574	48 103	94 160
Outfall Sewers		–	–	–	–	–	–	–	–	–
Toilet Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	1 200	–
Landfill Sites		–	–	–	–	–	–	–	–	–
Waste Transfer Stations		–	–	–	–	–	–	–	1 200	–
Waste Processing Facilities		–	–	–	–	–	–	–	–	–
Waste Drop-off Points		–	–	–	–	–	–	–	–	–
Waste Separation Facilities		–	–	–	–	–	–	–	–	–
Electricity Generation Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines		–	–	–	–	–	–	–	–	–
Rail Structures		–	–	–	–	–	–	–	–	–
Rail Furniture		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps		–	–	–	–	–	–	–	–	–
Piers		–	–	–	–	–	–	–	–	–
Revetments		–	–	–	–	–	–	–	–	–
Promenades		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		2 116	2 524	316	1 408	908	908	1 794	1 000	1 000
Data Centres		2 116	2 524	316	1 408	908	908	1 794	1 000	1 000
Core Layers		–	–	–	–	–	–	–	–	–
Distribution Layers		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Community Assets		3 970	–	24 994	18 913	23 093	23 093	20 952	23 891	19 043
Community Facilities		1 615	–	13 620	13 913	9 493	9 493	10 757	8 848	8 348
Halls		–	–	–	–	–	–	–	–	–
Centres		312	–	–	–	–	–	800	–	–
Crèches		–	–	–	–	–	–	–	–	–
Clinics/Care Centres		–	–	–	–	–	–	–	–	–
Fire/Ambulance Stations		–	–	–	–	–	–	–	–	–
Testing Stations		1 303	–	9 471	3 000	400	400	1 000	1 000	1 000



Museums	-	-	-	-	-	-	-	-	-	
Galleries	-	-	-	-	-	-	-	-	-	
Theatres	-	-	-	-	-	-	-	-	-	
Libraries	-	-	-	-	-	-	-	-	-	
Cemeteries/Crematoria	-	-	-	-	-	-	-	-	-	
Police	-	-	-	-	-	-	-	-	-	
Parks	-	-	-	3 913	3 913	3 913	3 478	4 348	4 348	
Public Open Space	-	-	-	5 000	3 180	3 180	-	-	-	
Nature Reserves	-	-	4 150	2 000	2 000	2 000	2 000	3 000	2 000	
Public Ablution Facilities	-	-	-	-	-	-	-	-	-	
Markets	-	-	-	-	-	-	-	-	-	
Stalls	-	-	-	-	-	-	-	500	1 000	
Abattoirs	-	-	-	-	-	-	-	-	-	
Airports	-	-	-	-	-	-	-	-	-	
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	3 478	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
Sport and Recreation Facilities	2 355	-	11 374	5 000	13 600	13 600	10 196	15 043	10 696	
Indoor Facilities	-	-	-	-	-	-	-	-	-	
Outdoor Facilities	2 355	-	11 374	5 000	13 600	13 600	10 196	15 043	10 696	
Capital Spares	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-	
Monuments	-	-	-	-	-	-	-	-	-	
Historic Buildings	-	-	-	-	-	-	-	-	-	
Works of Art	-	-	-	-	-	-	-	-	-	
Conservation Areas	-	-	-	-	-	-	-	-	-	
Other Heritage	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-	
Revenue Generating	-	-	-	-	-	-	-	-	-	
Improved Property	-	-	-	-	-	-	-	-	-	
Unimproved Property	-	-	-	-	-	-	-	-	-	
Non-revenue Generating	-	-	-	-	-	-	-	-	-	
Improved Property	-	-	-	-	-	-	-	-	-	
Unimproved Property	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	
<b>Other assets</b>	375	560	3 097	3 839	1 775	1 775	-	-	-	
Operational Buildings	375	560	3 097	3 839	1 775	1 775	-	-	-	
Municipal Offices	118	560	3 097	2 174	500	500	-	-	-	
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-	
Building Plan Offices	-	-	-	-	-	-	-	-	-	
Workshops	-	-	-	-	-	-	-	-	-	
Yards	257	-	-	1 665	1 275	1 275	-	-	-	
Stores	-	-	-	-	-	-	-	-	-	
Laboratories	-	-	-	-	-	-	-	-	-	
Training Centres	-	-	-	-	-	-	-	-	-	
Manufacturing Plant	-	-	-	-	-	-	-	-	-	
Depots	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
Housing	-	-	-	-	-	-	-	-	-	
Staff Housing	-	-	-	-	-	-	-	-	-	
Social Housing	-	-	-	-	-	-	-	-	-	
Capital Spares	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	-	
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	
<b>Intangible Assets</b>	-	-	-	-	-	-	-	-	-	
Servitudes	-	-	-	-	-	-	-	-	-	
Licences and Rights	-	-	-	-	-	-	-	-	-	
Water Rights	-	-	-	-	-	-	-	-	-	
Effluent Licenses	-	-	-	-	-	-	-	-	-	
Solid Waste Licenses	-	-	-	-	-	-	-	-	-	
Computer Software and Applications	-	-	-	-	-	-	-	-	-	
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-	
Unspecified	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	
<b>Computer Equipment</b>	-	-	-	-	-	-	-	-	-	
Computer Equipment	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	
<b>Furniture and Office Equipment</b>	-	-	-	-	-	-	-	-	-	
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	
<b>Machinery and Equipment</b>	-	-	-	-	-	-	-	-	-	
Machinery and Equipment	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	
<b>Transport Assets</b>	-	-	-	-	-	-	-	-	-	
Transport Assets	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	
<b>Land</b>	-	-	-	-	-	-	-	-	-	
Land	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-	
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	
<b>Living resources</b>	-	-	-	-	-	-	-	-	-	
Mature	-	-	-	-	-	-	-	-	-	
Policing and Protection	-	-	-	-	-	-	-	-	-	
Zoological plants and animals	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	
Immature	-	-	-	-	-	-	-	-	-	
Policing and Protection	-	-	-	-	-	-	-	-	-	
Zoological plants and animals	-	-	-	-	-	-	-	-	-	
	-	-	-	-	-	-	-	-	-	
<b>Total Capital Expenditure on upgrading of existing assets</b>	1	222 838	121 327	121 573	99 377	101 817	101 817	93 051	148 533	143 965
<b>Upgrading of Existing Assets as % of total capex</b>		29.9%	18.9%	13.9%	12.1%	12.6%	12.6%	12.7%	16.0%	16.0%

Upgrading of Existing Assets as % of depreca			0.0%	15.9%	9.5%	25.7%	26.3%	26.3%	22.8%	34.5%	31.7%
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**LIM354 Polokwane - Supporting Table SA35 Future financial implications of the capital budget**

Vote Description	Ref	2025/26 Medium Term Revenue & Expenditure Framework			Forecasts			
		Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Present value
<b>R thousand</b>								
<b>Capital expenditure</b>	1							
Vote 1 - Chief operations office		2 800	2 200	2 420				
Vote 2 - Municipal managers office		–	–	–				
Vote 3 - Water and sanitation		336 778	436 570	431 883				
Vote 4 - Energy services		94 286	104 894	108 503				
Vote 5 - Community Services		108 436	121 517	123 113				
Vote 6 - Public safety		11 000	11 500	12 600				
Vote 7 - Corporate and Shared Services		52 129	65 339	69 512				
Vote 8 - Planning and Economic Development		1 000	800	7 260				
Vote 9 - Budget and Treasury office		1 700	1 800	2 000				
Vote 10 - Transport Operations		123 378	183 973	145 167				
Vote 11 - Human Settlement		–	–	–				
Vote 12 -		–	–	–				
Vote 13 -		–	–	–				
Vote 14 -		–	–	–				
Vote 15 -		–	–	–				
<i>List entity summary if applicable</i>								
<b>Total Capital Expenditure</b>		<b>731 508</b>	<b>928 592</b>	<b>902 457</b>	–	–	–	–
<b>Future operational costs by vote</b>	2							
Vote 1 - Chief operations office		168 358	176 450	186 196				
Vote 2 - Municipal managers office		143 147	150 444	158 282				
Vote 3 - Water and sanitation		776 876	827 214	863 240				
Vote 4 - Energy services		1 735 583	1 828 288	1 935 020				
Vote 5 - Community Services		546 649	576 445	604 360				
Vote 6 - Public safety		527 193	552 322	582 109				
Vote 7 - Corporate and Shared Services		349 709	365 561	385 896				
Vote 8 - Planning and Economic Development		106 962	114 813	122 595				
Vote 9 - Budget and Treasury office		639 673	669 818	702 281				
Vote 10 - Transport Operations		651 137	607 489	695 921				
Vote 11 - Human Settlement		59 820	62 917	23 095				
Vote 12 -		–	–	–				
Vote 13 -		–	–	–				
Vote 14 -		–	–	–				
Vote 15 -		–	–	–				
<i>List entity summary if applicable</i>								
<b>Total future operational costs</b>		<b>5 705 107</b>	<b>5 931 761</b>	<b>6 258 994</b>	–	–	–	–
<b>Future revenue by source</b>	3							
Exchange Revenue								
Service charges - Electricity		2 226 730	2 512 641	2 841 547				
Service charges - Water		424 132	470 829	523 845				
Service charges - Waste Water Management		165 527	175 624	186 777				
Service charges - Waste Management		159 147	168 855	179 577				
Agency services		35 475	37 639	40 029				
<i>List other revenues sources if applicable</i>								
<i>List entity summary if applicable</i>								
<b>Total future revenue</b>		<b>3 011 012</b>	<b>3 365 589</b>	<b>3 771 775</b>	–	–	–	–
<b>Net Financial Implications</b>		<b>3 425 603</b>	<b>3 494 764</b>	<b>3 389 676</b>	–	–	–	–

**References**

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

[illegible]

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

R thousand													Previous target year to complete	Current Year 2024/25		2025/26 Medium Term Revenue & Expenditure Framework		
Function	Project name	Project number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Original Budget		Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	
Parent municipality: <i>List all capital projects grouped by Function</i>																		
Entities: <i>List all capital projects grouped by Entity</i>																		
<i>Entity Name</i> <i>Project name</i>																		

References

List all projects with planned completion dates in current year that have been re-budgeted in the MTREF

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

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

LIM354 Polokwane - Supporting Table SA38 Consolidated detailed operational projects

R thousand	Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Prior year outcomes		2025/26 Medium
													Audited Outcome 2023/24	Current Year 2024/25 Full Year Forecast	Budget Year 2025/26
Parent municipality: <i>List all operational projects grouped by Function</i>															
Parent Operational expenditure															
Entities: <i>List all Operational projects grouped by Entity</i>															
Entity A Water project A															
Entity B Electricity project B															
Entity Operational expenditure															
Total Operational expenditure															

References  
Must reconcile with Budgeted Operating Expenditure  
Asset class as per table A9 and asset sub-class as per table SA34  
GPS coordinates correct to seconds. Provide a logical starting point on networked infrastructure.  
Project Number consists of MSCOA Project Longcode and seq No (sample PO001001002001002001002\_00066)

# **Annexure C:**

## **PHA DRAFT BUDGET**





# DRAFT BUDGET

POLOKWANE HOUSING ASSOCIATION





## **Annual Budget and service delivery agreement - Polokwane Housing Association (PHA) For the Period 2025/2026 to 2027/2028**

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

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

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

The financial plan for 2025/26 reflects that, with the projected allocation of all rental units of 1194 units, the entity will be generating R33.6million for the year. The 2025/26 budget process was prepared following a similar approach used in previous years. The budget takes into account the current market conditions, such as inflation, historical trend analysis, as well as the proposed Polokwane Municipality budget guidelines. The budgeted operating deficit is projected at R5.2mil for the year, this deficit is mainly due non-cash items (Depreciation and Impairment of Receivables) of R12million.



## Rental Adjustment for the 2025/26 Budget Year

The entity is proposing a **5% rental increase** for the **2025/26 budget year**, effective July 2025. This adjustment is based on the **prevailing Consumer Price Index (CPI)** and **SHRA's acceptable rental increase guidelines** for social housing.

The Social Housing Regulatory Authority (SHRA) generally considers rental increases within the range of **CPI to CPI + 2%** as acceptable, ensuring affordability for tenants while maintaining the financial sustainability of social housing projects. With the current CPI between 4% to 7%, the proposed **5% increase remains within the acceptable range set by SHRA**.

This adjustment aligns with **industry best practices** and ensures the continued financial viability of the entity's social housing developments. The entity remains committed to balancing affordability with the long-term sustainability of its housing programs.

**The Rental CPI for Ga Rena is calculated as follows:**

Description	Current amount	Rental	Inflation rate	Expected monthly rental
<b>1 Bedroom unit</b>	R1 339		5%	R1 406
<b>2 Bedroom unit</b>	R1 890		5%	R1 985
<b>3 Bedroom unit</b>	R2 300		5%	R2 415

**The Rental CPI for CRU is calculated as follows:**

Description	Current amount	Rental	Inflation rate	Expected monthly rental
<b>1 Bedroom unit</b>	R420		5%	R441
<b>2 Bedroom unit</b>	R840		5%	R882
<b>Live and work</b>	R1 365		5%	R1 433
<b>Commercial 1</b>	R3 675		5%	R3 859
<b>Commercial 2</b>	R4 259		5%	R4 472

**The Rental CPI for Annadale Ext 2 is calculated as follows:**

Income Bracket- Lower	Income Bracket-Upper	Rental per month	Inflation rate	Expected mothly rental
<b>R1 850</b>	R3 500	R945	5%	R992
<b>R3 501</b>	R6 700	R1 479	5%	R1 553
<b>R6 701</b>	R11 300	R2 790	5%	R2 930
<b>R11 301</b>	R15 00	R3 729	5%	R3 915
<b>R15 001</b>	R22 000	R5 250	5%	R5 513

*Note: The 5% increase will result in an annual total rental increase of R1.6 million*

The 2025/26 budget includes a R10million operational grant which would assist the entity in making certain that the entity's cash flow remains positive and that the entity is able to fund its operations. For 2026/27 and 2027/28 the operational grant remains at R10million.

For 2025/26 employment costs are budgeted at 5.5% for budget purposes which is consistent with South African Local Government Bargaining Council.

The budget has the proposed rental increase of 5% on its current portfolio being Ga-Rena, Seshego C.R.U and Annadale Ext 2.

The entity strives on efficiency in order to use available resources optimally and thus save without compromising the quality of service.

## How entity intends on Funding Deficit

The entity's draft Budget for the 2025/26 financial year reflects a deficit of R5.2 million. However, after adding back non-cash items—depreciation of R7.4 million and irrecoverable debts of R4.5 million—the entity effectively reports a surplus of R6.6 million.

To address the deficit and secure funding for new projects, the entity will engage in Public-Private Partnerships (PPPs). Between the 2026 and 2028 financial years, the entity plans to develop 240 social housing units in Extension 76 and 1,000 student accommodation beds in Extensions 106 and 108.

As part of its equity contribution under the PPP model, the entity will provide land as an investment. A land availability agreement with the Parent Municipality allows the entity to utilize fully serviced land for these developments. Under the agreement, the private sector partner will manage the facilities for 30 years before transferring ownership to the entity. During this period, the private sector will pay monthly royalties to the entity.

These new developments will reduce PHA's financial dependence on the municipality and align with the SMART Economy pillar—one of the municipality's key strategic pillars in realizing the Vision 2030 Smart City initiative

# Service Delivery Agreement between the City and the PHA

## Service Delivery Agreement

<b>Period of Agreement</b>	No period stipulated but subject to annual reviews in terms of Section 93A of the systems Act
<b>Service Provided</b>	Rentals of Units
<b>Expiry date of SDA</b>	N/A
<b>Monetary value</b>	1 000. Of R1 shares worth R1000
<b>Ownership and control</b>	Shareholding as at 31 December 2024 Polokwane Municipality 100%
<b>Mandate</b>	Develop and Manage Intergrated Human Settlements
<b>Funding over medium term</b>	R10 Million 2025/26 R10 Million 2026/27 R10 Million 2027/28
<b>Summary of SDA</b>	Sets out the obligation of PHA to Polokwane Municipality in respect of compliance and performance Issues
<b>Past performance and future objectives</b>	Has fairly met targets in the past, except with Ga-Rena Project which is cumbersome, PHA is confident that it will maintain high level of rental occupation and rental collection.  PHA hopes to meet future housing demands



# ANNADALE EXT 2



## SUMMARY

1. The draft annual budget for the financial year 2025/2026 and indicative for the two projected outer years 2026/2027 and 2027/2028 can be summarized as follow:

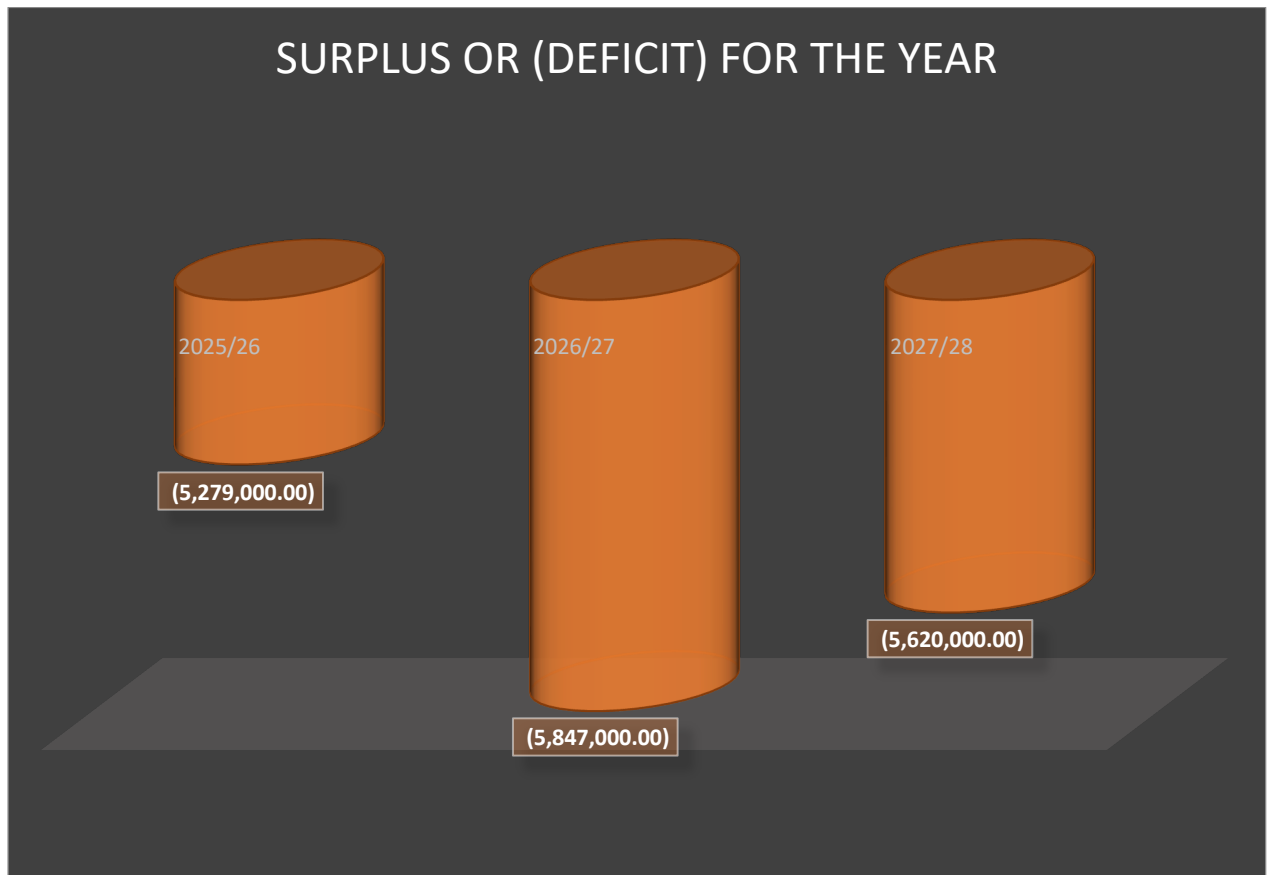
### Operating revenue and expenditure summary:

Description	2025/26 Medium Term Revenue & Expenditure Framework		
R Million	Budget Year 2025/26 '000	Budget Year +1 2026/27 '000	Budget Year +2 2027/28 '000
Rental from Fixed Assets	33 654	35 336	37 103
Admin Fee	120	60	132
Transfers and subsidies-Operational grant	10 000	10 000	10 000
<b>Total Revenue</b>	<b>43 774</b>	<b>45 396</b>	<b>47 235</b>
<b>Total Expenditure</b>	<b>49 053</b>	<b>51 243</b>	<b>52 856</b>
<b>Surplus/ (Deficit) for the year</b>	<b>(5 279)</b>	<b>(5 847)</b>	<b>(5 620)</b>

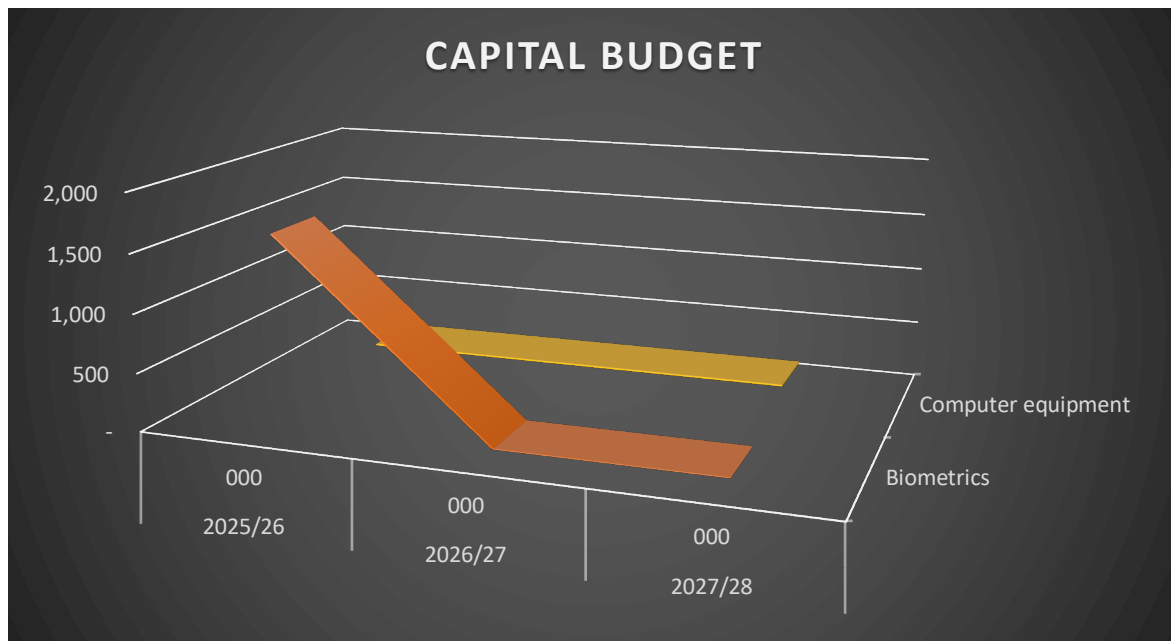
Description	2024/25 Medium Term Revenue & Expenditure Framework		
R Million	Budget Year 2025/26 '000	Budget Year +1 2026/27 '000	Budget Year +2 2027/28 '000
Employee related costs	19 377	20 345	21 363
Depreciation and asset impairment	7 420	7 420	7 420
Contracted services	15 257	16 355	16 821
Irrecoverable debts written off	4 532	4 532	4 532
Operational costs	2 468	2 591	2 721
<b>Total Expenditure</b>	<b>49 053</b>	<b>51 243</b>	<b>52 856</b>



## SURPLUS AND OR (DEFICIT)



The table below represents the Capital Budget



CAPITAL BUDGET			
	2025/26	2026/27	2027/28
	000	000	000
Biometrics	1,620	-	-
Computer equipment	180	180	180

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**- Table D1 Budget Summary**

Description	2021/22	2022/23	2023/24	Current Year 2024/25			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-
Investment revenue	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational	24,870	10,000	15,000	10,000	16,000	16,000	10,000	10,000	10,000
Other own revenue	11,333	11,480	12,305	32,131	14,840	14,840	33,774	35,396	37,235
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>36,203</b>	<b>21,480</b>	<b>27,305</b>	<b>42,131</b>	<b>30,840</b>	<b>30,840</b>	<b>43,774</b>	<b>45,396</b>	<b>47,235</b>
Employee costs	7,282	12,724	11,867	16,336	15,233	15,233	19,377	20,345	21,363
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Depreciation and Debt impairment	-	3,000	6,191	7,600	7,600	7,600	7,420	7,420	7,420
Finance charges	-	-	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	-	1	-	10	15	15	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	8,485	2,810	9,408	20,054	19,246	19,246	22,256	23,478	24,073
<b>Total Expenditure</b>	<b>15,767</b>	<b>18,535</b>	<b>27,466</b>	<b>44,000</b>	<b>42,095</b>	<b>42,095</b>	<b>49,053</b>	<b>51,243</b>	<b>52,856</b>
<b>Surplus/(Deficit)</b>	<b>20,436</b>	<b>2,946</b>	<b>(161)</b>	<b>(1,869)</b>	<b>(11,255)</b>	<b>(11,255)</b>	<b>(5,279)</b>	<b>(5,847)</b>	<b>(5,620)</b>
Transfers and subsidies - capital (monetary allocations)	29,100	-	3,074	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>49,536</b>	<b>2,946</b>	<b>2,914</b>	<b>(1,869)</b>	<b>(11,255)</b>	<b>(11,255)</b>	<b>(5,279)</b>	<b>(5,847)</b>	<b>(5,620)</b>
Income Tax	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>49,536</b>	<b>2,946</b>	<b>2,914</b>	<b>(1,869)</b>	<b>(11,255)</b>	<b>(11,255)</b>	<b>(5,279)</b>	<b>(5,847)</b>	<b>(5,620)</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	38,999	675	26	2,458	3,478	3,478	1,800	180	180
Transfers recognised - capital	38,999	675	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	26	2,458	3,478	3,478	1,800	180	180
<b>Total sources of capital funds</b>	<b>38,999</b>	<b>675</b>	<b>26</b>	<b>2,458</b>	<b>3,478</b>	<b>3,478</b>	<b>1,800</b>	<b>180</b>	<b>180</b>
<b>Financial position</b>									
Total current assets	23,973	79,712	8,566	52,004	40,683	40,683	39,152	40,770	42,605
Total non current assets	317,102	376,013	443,497	296,359	297,402	297,402	1,764	144	144
Total current liabilities	-	-	750	-	-	-	-	-	-
Total non current liabilities	1	-	751	-	-	-	-	-	-
Community wealth/Equity	317,765	381,403	438,293	303,556	295,487	295,487	(5,279)	(5,847)	(5,620)
<b>Cash flows</b>									
Net cash from (used) operating	(7,076)	(6,846)	(6,263)	50	75	8,075	9,910	9,906	9,901
Net cash from (used) investing	(38,999)	(675)	(31)	-	-	(3,658)	-	-	-
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>(44,228)</b>	<b>(5,151)</b>	<b>(2,880)</b>	<b>2,420</b>	<b>2,445</b>	<b>6,569</b>	<b>9,910</b>	<b>19,816</b>	<b>29,716</b>

- Table D2 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	-	-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services		-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		-	-	-	-	-	-	-	-	-	-
Interest earned from Current and Non Current Assets		-	0	156	-	-	-	-	-	-	-
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		11,287	11,434	12,120	32,051	14,760	14,760	8,007	33,654	35,336	37,103
Licence and permits		-	-	-	-	-	-	-	-	-	-
Operational Revenue		46	46	29	80	80	80	7	120	60	132
<b>Non-Exchange Revenue</b>											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-
Licences or permits		-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		24,870	10,000	15,000	10,000	16,000	16,000	13,007	10,000	10,000	10,000
Interest		-	-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>36,203</b>	<b>21,480</b>	<b>27,305</b>	<b>42,131</b>	<b>30,840</b>	<b>30,840</b>	<b>21,021</b>	<b>43,774</b>	<b>45,396</b>	<b>47,235</b>
<b>Expenditure</b>											
Employee related costs	2	7,282	12,724	11,867	16,336	15,233	15,233	8,339	19,377	20,345	21,363
Remuneration of Board Members		-	-	-	-	-	-	-	-	-	-
Bulk purchases - electricity		-	-	-	-	-	-	-	-	-	-
Inventory consumed	8	-	1	-	10	15	15	5	-	-	-
Debt impairment	3	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation		-	3,000	6,191	7,600	7,600	7,600	7,437	7,420	7,420	7,420
Interest		-	-	-	-	-	-	-	-	-	-
Contracted services		7,002	3,537	7,411	11,321	10,431	10,431	3,705	15,257	16,355	16,821
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		-	-	-	5,000	5,000	5,000	-	4,532	4,532	4,532
Operational costs		1,483	(727)	1,997	3,733	3,816	3,816	2,073	2,468	2,591	2,721
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>15,767</b>	<b>18,535</b>	<b>27,466</b>	<b>44,000</b>	<b>42,095</b>	<b>42,095</b>	<b>21,558</b>	<b>49,053</b>	<b>51,243</b>	<b>52,856</b>
<b>Surplus/(Deficit)</b>		<b>20,436</b>	<b>2,946</b>	<b>(161)</b>	<b>(1,869)</b>	<b>(11,255)</b>	<b>(11,255)</b>	<b>(537)</b>	<b>(5,279)</b>	<b>(5,847)</b>	<b>(5,620)</b>
Transfers and subsidies - capital (monetary allocations)	6	29,100	-	3,074	-	-	-	3,656	-	-	-
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>		<b>49,536</b>	<b>2,946</b>	<b>2,914</b>	<b>(1,869)</b>	<b>(11,255)</b>	<b>(11,255)</b>	<b>3,119</b>	<b>(5,279)</b>	<b>(5,847)</b>	<b>(5,620)</b>
Income Tax		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>49,536</b>	<b>2,946</b>	<b>2,914</b>	<b>(1,869)</b>	<b>(11,255)</b>	<b>(11,255)</b>	<b>3,119</b>	<b>(5,279)</b>	<b>(5,847)</b>	<b>(5,620)</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>49,536</b>	<b>2,946</b>	<b>2,914</b>	<b>(1,869)</b>	<b>(11,255)</b>	<b>(11,255)</b>	<b>3,119</b>	<b>(5,279)</b>	<b>(5,847)</b>	<b>(5,620)</b>
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	<b>1</b>	<b>49,536</b>	<b>2,946</b>	<b>2,914</b>	<b>(1,869)</b>	<b>(11,255)</b>	<b>(11,255)</b>	<b>3,119</b>	<b>(5,279)</b>	<b>(5,847)</b>	<b>(5,620)</b>





<b>Heritage assets</b>		-	-	-	-	-	-	-	-
Monuments		-	-	-	-	-	-	-	-
Historic Buildings		-	-	-	-	-	-	-	-
Works of Art		-	-	-	-	-	-	-	-
Conservation Areas		-	-	-	-	-	-	-	-
Other Heritage		-	-	-	-	-	-	-	-
<b>Investment properties</b>		38,999	675	-	-	-	-	-	-
Revenue Generating		38,999	675	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-
Unimproved Property		38,999	675	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-
Improved Property		-	-	-	-	-	-	-	-
Unimproved Property		-	-	-	-	-	-	-	-
<b>Other assets</b>		-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-
Municipal Offices		-	-	-	-	-	-	-	-
Pay/Enquiry Points		-	-	-	-	-	-	-	-
Building Plan Offices		-	-	-	-	-	-	-	-
Workshops		-	-	-	-	-	-	-	-
Yards		-	-	-	-	-	-	-	-
Stores		-	-	-	-	-	-	-	-
Laboratories		-	-	-	-	-	-	-	-
Training Centres		-	-	-	-	-	-	-	-
Manufacturing Plant		-	-	-	-	-	-	-	-
Depots		-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-
Staff Housing		-	-	-	-	-	-	-	-
Social Housing		-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>		-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-
<b>Intangible Assets</b>		-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-
Water Rights		-	-	-	-	-	-	-	-
Effluent Licenses		-	-	-	-	-	-	-	-
Solid Waste Licenses		-	-	-	-	-	-	-	-
Computer Software and Applications		-	-	-	-	-	-	-	-
Load Settlement Software Applications		-	-	-	-	-	-	-	-
Unspecified		-	-	-	-	-	-	-	-
<b>Computer Equipment</b>		-	-	26	150	250	250	180	180
Computer Equipment		-	-	26	150	250	250	180	180
<b>Furniture and Office Equipment</b>		-	-	-	1,679	2,600	2,600	1,620	-
Furniture and Office Equipment		-	-	-	1,679	2,600	2,600	1,620	-
<b>Machinery and Equipment</b>		-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-
<b>Transport Assets</b>		-	-	-	628	628	628	-	-
Transport Assets		-	-	-	628	628	628	-	-
<b>Land</b>		-	-	-	-	-	-	-	-
Land		-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>		-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-
<b>Living resources</b>		-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-
<b>Total capital expenditure on assets</b>	1	38,999	675	26	2,458	3,478	3,478	1,800	180
<b>Funded by:</b>		-	-	-	-	-	-	-	-
National Government		-	-	-	-	-	-	-	-
Provincial Government		-	-	-	-	-	-	-	-
Parent Municipality		-	-	-	-	-	-	-	-
District Municipality		38,999	675	-	-	-	-	-	-
<b>Transfers recognised - capital</b>		38,999	675	-	-	-	-	-	-
<b>Borrowing</b>	3	-	-	-	-	-	-	-	-
<b>Internally generated funds</b>		-	-	26	2,458	3,478	3,478	1,800	180
<b>Total Capital Funding</b>	4	38,999	675	26	2,458	3,478	3,478	1,800	180

- Table D4 Budgeted Financial Position

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>ASSETS</b>											
<b>Current assets</b>											
Cash and cash equivalents		(37,077)	3,441	2,655	12,320	18,295	18,295	4,397	9,910	9,906	9,901
Trade and other receivables from exchange transactions	1	45,845	70,131	5,898	34,350	17,060	17,060	2,744	29,242	30,865	32,704
Receivables from non-exchange transactions	1	15,161	6,104	0	5,299	5,299	5,299	0	-	-	-
Current portion of non-current receivables		23	23	-	23	23	23	-	-	-	-
Inventory	2	-	-	-	(10)	(15)	(15)	-	-	-	-
VAT		-	-	-	-	-	-	-	-	-	-
Other current assets		21	12	13	21	21	21	-	-	-	-
<b>Total current assets</b>		<b>23,973</b>	<b>79,712</b>	<b>8,566</b>	<b>52,004</b>	<b>40,683</b>	<b>40,683</b>	<b>7,142</b>	<b>39,152</b>	<b>40,770</b>	<b>42,605</b>
<b>Non current assets</b>											
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		58,086	90,171	(6,174)	-	-	-	0	-	-	-
Property, plant and equipment	3	258,979	285,809	449,646	296,326	297,369	297,369	432,200	1,764	144	144
Biological assets		-	-	-	-	-	-	-	-	-	-
Living and non-living resources		-	-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-	-
Intangible assets		37	33	25	33	33	33	13	-	-	-
Trade and other receivables from exchange transactions		-	-	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-	-	-	-	-	-
Other non-current assets		-	-	-	-	-	-	-	-	-	-
<b>Total non current assets</b>		<b>317,102</b>	<b>376,013</b>	<b>443,497</b>	<b>296,359</b>	<b>297,402</b>	<b>297,402</b>	<b>432,214</b>	<b>1,764</b>	<b>144</b>	<b>144</b>
<b>TOTAL ASSETS</b>		<b>341,075</b>	<b>455,724</b>	<b>452,063</b>	<b>348,364</b>	<b>338,085</b>	<b>338,085</b>	<b>439,355</b>	<b>40,916</b>	<b>40,915</b>	<b>42,749</b>
<b>LIABILITIES</b>											
<b>Current liabilities</b>											
Bank overdraft		-	-	-	-	-	-	-	-	-	-
Financial liabilities		-	-	-	-	-	-	-	-	-	-
Consumer deposits		2,112	1,864	1,853	-	-	-	1,721	-	-	-
Trade and other payables from exchange transactions	4	(40,915)	3,600	13,297	33,798	31,588	31,588	10,647	38,811	39,377	40,985
Trade and other payables from non-exchange transactions	5	8	12	(3,066)	-	-	-	8	-	-	-
Provision		61,717	68,500	935	-	-	-	290	-	-	-
VAT		-	-	-	-	-	-	-	-	-	-
Other current liabilities		386	345	-	-	-	-	-	-	-	-
<b>Total current liabilities</b>		<b>23,309</b>	<b>74,322</b>	<b>13,019</b>	<b>33,798</b>	<b>31,588</b>	<b>31,588</b>	<b>12,666</b>	<b>38,811</b>	<b>39,377</b>	<b>40,985</b>
<b>Non current liabilities</b>											
Financial liabilities	6	-	-	-	-	-	-	-	-	-	-
Provision	7	-	-	750	-	-	-	859	-	-	-
Long term portion of trade payables		-	-	-	-	-	-	-	-	-	-
Other non-current liabilities	1	-	-	1	-	-	-	1	-	-	-
<b>Total non current liabilities</b>		<b>1</b>	<b>-</b>	<b>751</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>860</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>		<b>23,310</b>	<b>74,322</b>	<b>13,770</b>	<b>33,798</b>	<b>31,588</b>	<b>31,588</b>	<b>13,526</b>	<b>38,811</b>	<b>39,377</b>	<b>40,985</b>
<b>NET ASSETS</b>		<b>317,765</b>	<b>381,403</b>	<b>438,293</b>	<b>314,566</b>	<b>306,497</b>	<b>306,497</b>	<b>425,829</b>	<b>2,105</b>	<b>1,537</b>	<b>1,764</b>
<b>COMMUNITY WEALTH/EQUITY</b>											
Accumulated surplus/(deficit)	8	239,448	303,085	320,504	225,238	217,169	217,169	308,040	(5,279)	(5,847)	(5,620)
Reserves and funds	9	78,318	78,318	117,789	78,318	78,318	78,318	117,789	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	<b>10</b>	<b>317,765</b>	<b>381,403</b>	<b>438,293</b>	<b>303,556</b>	<b>295,487</b>	<b>295,487</b>	<b>425,829</b>	<b>(5,279)</b>	<b>(5,847)</b>	<b>(5,620)</b>



- Table D5 Budgeted Cash Flow

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>											
<b>Receipts</b>											
Property rates		-	-	-	-	-	-	-	-	-	-
Service charges		-	-	-	-	-	-	-	-	-	-
Other revenue		(30)	74	1,276	-	-	-	5,452	-	-	-
Transfers and Subsidies - Operational	1	-	-	1,881	-	-	-	13,007	10,000	10,000	10,000
Transfers and Subsidies - Capital	1	-	-	3,074	-	-	-	3,656	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Dividends		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Suppliers and employees		(7,046)	(6,920)	(12,494)	50	75	75	(14,040)	(90)	(95)	(99)
Finance charges		-	-	-	-	-	-	-	-	-	-
Transfers and Subsidies	1	-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>		<b>(7,076)</b>	<b>(6,846)</b>	<b>(6,263)</b>	<b>50</b>	<b>75</b>	<b>75</b>	<b>8,075</b>	<b>9,910</b>	<b>9,906</b>	<b>9,901</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Receipts</b>											
Proceeds on disposal of PPE		-	-	-	-	-	-	-	-	-	-
VAT Control (Receipts)		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current receivables		-	-	-	-	-	-	-	-	-	-
Decrease (increase) in non-current investments		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Capital assets		(38,999)	(675)	(31)	-	-	-	(3,658)	-	-	-
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>		<b>(38,999)</b>	<b>(675)</b>	<b>(31)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,658)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Receipts</b>											
Short term loans		-	-	-	-	-	-	-	-	-	-
Borrowing long term/refinancing		-	-	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits		-	-	-	-	-	-	-	-	-	-
<b>Payments</b>											
Repayment of borrowing		-	-	-	-	-	-	-	-	-	-
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>		<b>(46,074)</b>	<b>(7,521)</b>	<b>(6,294)</b>	<b>50</b>	<b>75</b>	<b>75</b>	<b>4,417</b>	<b>9,910</b>	<b>9,906</b>	<b>9,901</b>
Cash/cash equivalents at the year begin:	2	1,846	2,370	3,413	2,370	2,370	2,370	2,151	-	9,910	19,816
Cash/cash equivalents at the year end:	2	(44,228)	(5,151)	(2,880)	2,420	2,445	2,445	6,569	9,910	19,816	29,716

# Municipal annual budgets and MTREF & supporting tables

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[lgdataqueries@treasury.gov.za](mailto:lgdataqueries@treasury.gov.za)

Data submission enquiries:  
Electronic documents: [lgdocuments@treasury.gov.za](mailto:lgdocuments@treasury.gov.za)  
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Municipality Name:

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Budget for MTREF starting:

2025 ▼

Budget Year: 2025/26

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Yes  
No

Type of Entities Range:	Parent Municipality
Entity Name	Consolidated Information

MTREF Range:	2014
	2015
	2016
	2017
	2018
	2019
	2020
	2021
	2022
	2023
	2024
	2025
2026	
2027	
2028	

MTREF Linked:	12
MTREF:	2025

Fin Year:

- Table D1 Budget Summary

Description	2021/22	2022/23	2023/24	Current Year 2024/25			Medium Term Revenue and Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousands</b>									
<b>Financial Performance</b>									
Property rates	-	-	-	-	-	-	-	-	-
Service charges	-	-	-	-	-	-	-	-	-
Investment revenue	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational	24,870	10,000	15,000	10,000	16,000	16,000	10,000	10,000	10,000
Other own revenue	11,333	11,480	12,305	32,131	14,840	14,840	33,774	35,396	37,235
	<b>36,203</b>	<b>21,480</b>	<b>27,305</b>	<b>42,131</b>	<b>30,840</b>	<b>30,840</b>	<b>43,774</b>	<b>45,396</b>	<b>47,235</b>
<b>Total Revenue (excluding capital transfers and contributions)</b>									
Employee costs	7,282	12,724	11,867	16,336	15,233	15,233	19,377	20,345	21,363
Remuneration of councillors	-	-	-	-	-	-	-	-	-
Depreciation and Debt impairment	-	3,000	6,191	7,600	7,600	7,600	7,420	7,420	7,420
Finance charges	-	-	-	-	-	-	-	-	-
Inventory consumed and bulk purchases	-	1	-	10	15	15	-	-	-
Transfers and subsidies	-	-	-	-	-	-	-	-	-
Other expenditure	8,485	2,810	9,408	20,054	19,246	19,246	22,256	23,478	24,073
<b>Total Expenditure</b>	<b>15,767</b>	<b>18,535</b>	<b>27,466</b>	<b>44,000</b>	<b>42,095</b>	<b>42,095</b>	<b>49,053</b>	<b>51,243</b>	<b>52,856</b>
<b>Surplus/(Deficit)</b>	<b>20,436</b>	<b>2,946</b>	<b>(161)</b>	<b>(1,869)</b>	<b>(11,255)</b>	<b>(11,255)</b>	<b>(5,279)</b>	<b>(5,847)</b>	<b>(5,620)</b>
Transfers and subsidies - capital (monetary allocations)	29,100	-	3,074	-	-	-	-	-	-
Transfers and subsidies - capital (in-kind - all)	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>	<b>49,536</b>	<b>2,946</b>	<b>2,914</b>	<b>(1,869)</b>	<b>(11,255)</b>	<b>(11,255)</b>	<b>(5,279)</b>	<b>(5,847)</b>	<b>(5,620)</b>
Income Tax	-	-	-	-	-	-	-	-	-
<b>Surplus/ (Deficit) for the year</b>	<b>49,536</b>	<b>2,946</b>	<b>2,914</b>	<b>(1,869)</b>	<b>(11,255)</b>	<b>(11,255)</b>	<b>(5,279)</b>	<b>(5,847)</b>	<b>(5,620)</b>
<b>Capital expenditure &amp; funds sources</b>									
<b>Capital expenditure</b>	38,999	675	26	2,458	3,478	3,478	1,800	180	180
Transfers recognised - capital	38,999	675	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	26	2,458	3,478	3,478	1,800	180	180
<b>Total sources of capital funds</b>	<b>38,999</b>	<b>675</b>	<b>26</b>	<b>2,458</b>	<b>3,478</b>	<b>3,478</b>	<b>1,800</b>	<b>180</b>	<b>180</b>
<b>Financial position</b>									
Total current assets	23,973	79,712	8,566	52,004	40,683	40,683	39,152	40,770	42,605
Total non current assets	317,102	376,013	443,497	296,359	297,402	297,402	1,764	144	144
Total current liabilities	-	-	750	-	-	-	-	-	-
Total non current liabilities	1	-	751	-	-	-	-	-	-
Community wealth/Equity	317,765	381,403	438,293	303,556	295,487	295,487	(5,279)	(5,847)	(5,620)
<b>Cash flows</b>									
Net cash from (used) operating	(7,076)	(6,846)	(6,263)	50	75	8,075	9,910	9,906	9,901
Net cash from (used) investing	(38,999)	(675)	(31)	-	-	(3,658)	-	-	-
Net cash from (used) financing	-	-	-	-	-	-	-	-	-
<b>Cash/cash equivalents at the year end</b>	<b>(44,228)</b>	<b>(5,151)</b>	<b>(2,880)</b>	<b>2,420</b>	<b>2,445</b>	<b>6,569</b>	<b>9,910</b>	<b>19,816</b>	<b>29,716</b>

- Table D2 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousand</b>	1										
<b>Revenue</b>											
<b>Exchange Revenue</b>											
Service charges - Electricity	2	-	-	-	-	-	-	-	-	-	-
Service charges - Water	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Water Management	2	-	-	-	-	-	-	-	-	-	-
Service charges - Waste Management	2	-	-	-	-	-	-	-	-	-	-
Sale of Goods and Rendering of Services		-	-	-	-	-	-	-	-	-	-
Agency services		-	-	-	-	-	-	-	-	-	-
Interest		-	-	-	-	-	-	-	-	-	-
Interest earned from Receivables		-	-	-	-	-	-	-	-	-	-
Interest earned from Current and Non Current Assets		-	0	156	-	-	-	-	-	-	-
Dividends		-	-	-	-	-	-	-	-	-	-
Rent on Land		-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets		11,287	11,434	12,120	32,051	14,760	14,760	8,007	33,654	35,336	37,103
Licence and permits		-	-	-	-	-	-	-	-	-	-
Operational Revenue		46	46	29	80	80	80	7	120	60	132
<b>Non-Exchange Revenue</b>											
Property rates	2	-	-	-	-	-	-	-	-	-	-
Surcharges and Taxes		-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits		-	-	-	-	-	-	-	-	-	-
Licences or permits		-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational		24,870	10,000	15,000	10,000	16,000	16,000	13,007	10,000	10,000	10,000
Interest		-	-	-	-	-	-	-	-	-	-
Fuel Levy		-	-	-	-	-	-	-	-	-	-
Operational Revenue		-	-	-	-	-	-	-	-	-	-
Gains on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Gains		-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
<b>Total Revenue (excluding capital transfers and contributions)</b>		<b>36,203</b>	<b>21,480</b>	<b>27,305</b>	<b>42,131</b>	<b>30,840</b>	<b>30,840</b>	<b>21,021</b>	<b>43,774</b>	<b>45,396</b>	<b>47,235</b>
<b>Expenditure</b>											
Employee related costs	2	7,282	12,724	11,867	16,336	15,233	15,233	8,339	19,377	20,345	21,363
Remuneration of Board Members		-	-	-	-	-	-	-	-	-	-
Bulk purchases - electricity	2	-	-	-	-	-	-	-	-	-	-
Inventory consumed	8	-	1	-	10	15	15	5	-	-	-
Debt impairment	3	-	-	-	-	-	-	-	-	-	-
Depreciation and amortisation		-	3,000	6,191	7,600	7,600	7,600	7,437	7,420	7,420	7,420
Interest		-	-	-	-	-	-	-	-	-	-
Contracted services		7,002	3,537	7,411	11,321	10,431	10,431	3,705	15,257	16,355	16,821
Transfers and subsidies		-	-	-	-	-	-	-	-	-	-
Irrecoverable debts written off		-	-	-	5,000	5,000	5,000	-	4,532	4,532	4,532
Operational costs		1,483	(727)	1,997	3,733	3,816	3,816	2,073	2,468	2,591	2,721
Losses on disposal of Assets		-	-	-	-	-	-	-	-	-	-
Other Losses		-	-	-	-	-	-	-	-	-	-
<b>Total Expenditure</b>		<b>15,767</b>	<b>18,535</b>	<b>27,466</b>	<b>44,000</b>	<b>42,095</b>	<b>42,095</b>	<b>21,558</b>	<b>49,053</b>	<b>51,243</b>	<b>52,856</b>
<b>Surplus/(Deficit)</b>		<b>20,436</b>	<b>2,946</b>	<b>(161)</b>	<b>(1,869)</b>	<b>(11,255)</b>	<b>(11,255)</b>	<b>(537)</b>	<b>(5,279)</b>	<b>(5,847)</b>	<b>(5,620)</b>
Transfers and subsidies - capital (monetary)	6	29,100	-	3,074	-	-	-	3,656	-	-	-
Transfers and subsidies - capital (in-kind)	6	-	-	-	-	-	-	-	-	-	-
		<b>49,536</b>	<b>2,946</b>	<b>2,914</b>	<b>(1,869)</b>	<b>(11,255)</b>	<b>(11,255)</b>	<b>3,119</b>	<b>(5,279)</b>	<b>(5,847)</b>	<b>(5,620)</b>
<b>Surplus/(Deficit) after capital transfers &amp; contributions</b>											
Income Tax		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) after income tax</b>		<b>49,536</b>	<b>2,946</b>	<b>2,914</b>	<b>(1,869)</b>	<b>(11,255)</b>	<b>(11,255)</b>	<b>3,119</b>	<b>(5,279)</b>	<b>(5,847)</b>	<b>(5,620)</b>
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) attributable to municipality</b>		<b>49,536</b>	<b>2,946</b>	<b>2,914</b>	<b>(1,869)</b>	<b>(11,255)</b>	<b>(11,255)</b>	<b>3,119</b>	<b>(5,279)</b>	<b>(5,847)</b>	<b>(5,620)</b>
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
<b>Surplus/(Deficit) for the year</b>	1	<b>49,536</b>	<b>2,946</b>	<b>2,914</b>	<b>(1,869)</b>	<b>(11,255)</b>	<b>(11,255)</b>	<b>3,119</b>	<b>(5,279)</b>	<b>(5,847)</b>	<b>(5,620)</b>



- Table 03 Capital Budget by asset class and funding

Vote Description	Ref	2023/24	2022/23	2023/24	Current Year 2024/25			Medium Term Revenue and Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>R thousands</b>	<b>1</b>									
<b>Capital expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>										
Roads Infrastructure										
Roads										
Road Structures										
Road Furniture										
Capital Spares										
Storm water Infrastructure										
Drainage Collection										
Storm water Conveyance										
Attenuation										
Electrical Infrastructure										
Power Plants										
HV Substations										
HV Switching Station										
HV Transmission Conductors										
MV Substations										
MV Switching Stations										
MV Networks										
LV Networks										
Capital Spares										
Water Supply Infrastructure										
Dams and Weirs										
Boreholes										
Reservoirs										
Pump Stations										
Water Treatment Works										
Bulk Mains										
Distribution										
Distribution Points										
PRV Stations										
Capital Spares										
Sanitation Infrastructure										
Pump Station										
Retreatment										
Waste Water Treatment Works										
Outfall Sewers										
Toilet Facilities										
Capital Spares										
Solid Waste Infrastructure										
Landfill Sites										
Waste Transfer Stations										
Waste Processing Facilities										
Waste Drop-off Points										
Waste Separation Facilities										
Electricity Generation Facilities										
Capital Spares										
Rail Infrastructure										
Rail Lines										
Rail Structures										
Rail Furniture										
Drainage Collection										
Storm water Conveyance										
Attenuation										
MV Substations										
LV Networks										
Capital Spares										
Coastal Infrastructure										
Sand Pumps										
Piers										
Revetments										
Promenades										
Capital Spares										
Information and Communication Infrastructure										
Data Centres										
Core Layers										
Distribution Layers										
Capital Spares										
<b>Community Assets</b>										
Community Facilities										
Halls										
Centres										
Crèches										
Clinical/Care Centres										
Fire/Rescue Stations										
Testing Stations										
Museums										
Galleries										
Theatres										
Libraries										
Cemeteries/Crematoria										
Police										
Parks										
Public Open Space										
Nature Reserves										
Public Ablution Facilities										
Markets										
Stalls										
Abattoirs										
Airports										
Taxi Ranks/Bus Terminals										
Capital Spares										
Sport and Recreation Facilities										
Indoor Facilities										
Outdoor Facilities										
Capital Spares										
<b>Heritage assets</b>										
Monuments										
Historic Buildings										
Works of Art										
Conservation Areas										
Other Heritage										
<b>Investment properties</b>										
Revenue Generating		38,999	875							
Improved Property										
Unimproved Property		38,999	875							
Non-revenue Generating										
Improved Property										
Unimproved Property										
<b>Other assets</b>										
Operational Buildings										
Municipal Offices										
Play/Entertainment Points										
Building Plan Offices										
Workshops										
Yards										
Stores										
Laboratories										
Training Centres										
Manufacturing Plant										
Depots										
Capital Spares										
Housing										
Staff Housing										
Social Housing										
Capital Spares										
<b>Biological or Cultivated Assets</b>										
Biological or Cultivated Assets										
<b>Intangible Assets</b>										
Services										
Licences and Rights										
Water Rights										
Effluent Licences										
Solid Waste Licences										
Computer Software and Applications										
Local Settlement Software Applications										
Unspecified										
<b>Computer Equipment</b>										
Computer Equipment			26	190	200	250	250	180	180	180
<b>Furniture and Office Equipment</b>										
Computer Equipment			26	190	200	250	250	180	180	180
Furniture and Office Equipment				1,679	2,600	2,600	1,620			
<b>Machinery and Equipment</b>										
Machinery and Equipment				1,679	2,600	2,600	1,620			
<b>Transport Assets</b>										
Transport Assets				628	628	628				
<b>Land</b>										
Land										
<b>Zoo's, Marine and Non-biological Animals</b>										
Zoo's, Marine and Non-biological Animals										
<b>Living resources</b>										
Mature										
Policy and Protection										
Zoological plants and animals										
Immature										
Policy and Protection										
Zoological plants and animals										
<b>Total capital expenditure on assets</b>	<b>1</b>	<b>38,999</b>	<b>875</b>	<b>26</b>	<b>2,458</b>	<b>3,478</b>	<b>3,478</b>	<b>1,800</b>	<b>180</b>	<b>180</b>
<b>Funded by:</b>										
National Government										
Provincial Government										
Parent Municipality										
District Municipality		38,999	875							
<b>Transfers recognised - capital</b>		<b>38,999</b>	<b>875</b>							
<b>Borrowing</b>	<b>3</b>									
Internally generated funds				26	2,458	3,478	3,478	1,800	180	180
<b>Total Capital Funding</b>	<b>4</b>	<b>38,999</b>	<b>875</b>	<b>26</b>	<b>2,458</b>	<b>3,478</b>	<b>3,478</b>	<b>1,800</b>	<b>180</b>	<b>180</b>

- Table D4 Budgeted Financial Position

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
ASSETS											
Current assets											
Cash and cash equivalents		(37,077)	3,441	2,655	12,320	18,295	18,295	4,397	9,910	9,906	9,901
Trade and other receivables from exchange transactions	1	45,845	70,131	5,898	34,350	17,060	17,060	2,744	29,242	30,865	32,704
Receivables from non-exchange transactions	1	15,161	6,104	0	5,299	5,299	5,299	0	-	-	-
Current portion of non-current receivables		23	23	-	23	23	23	-	-	-	-
Inventory	2	-	-	-	(10)	(15)	(15)	-	-	-	-
VAT		-	-	-	-	-	-	-	-	-	-
Other current assets		21	12	13	21	21	21	-	-	-	-
Total current assets		23,973	79,712	8,566	52,004	40,683	40,683	7,142	39,152	40,770	42,605
Non current assets											
Investments		-	-	-	-	-	-	-	-	-	-
Investment property		58,086	90,171	(6,174)	-	-	-	0	-	-	-
Property, plant and equipment	3	258,979	285,809	449,646	296,326	297,369	297,369	432,200	1,764	144	144
Biological assets		-	-	-	-	-	-	-	-	-	-
Living and non-living resources		-	-	-	-	-	-	-	-	-	-
Heritage assets		-	-	-	-	-	-	-	-	-	-
Intangible assets		37	33	25	33	33	33	13	-	-	-
Trade and other receivables from exchange transactions		-	-	-	-	-	-	-	-	-	-
Non-current receivables from non-exchange transactions		-	-	-	-	-	-	-	-	-	-
Other non-current assets		-	-	-	-	-	-	-	-	-	-
Total non current assets		317,102	376,013	443,497	296,359	297,402	297,402	432,214	1,764	144	144
TOTAL ASSETS		341,075	455,724	452,063	348,364	338,085	338,085	439,355	40,916	40,915	42,749
LIABILITIES											
Current liabilities											
Bank overdraft		-	-	-	-	-	-	-	-	-	-
Financial liabilities		-	-	-	-	-	-	-	-	-	-
Consumer deposits		2,112	1,864	1,853	-	-	-	1,721	-	-	-
Trade and other payables from exchange transactions	4	(40,915)	3,600	13,297	33,798	31,588	31,588	10,647	38,811	39,377	40,985
Trade and other payables from non-exchange transactions	5	8	12	(3,066)	-	-	-	8	-	-	-
Provision		61,717	68,500	935	-	-	-	290	-	-	-
VAT		-	-	-	-	-	-	-	-	-	-
Other current liabilities		386	345	-	-	-	-	-	-	-	-
Total current liabilities		23,309	74,322	13,019	33,798	31,588	31,588	12,666	38,811	39,377	40,985
Non current liabilities											
Financial liabilities	6	-	-	-	-	-	-	-	-	-	-
Provision	7	-	-	750	-	-	-	859	-	-	-
Long term portion of trade payables		-	-	-	-	-	-	-	-	-	-
Other non-current liabilities		1	-	1	-	-	-	1	-	-	-
Total non current liabilities		1	-	751	-	-	-	860	-	-	-
TOTAL LIABILITIES		23,310	74,322	13,770	33,798	31,588	31,588	13,526	38,811	39,377	40,985
NET ASSETS		317,765	381,403	438,293	314,566	306,497	306,497	425,829	2,105	1,537	1,764
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	239,448	303,085	320,504	225,238	217,169	217,169	308,040	(5,279)	(5,847)	(5,620)
Reserves and funds	9	78,318	78,318	117,789	78,318	78,318	78,318	117,789	-	-	-
Other		-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	10	317,765	381,403	438,293	303,556	295,487	295,487	425,829	(5,279)	(5,847)	(5,620)

References

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

- Table D5 Budgeted Cash Flow

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		–	–	–	–	–	–	–	–	–	–
Service charges		–	–	–	–	–	–	–	–	–	–
Other revenue		(30)	74	1,276	–	–	–	5,452	–	–	–
Transfers and Subsidies - Operational	1	–	–	1,881	–	–	–	13,007	10,000	10,000	10,000
Transfers and Subsidies - Capital	1	–	–	3,074	–	–	–	3,656	–	–	–
Interest		–	–	–	–	–	–	–	–	–	–
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(7,046)	(6,920)	(12,494)	50	75	75	(14,040)	(90)	(95)	(99)
Finance charges		–	–	–	–	–	–	–	–	–	–
Transfers and Subsidies	1	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		(7,076)	(6,846)	(6,263)	50	75	75	8,075	9,910	9,906	9,901
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		–	–	–	–	–	–	–	–	–	–
VAT Control (Receipts)											
Decrease (increase) in non-current receivables		–	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		(38,999)	(675)	(31)	–	–	–	(3,658)	–	–	–
NET CASH FROM/(USED) INVESTING ACTIVITIES		(38,999)	(675)	(31)	–	–	–	(3,658)	–	–	–
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–	–
Payments											
Repayment of borrowing		–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	–	–	–	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD		(46,074)	(7,521)	(6,294)	50	75	75	4,417	9,910	9,906	9,901
Cash/cash equivalents at the year begin:	2	1,846	2,370	3,413	2,370	2,370	2,370	2,151	–	9,910	19,816
Cash/cash equivalents at the year end:	2	(44,228)	(5,151)	(2,880)	2,420	2,445	2,445	6,569	9,910	19,816	29,716

**- Supporting Table SD1 Measurable performance targets**

[illegible]

Notes

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

- Supporting Table SD2 Financial and non-financial indicators

Description of indicator	Basis of calculation	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				Medium Term Revenue and Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
<b>Borrowing Management</b>												
Credit Rating	Finance charges & Depreciation / Operating		0%	16%	23%	17%	18%	18%	34%	15%	14%	14%
Capital Charges to Operating Expenditure	Expenditure											
Borrowed funding of capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Safety of Capital</b>												
Gearing	Long Term Borrowing / Funds & Reserves		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
<b>Liquidity</b>												
Current Ratio	Current assets / current liabilities		0.00	0.00	11.42	0.00	0.00	0.00	8.31	0.00	0.00	0.00
Current Ratio adjusted for debtors	Current assets/current liabilities less debtors > 90 days		0.00	0.00	11.42	0.00	0.00	0.00	8.31	0.00	0.00	0.00
Liquidity Ratio	Monetary Assets / Current Liabilities		0.00	0.00	-22.42	0.00	0.00	0.00	-7.28	0.00	0.00	0.00
<b>Revenue Management</b>												
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts / Last 12 Mths Billing			0%	0%	0%	0%	0%	0%	0%	0%	0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		169%	355%	22%	94%	73%	73%	13%	67%	68%	69%
Longstanding Debtors Reduction Due To Recovery	Debtors > 12 Mths Recovered / Total Debtors > 12 Months Old											
<b>Creditors Management</b>												
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))											
Creditors to Cash and Investments			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Funding of Provisions</b>												
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions											
<b>Other Indicators</b>												
Electricity Distribution Losses (2)	Total Volume Losses (kW) Total Cost of Losses (Rand '000) % Volume (units purchased and generated less units sold)/units purchased and generated	1										
Water Distribution Losses (2)	Total Volume Losses (kℓ) Total Cost of Losses (Rand '000) % Volume (units purchased and generated less units sold)/units purchased and generated											
Employee costs	Employee costs/Total Revenue - capital revenue		20.1%	59.2%	43.5%	39%	49%	49%	40%	44%	45%	45%
Remuneration	Total remuneration/(Total Revenue - capital revenue)		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Repairs & Maintenance	R&M/Total Revenue - capital revenue		0.0%	0.0%	0.0%	0%	0%	0%	0%	0%	0%	0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)		0.0%	14.0%	22.7%	18%	25%	25%	35%	17%	16%	16%
<b>Financial viability indicators</b>												
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year		-	-	-	-	-	-	-	-	-	-
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services		0%	0.0%	0.0%	0%	0%	0%	0%	0%	0%	0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure		2738%	15.1	17.7	9.5	10.6	-	15.4	0.1	0.0	0.0

- Supporting Table SD3 Budgeted Investment Portfolio

Supporting Table 220 Budgeted Investment - Bonds								
Investments by Maturity	Ref	Period of Investment	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate	Commission Paid (Rands)	Commission Recipient
Name of institution & investment ID		Yrs/Months						
	1				-	-	-	

## References

- Supporting Table SD4 Board member allowances and staff benefits

Summary of Employee and Board Member remuneration	Ref	2021/22	2022/23	2023/24	Current Year 2024/25				Medium Term Revenue and Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
		A	B	C	D	E	F		G	H	I
<b>R thousands</b>											
<b>Remuneration</b>											
<b>Board Members of Entities</b>											
Basic Salaries and Wages		1,125	1,068	506	1,269	1,269	1,269	623	363	381	400
Pension and UIF Contributions		-	-	-	-	-	-	-	-	-	-
Medical Aid Contributions		-	-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		56	28	12	261	261	261	-	-	-	-
Cellphone Allowance		-	-	-	-	-	-	-	-	-	-
Housing Allowances		-	-	-	-	-	-	-	-	-	-
Other benefits and allowances		-	-	-	-	-	-	-	296	311	326
Board Fees		-	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-	-
<b>Sub Total - Board Members of Entities</b>		<b>1,181</b>	<b>1,097</b>	<b>517</b>	<b>1,530</b>	<b>1,530</b>	<b>1,530</b>	<b>623</b>	<b>659</b>	<b>692</b>	<b>726</b>
<b>% increase</b>			(0)	(0)	0	0		0	0	0	5.0%
<b>Senior Managers of Entities</b>											
Basic Salaries and Wages		826	1,710	878	-	1,115	1,115	566	1,170	1,228	1,290
Pension and UIF Contributions		-	-	-	-	-	-	-	143	150	157
Medical Aid Contributions		-	-	-	-	-	-	-	-	-	-
Overtime		-	-	-	-	-	-	-	-	-	-
Performance Bonus		-	-	-	-	-	-	-	-	-	-
Motor Vehicle Allowance		-	-	-	-	-	-	-	65	68	72
Cellphone Allowance		-	-	-	-	-	-	-	-	-	-
Housing Allowances		-	-	-	-	-	-	-	167	176	185
Other benefits and allowances		-	-	-	-	-	-	-	-	-	-
Payments in lieu of leave		-	-	-	-	-	-	-	-	-	-
Long service awards		-	-	-	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-	-
<b>Sub Total - Senior Managers of Entities</b>		<b>826</b>	<b>1,710</b>	<b>878</b>	<b>-</b>	<b>1,115</b>	<b>1,115</b>	<b>566</b>	<b>1,545</b>	<b>1,622</b>	<b>1,703</b>
<b>% increase</b>			0	(0)		0		(0)	0	0	5.0%
<b>Other Staff of Entities</b>											
Basic Salaries and Wages		3,550	6,389	6,510	10,162	8,332	8,332	5,115	11,508	12,083	12,687
Pension and UIF Contributions		535	1,110	1,324	1,586	1,458	1,458	903	2,069	2,172	2,281
Medical Aid Contributions		187	438	493	722	664	664	293	723	759	797
Overtime		-	30	11	-	80	80	19	-	-	-
Performance Bonus		405	767	410	708	666	666	-	942	990	1,039
Motor Vehicle Allowance		285	625	784	1,168	894	894	496	1,443	1,515	1,591
Cellphone Allowance		96	85	128	120	160	160	80	-	-	-
Housing Allowances		135	282	291	339	335	335	243	487	511	536
Other benefits and allowances		42	1	133	1	1	1	1	2	2	2
Payments in lieu of leave		41	75	213	-	-	-	-	-	-	-
Long service awards		-	115	175	-	-	-	-	-	-	-
Post-retirement benefit obligations		-	-	-	-	-	-	-	-	-	-
<b>Sub Total - Other Staff of Entities</b>		<b>5,275</b>	<b>9,917</b>	<b>10,471</b>	<b>14,807</b>	<b>12,589</b>	<b>12,589</b>	<b>7,149</b>	<b>17,173</b>	<b>18,031</b>	<b>18,933</b>
<b>% increase</b>			0	0	0	0		(0)	0	0	5.0%
<b>Total Municipal Entities remuneration</b>		<b>7,282</b>	<b>12,724</b>	<b>11,867</b>	<b>16,336</b>	<b>15,233</b>	<b>15,233</b>	<b>8,339</b>	<b>19,377</b>	<b>20,345</b>	<b>21,363</b>



- Supporting Table SD5 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2023/24			Current Year 2024/25			Budget Year 2025/26		
		Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
<b>Number</b>	<b>1</b>									
<b>Municipal Council and Boards of Municipal Entities</b>										
Councillors (Political Office Bearers plus Other Councillors)										
Board Members of municipal entities	3	5		5	5		5	5		5
<b>Municipal entity employees</b>	4									
CEO and Senior Managers	2		1	2		1	2		1	2
Other Managers	6		4			4			4	
Professionals		4	4	–	4	4	–	4	4	–
Finance		4	4		4	4		4	4	
Spatial/town planning										
Information Technology										
Roads										
Electricity										
Water										
Sanitation										
Refuse										
Other										
Technicians		–	–	–	–	–	–	–	–	–
Finance										
Spatial/town planning										
Information Technology										
Roads										
Electricity										
Water										
Sanitation										
Refuse										
Other										
Clerks (Clerical and administrative)		4	3		4	3		3	4	
Service and sales workers		1	9		1	9		1	9	
Skilled agricultural and fishery workers		3	5		3	5		3	7	
Craft and related trades										
Plant and Machine Operators										
Elementary Occupations										
<b>Total Personnel Numbers</b>		<b>17</b>	<b>26</b>	<b>7</b>	<b>17</b>	<b>26</b>	<b>7</b>	<b>16</b>	<b>29</b>	<b>7</b>
<b>% increase</b>			52.9%	(73.1%)	142.9%	271.4%	–	128.6%	81.3%	(75.9%)
<b>Total entity employees headcount</b>	5									
Finance personnel headcount	7									
Human Resources personnel headcount	7									

References

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

[illegible]

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

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1									
<b>Capital expenditure on new assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-

<b>Community Assets</b>	-	-	-	-	-	-	-	-	-
Community Facilities	-	-	-	-	-	-	-	-	-
Halls	-	-	-	-	-	-	-	-	-
Centres	-	-	-	-	-	-	-	-	-
Crèches	-	-	-	-	-	-	-	-	-
Clinics/Care Centres	-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations	-	-	-	-	-	-	-	-	-
Testing Stations	-	-	-	-	-	-	-	-	-
Museums	-	-	-	-	-	-	-	-	-
Galleries	-	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria	-	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-	-
Parks	-	-	-	-	-	-	-	-	-
Public Open Space	-	-	-	-	-	-	-	-	-
Nature Reserves	-	-	-	-	-	-	-	-	-
Public Ablution Facilities	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Stalls	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Indoor Facilities	-	-	-	-	-	-	-	-	-
Outdoor Facilities	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	38,999	675	-	-	-	-	-	-	-
Revenue Generating	38,999	675	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	38,999	675	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
<b>Other assets</b>	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	-	-	-
Municipal Offices	-	-	-	-	-	-	-	-	-
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Housing	-	-	-	-	-	-	-	-	-
Staff Housing	-	-	-	-	-	-	-	-	-
Social Housing	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	-	-	-	-	-	-	-	-
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>	-	-	26	150	250	250	180	180	180
Computer Equipment	-	-	26	150	250	250	180	180	180
<b>Furniture and Office Equipment</b>	-	-	-	1,679	2,600	2,600	1,620	-	-
Furniture and Office Equipment	-	-	-	1,679	2,600	2,600	1,620	-	-
<b>Machinery and Equipment</b>	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-
<b>Transport Assets</b>	-	-	-	628	628	628	-	-	-
Transport Assets	-	-	-	628	628	628	-	-	-
<b>Land</b>	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
<b>Living resources</b>	-	-	-	-	-	-	-	-	-
Mature	-	-	-	-	-	-	-	-	-
Policing and Protection	-	-	-	-	-	-	-	-	-
Zoological plants and animals	-	-	-	-	-	-	-	-	-
Immature	-	-	-	-	-	-	-	-	-
Policing and Protection	-	-	-	-	-	-	-	-	-

Zoological plants and animals		-	-	-	-	-	-	-	-	-
Total Capital Expenditure on new assets	1	38,999	675	26	2,458	3,478	3,478	1,800	180	180

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

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1									
<b>Capital expenditure on renewal of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Halls		-	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-
Museums		-	-	-	-	-	-	-	-	-
Galleries		-	-	-	-	-	-	-	-	-
Theatres		-	-	-	-	-	-	-	-	-

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

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

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1									
<b>Repairs and maintenance expenditure by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Halls		-	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-



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

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

- Supporting Table SD7d Depreciation by asset class

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1									
<b>Depreciation by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Halls		-	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-

Testing Stations	-	-	-	-	-	-	-	-	-
Museums	-	-	-	-	-	-	-	-	-
Galleries	-	-	-	-	-	-	-	-	-
Theatres	-	-	-	-	-	-	-	-	-
Libraries	-	-	-	-	-	-	-	-	-
Cemeteries/Crematoria	-	-	-	-	-	-	-	-	-
Police	-	-	-	-	-	-	-	-	-
Parks	-	-	-	-	-	-	-	-	-
Public Open Space	-	-	-	-	-	-	-	-	-
Nature Reserves	-	-	-	-	-	-	-	-	-
Public Ablution Facilities	-	-	-	-	-	-	-	-	-
Markets	-	-	-	-	-	-	-	-	-
Stalls	-	-	-	-	-	-	-	-	-
Abattoirs	-	-	-	-	-	-	-	-	-
Airports	-	-	-	-	-	-	-	-	-
Taxi Ranks/Bus Terminals	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities	-	-	-	-	-	-	-	-	-
Indoor Facilities	-	-	-	-	-	-	-	-	-
Outdoor Facilities	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	-	-	-	-	-	-
<b>Heritage assets</b>	-	-	-	-	-	-	-	-	-
Monuments	-	-	-	-	-	-	-	-	-
Historic Buildings	-	-	-	-	-	-	-	-	-
Works of Art	-	-	-	-	-	-	-	-	-
Conservation Areas	-	-	-	-	-	-	-	-	-
Other Heritage	-	-	-	-	-	-	-	-	-
<b>Investment properties</b>	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Improved Property	-	-	-	-	-	-	-	-	-
Unimproved Property	-	-	-	-	-	-	-	-	-
<b>Other assets</b>	-	3,000	6,174	7,581	7,549	7,549	7,384	7,384	7,384
Operational Buildings	-	-	-	9	9	9	20	20	20
Municipal Offices	-	-	-	-	-	-	-	-	-
Pay/Enquiry Points	-	-	-	-	-	-	-	-	-
Building Plan Offices	-	-	-	-	-	-	-	-	-
Workshops	-	-	-	-	-	-	-	-	-
Yards	-	-	-	-	-	-	-	-	-
Stores	-	-	-	-	-	-	-	-	-
Laboratories	-	-	-	-	-	-	-	-	-
Training Centres	-	-	-	-	-	-	-	-	-
Manufacturing Plant	-	-	-	-	-	-	-	-	-
Depots	-	-	-	-	-	-	-	-	-
Capital Spares	-	-	-	9	9	9	20	20	20
Housing	-	3,000	6,174	7,572	7,540	7,540	7,364	7,364	7,364
Staff Housing	-	-	-	-	-	-	-	-	-
Social Housing	-	3,000	6,174	7,572	7,540	7,540	7,364	7,364	7,364
Capital Spares	-	-	-	-	-	-	-	-	-
<b>Biological or Cultivated Assets</b>	-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
<b>Intangible Assets</b>	-	-	-	-	10	10	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	10	10	-	-	-
Water Rights	-	-	-	-	-	-	-	-	-
Effluent Licenses	-	-	-	-	-	-	-	-	-
Solid Waste Licenses	-	-	-	-	-	-	-	-	-
Computer Software and Applications	-	-	-	-	10	10	-	-	-
Load Settlement Software Applications	-	-	-	-	-	-	-	-	-
Unspecified	-	-	-	-	-	-	-	-	-
<b>Computer Equipment</b>	-	-	-	-	12	12	-	-	-
Computer Equipment	-	-	-	-	12	12	-	-	-
<b>Furniture and Office Equipment</b>	-	-	10	9	19	19	16	16	16
Furniture and Office Equipment	-	-	10	9	19	19	16	16	16
<b>Machinery and Equipment</b>	-	-	7	10	10	10	20	20	20
Machinery and Equipment	-	-	7	10	10	10	20	20	20
<b>Transport Assets</b>	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	-	-	-
<b>Land</b>	-	-	-	-	-	-	-	-	-
Land	-	-	-	-	-	-	-	-	-
<b>Zoo's, Marine and Non-biological Animals</b>	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
<b>Living resources</b>	-	-	-	-	-	-	-	-	-

Mature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
Immature		-	-	-	-	-	-	-	-	-
Policing and Protection		-	-	-	-	-	-	-	-	-
Zoological plants and animals		-	-	-	-	-	-	-	-	-
<b>Total Depreciation</b>	1	-	3,000	6,191	7,600	7,600	7,600	7,420	7,420	7,420

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

Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			2025/26 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28
R thousand	1									
<b>Capital expenditure on upgrading of existing assets by Asset Class/Sub-class</b>										
<b>Infrastructure</b>		-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Roads		-	-	-	-	-	-	-	-	-
Road Structures		-	-	-	-	-	-	-	-	-
Road Furniture		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Power Plants		-	-	-	-	-	-	-	-	-
HV Substations		-	-	-	-	-	-	-	-	-
HV Switching Station		-	-	-	-	-	-	-	-	-
HV Transmission Conductors		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
MV Switching Stations		-	-	-	-	-	-	-	-	-
MV Networks		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Dams and Weirs		-	-	-	-	-	-	-	-	-
Boreholes		-	-	-	-	-	-	-	-	-
Reservoirs		-	-	-	-	-	-	-	-	-
Pump Stations		-	-	-	-	-	-	-	-	-
Water Treatment Works		-	-	-	-	-	-	-	-	-
Bulk Mains		-	-	-	-	-	-	-	-	-
Distribution		-	-	-	-	-	-	-	-	-
Distribution Points		-	-	-	-	-	-	-	-	-
PRV Stations		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Pump Station		-	-	-	-	-	-	-	-	-
Reticulation		-	-	-	-	-	-	-	-	-
Waste Water Treatment Works		-	-	-	-	-	-	-	-	-
Outfall Sewers		-	-	-	-	-	-	-	-	-
Toilet Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Landfill Sites		-	-	-	-	-	-	-	-	-
Waste Transfer Stations		-	-	-	-	-	-	-	-	-
Waste Processing Facilities		-	-	-	-	-	-	-	-	-
Waste Drop-off Points		-	-	-	-	-	-	-	-	-
Waste Separation Facilities		-	-	-	-	-	-	-	-	-
Electricity Generation Facilities		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Rail Lines		-	-	-	-	-	-	-	-	-
Rail Structures		-	-	-	-	-	-	-	-	-
Rail Furniture		-	-	-	-	-	-	-	-	-
Drainage Collection		-	-	-	-	-	-	-	-	-
Storm water Conveyance		-	-	-	-	-	-	-	-	-
Attenuation		-	-	-	-	-	-	-	-	-
MV Substations		-	-	-	-	-	-	-	-	-
LV Networks		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Sand Pumps		-	-	-	-	-	-	-	-	-
Piers		-	-	-	-	-	-	-	-	-
Revetments		-	-	-	-	-	-	-	-	-
Promenades		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Data Centres		-	-	-	-	-	-	-	-	-
Core Layers		-	-	-	-	-	-	-	-	-
Distribution Layers		-	-	-	-	-	-	-	-	-
Capital Spares		-	-	-	-	-	-	-	-	-
<b>Community Assets</b>		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Halls		-	-	-	-	-	-	-	-	-
Centres		-	-	-	-	-	-	-	-	-
Crèches		-	-	-	-	-	-	-	-	-
Clinics/Care Centres		-	-	-	-	-	-	-	-	-
Fire/Ambulance Stations		-	-	-	-	-	-	-	-	-
Testing Stations		-	-	-	-	-	-	-	-	-

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

Upgrading of Existing Assets as % of deprecn"		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
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- Supporting Table SD8 Future financial implications of the capital expenditure budget

Description	Ref	Preceding Years	Current Year 2024/25	2025/26 Medium Term Revenue & Expenditure Framework			Forecast 2028/29	Forecast 2029/30
	1,3	Budget Year 2025/26	Budget Year +1 2026/27	Budget Year +2 2027/28	Forecast 2028/29	Forecast 2029/30	Forecast 2030/31	Present value
R thousands								
Entities:								
<u>Revenue Obligation By Contract</u>	2							
Contract 1								
Contract 2								
Contract 3 etc								
Total Operating Revenue Implication		-	-	-	-	-	-	-
<u>Expenditure Obligation By Contract</u>	2							
Contract 1								
Contract 2								
Contract 3 etc								
Total Operating Expenditure Implication		-	-	-	-	-	-	-
<u>Capital Expenditure Obligation By Contract</u>	2							
Contract 1								
Contract 2								
Contract 3 etc								
Total Capital Expenditure Implication		-	-	-	-	-	-	-
Total Entity Expenditure Implication		-	-	-	-	-	-	-



**- Supporting Table SD10 External mechanisms**

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

# **Annexure D:**

## **MFMA BUDGET CIRCULARS**



## Municipal Budget Circular for the 2025/26 MTREF

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## Introduction

This budget circular provides guidance to municipalities with their compilation of the 2025/26 Medium Term Revenue and Expenditure Framework (MTREF). It is linked to the Municipal Budget and Reporting Regulations (MBRR) and the Municipal Standard Chart of Accounts (mSCOA) and strives to support municipalities' budget preparation processes so that the minimum requirements are achieved.

Among the objectives of this budget circular is to demonstrate how municipalities should undertake annual budget preparation in accordance with the budget and financial management reform agenda by focussing on key "game changers". These game-changers include ensuring that municipal budgets are funded, revenue management is optimised, assets are managed efficiently, supply chain management processes are adhered to, mSCOA is implemented correctly and that audit findings are addressed. Municipalities are reminded to refer to the annual budget circulars of the previous years for guidance in areas of the budget preparation that are not covered in this circular.

## 1. The South African economy and inflation targets

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.

The following macro-economic forecasts must be considered when preparing the 2025/26 MTREF municipal budgets.

**Table 1: Macroeconomic performance and projections, 2023 - 2027**

Fiscal year	2023/24	2024/25	2025/26	2026/27	2027/28
	Actual	Estimate	Forecast		
CPI Inflation	5.9%	4.6%	4.4%	4.5%	2.5%

Source: Medium Term Budget Policy Statement 2024.

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

Growth in household consumption expenditure is expected to improve to 1.2 per cent in 2024, up from 0.7 per cent in 2023. Households have seen growth in real incomes as this year progressed and inflation has cooled, while consumer confidence has been buoyed by several factors, including stable electricity supply and expectations of improving financial conditions following a September cut in interest rates. Real purchasing power is expected to be bolstered by a further moderation in inflation and lower interest rates supporting household balance sheets. The newly implemented two-pot retirement system, which allows consumers to withdraw a portion of their savings before retirement, may also boost household consumption over the next few years depending on the eventual use of the withdrawn funds.

During 2024, headline inflation has cooled to its lowest rate in over three years, supported by lower food and transport prices. Underlying inflation – measured by the core inflation rate, which excludes volatile items such as food, non-alcoholic beverages, fuels, and energy – has also moderated to two-year lows, supported by lower imported inflation. Headline inflation is projected to stabilise around the midpoint of the 3–6 per cent inflation target range in the medium term. Lower food prices, a stronger rand and comparatively low oil prices present favourable risks. Meanwhile, unfavourable risks to the outlook include higher administered prices and unfavourable weather conditions for agriculture.

Even though confidence of the consumers has been uplifted by the improved economy, households are still struggling to pay municipal accounts and that has a negative impact on municipal own revenues. It is therefore noted that variations in regional specifics are possible, however, any variation of assumptions must be explicitly set out and well explained in the budget narratives, in the absence of which the Treasuries will refer the budget back to council for alignment to the macroeconomic performance projections.

## 2. Key focus areas for the 2025/26 budget process

### 2.1 Local government conditional grants allocations

Over the 2025 Medium-Term Expenditure Framework (MTEF), the government proposes an allocation of 9.8 per cent to local government. Local government funding is projected to increase from R184.8 billion in 2025/26 to R197.9 billion in 2027/28. In 2025/26, this comprises R106.1 billion for the local government equitable share, R16.8 billion from the general fuel levy sharing with metros, and R61.8 billion for both direct and indirect conditional grants. The increased allocations to local government reflect the government's commitment to social protection as a cornerstone of its fiscal strategy, ensuring ongoing support for indigent populations and the expansion of critical infrastructure through conditional grants. These figures represent the preliminary fiscal framework outlined in the 2024 Medium Term Budget Policy Statement. The final details will be provided in the 2025 Budget Review.

#### Notable changes to the conditional grants system

Government has finalised its review of the conditional grant system and developed a range of reforms based on the results. These reforms are aimed to rationalise conditional grants and enhance their effectiveness and will be implemented from 2025/26.

In the metro space, National Treasury remain committed to consolidating grants to improve efficiency and effectiveness. Starting with the 2025 Budget, the Neighbourhood Development Partnership Grant (NDPG direct) and the Programme and Project Preparation Support Grant (PPPSG) will be consolidated. Over the 2025 Medium-Term Revenue and Expenditure Framework (MTREF), further reforms will include integrating the Municipal Systems Improvement Grant (MSIG) and the Neighbourhood Development Partnership Grant (NDPG indirect) into the budget baselines of the Department of Cooperative Governance and the National Treasury, respectively. Both departments will still earmark these to ensure that these allocations are used for their original purposes.

Additionally, the non-metro components of the NDPG direct will be merged with a portion of the PPPSG, and the grant will be redesigned to better serve its objectives. Most of other proposed reforms being discussed currently are planned for medium- to long-term implementation.

NT advise municipalities to utilise the indicative numbers that were presented in the 2024 Division of Revenue Act when developing the 2025/26 MTREF calculations. It is crucial to also consider the



proposed changes to baselines that were presented in the 2024 MTBPS, as they may have an impact. NT recommend this must be prioritised in all budgetary planning for the upcoming fiscal year. In terms of the outer year allocations (2027/28 financial year), it is proposed that municipalities conservatively limit funding allocations to the indicative numbers as presented in the 2024 Division of Revenue Act for 2025/26. The Division of Revenue Bill, 2024, which includes the annexures outlining allocations to each municipality is available at:

<https://www.treasury.gov.za/documents/national%20budget/2024/default.aspx>

### ***Division Of Revenue Amendment Bill, 2024 (DoRAB)***

**Additional funding to the Municipal Disaster Recovery Grant** – R684 million is added to the Municipal Disaster Recovery Grant (MDRG – Recovery) to fund the reconstruction and rehabilitation of municipal infrastructure damaged by the flood and storm surges that occurred in various parts of the country between December 2023 and July 2024. This will benefit several municipalities in five provinces with the following breakdown: Eastern Cape municipalities (10): R319 million; Free State municipalities (4): R48 million; KwaZulu-Natal municipalities (7): R152 million; Limpopo municipalities (4): R88 million; and Mpumalanga municipalities (4): R77 million.

**Reprioritisation from the Public Transport Network Grant** – R300 million is shifted from the Public Transport Network Grant (PTNG) to the Taxi Relief Fund to fund the extension of the programme. While the fund was introduced as a relief measure during the height of the COVID- 19 pandemic, it has been extended and forms part of the work that the Department of Transport is undertaking in the formalisation of the taxi industry.

**Rescheduling of BFI funding in the Regional Bulk Infrastructure Grant** – reduction of R225 million to the allocation of Drakenstein Local Municipality in the Regional Bulk Infrastructure Grant (RBIG) to align to the revised implementation plan and cashflow projections for the sanitation infrastructure upgrade project funded through the BFI.

**Roll-over** – R29 million is rolled over in the MSIG to complete projects related to the development of the Smart Cities Framework, Capital Expenditure Framework, Data Management Project, and Records Management Project.

### **Changes to conditional grant frameworks and allocations**

The framework of the MDRG – recovery will be amended to ring-fence the additional funds for the repair and reconstruction of municipal infrastructure damaged by the disasters that occurred between December 2023 and June 2024.

The framework of the RBIG will be updated to amend the ring-fenced BFI amount for Drakenstein Local Municipality's sanitation infrastructure upgrade project.

The framework of the PTNG is amended to reflect the revised 2024/25 baseline following the reprioritisation towards the Taxi Relief Fund.

The framework of the MSIG is amended to account for the approved roll-over in the 2024/25 financial year.

Details per municipality, of the changes to allocations for the municipal disaster recovery grant, municipal systems improvement grant, public transport network grant and regional bulk infrastructure grant that have been described in Part 2 of the explanatory memorandum to the DoRAB will be gazetted. These changes per municipality are shown in **Annexures D to E and Appendix A** of the DoRAB.

All amended frameworks will be gazetted in terms of section 15(2) of the 2024 DoRA, after consulting Parliament.

## 2.2 Metropolitan Municipalities Trading Services Reform performance incentive

The provision of water, sanitation, electricity, and solid waste management are in a significant decline, resulting in poor reliability, safety, and accessibility of these services. The immediate cause of service decline is long-term and systemic underinvestment in maintaining, rehabilitating, and expanding infrastructure assets. Fundamental weaknesses in the structure and management of trading services underpin and exacerbate underinvestment in trading services infrastructure and assets. Currently, trading services face negative cash flows, placing at risk overall metropolitan municipalities (refers herein as metros)'s finances and their ability to support the necessary investments and contribute to the financial health of the entire municipality. Thus, there is a growing risk to municipal finances from the impact of failing trading services and an urgent need to incentivise the turnaround of trading services/ utilities to improve performance and increase investment in infrastructure.

A new feature of the conditional grant structure from 2024/25 is a performance incentive for metros who agree to embark upon specific trading services reforms, subject to performance on accountability, financial and operational performance metrics. The purpose of the Metro Trading Services performance incentive is to support and incentivise the turnaround of metro trading services to functional utilities that can access loan finance.

The incentive programme is currently planned to run over six years, from 2024/25 to 2030/31, and will cover water and sanitation (W&S), electricity and energy (E&E), and solid waste management (SWM). Maximum performance incentive amounts will be allocated to metros through the annual Division of Revenue Act, based on household and poverty indices. The envisaged scale of the incentive is such that, with commensurate internally generated funding, metro trading services capital expenditure can more than double compared to the current baseline.

To access the performance incentive, most metros have already developed Trading Services Reform Strategies, with two annexures (A1: Institutional Road Map, and A2: Business and Investment Plans) for their Water and Sanitation and Electricity and Energy Trading Services. (See Guidance Note 2: Assessment Criteria, Process and Timeframes, Metro preparations for the introduction of trading services infrastructure financing reforms). The date for submission of Solid Waste Management A, A1 and A2s is 31 July 2025. The guidance note is accessible [at this link on the National Treasury website](#).

Metros with acceptable reform strategies for W&S and E&E will need to develop a third Annexure to their sector-specific Trading Services Reform Strategies, namely Annexure 3: Performance Improvement Action Plan (PIAP). Each A3: PIAP will have approximately 40 indicators across three performance areas (Accountability, Financial and Operational (W&S or E&E or SWM)).

For each indicator, metros will specify their starting points, ambitions, programmes to accomplish the ambitions, and annual targets for the six years of the programme. The A3: PIAP as agreed to by National Treasury and passed by the metro council will become the metro's trading service **performance contract** against which incentive allocations are confirmed or adjusted, through the Division of Revenue Act. The Council-approved sector-specific A3: PIAP must be submitted to National Treasury as part of the metro's submission of budget documentation.

Metros are currently receiving formal feedback on submissions already made. Workshop briefings, a Guidance Note, and direct support will be provided to enable metros to complete the A3: PIAP template.

For metros seeking to access the incentive, the second day of the Mid-year Budget and Performance Review (MYBR) engagements will be dedicated in assessing the readiness for trading services reform and the details of A3: PIAP. Metros should submit a complete first draft A3: PIAP prior to the MYBR engagement.

Similarly, for metros seeking to access the incentive, the Budget and Benchmark engagements will devote time to assess investment plans, commercial initiatives, of trading services. Metros should be ready for the meeting with a final A3: PIAP.

Metros who have been or are unable to generate satisfactory Trading Services Reform Strategy documents will have further opportunities (with assistance of NT) to join the programme in future.

### 2.3. Reporting requirements for Disaster Allocations

National Treasury has in the previous circular (MFMA Circular No. 126 dated 07 December 2023) indicated that municipalities that receive their disaster funding before the start of the municipal year, i.e., 01 July, but after the end of the national financial year, 31 March, do not need to request a rollover as any deemed unspent disaster fund transferred to municipalities during that period (01 April to 30 June) will be regarded as an automatic rollover. This consideration is done because funding for this form of a disaster would have been transferred from the new year's allocation. Therefore, National Treasury will support that these unspent monies be carried over into the new municipal year's budget. The contents of MFMA Circular No 126 are not repeated here as the position still holds.

Disaster response funding for local government is provided for in the Division of Revenue Act, 2024 (Act No. 24 of 2024) (DoRA) through the Municipal Disaster Response Grant schedule 7B (MDRG 7B); and the Municipal Recovery Grant schedule 5B (MDRG 5B).

Funds from the MDRG 7B allocations are unallocated until a classification of a disaster by the Head of National Disaster Management Centre (NDMC) in terms of Section 23(1)(b) of the Disaster Management Act, 2002 (Act No. 57 of 2002). This grant provides for the immediate release of funds for disaster response if an occurrence cannot be adequately addressed in line with section 2(1)(b) of the Disaster Management Act, 2002 (Act No. 57 of 2002).

The MDRG 5B funds longer-term rehabilitation and reconstruction of municipal infrastructure damaged by a disaster.

Section 25 of the 2024 DoRA provides that:

- (3) (a) The transferring officer may, with the approval of the National Treasury, make one or more transfers of a Schedule 7 allocation to a province or municipality for a classified disaster, within 100 days after the date of the classification of the disaster.*
- (c) The National Treasury must, within 21 days after the end of the 100-day period envisaged in paragraph (a), by notice in the Gazette, publish all transfers of a Schedule 7 allocations made for a classified disaster.*
- (f) The funds approved in terms of paragraph (a) must be included in municipal adjustments budgets.*

Any additional disaster funding that may be approved by the National Treasury through section 19 (6) of the DoRA which states that "On a joint request by the transferring officer and the National Disaster Management Centre (NDMC), the National Treasury may approve that a conditional allocation in Schedule 4, 5 or 6, or a portion thereof, be reallocated to pay for the alleviation of the impact of a classified disaster or the reconstruction or rehabilitation of infrastructure damage caused by a classified disaster", must comply with all the reporting requirements in the DoRA. Before the National Treasury approves a reallocation, the receiving officer of the conditional allocation in Schedule 4 or 5 or the transferring officer of a Schedule 6

allocation must confirm that the affected funds are not committed in terms of any statutory or contractual obligation". These funds upon approval constitute a part of the total disaster allocation for that financial year and must comply with the framework conditions of the disaster funding.

Upon approval by the National Treasury either through section 25(3)(a) or section 19(6), municipalities are required to follow all reporting prescripts in terms of the DoRA. In terms of the duties of receiving officer in respect of schedule 5 or 7 allocations, section 12 requires municipalities to report expenditure and transfers received monthly, not later than 10 working days after the end of each month. Further, a municipality must submit a quarterly non-financial performance report within 30 days after the end of each quarter. Lastly, municipalities must evaluate the financial and non-financial performance of the municipality, in respect of programmes partially or fully funded by a schedule 5 allocation and submit such evaluation to the transferring officer and the relevant provincial treasury within two months after the end of the 2024/25 financial year applicable to a municipality. The reporting must also comply with the framework of the Disaster grant.

In addition to the reporting requirements outlined in section 12 of the DoRA, municipalities must adhere to the reporting guidelines specified in the disaster management frameworks. Municipalities are required to implement all approved projects and ensure that allocated funds are used for their intended purposes. Municipalities should submit disaster assessment reports and funding requests, signed by the Accounting Officer, to the Provincial Disaster Management Centre (PDMC) within 14 days of the disaster classification. Additionally, municipalities must provide a performance report, including supporting evidence (such as payment certificates, photographs, and invoices) demonstrating the progress of project implementation, to the PDMC within 30 days after the end of the quarter in which the funds were utilised. National Treasury may withhold and / or stop any funds due to the municipality that does not adhere to the reporting requirements in the DoRA.

In terms of any disaster funding that municipalities receive between 01 July and 31 March and have not been spent by the end of the municipal year, 30 June, a request for a rollover is required and it is not deemed automatic. This is slightly different from an instance wherein disaster response funds are transferred to municipalities after the end of the national financial year, 31 March.

#### **2.4. Budgeting and reporting of the Integrated National Electrification Programme (INEP)**

The DoRA provides for the allocation to ensure access to electricity through provision of capital subsidies to Eskom and municipalities for the eradication of the household's electrification backlogs and to ensure universal access to electricity.

These allocations are made to Eskom for the Eskom areas of supply and to municipalities for their areas of supply. This allocation criteria on the electrification programme follows the powers and functions (licensed and unlicensed) to both municipalities and Eskom. However, there are instances where some allocations that are within the Eskom areas of supply, are made to municipalities. This is done to accelerate the delivery of the electrification services and the eradication of backlogs.

National Treasury has therefore issued the *mSCOA Circular No. 16* dated 16 October 2024 to provide more detailed guidance on the budgeting for these forms of funding. Municipalities are therefore requested to follow the *mSCOA Circular No. 16*.

## 2.5. Stopping and reallocation guidelines

The Division of Revenue Act provides that in instances where municipalities reflect a serious or persistent material breach of the Act (DoRA and MFMA), i.e., non-compliance against the provisions of the Acts, non-compliance against grant framework and significant under-expenditure, National Treasury may at its discretion or at the request of the transferring officer stop and reallocate the conditional grants from non-complying municipalities to best performing municipalities.

Following the 2024/25 mid-year expenditure reports (second quarter report) in terms of section 10 of the 2024 DoRA and sections 71 and 72 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA), National Treasury annually considers invoking sections 18 and 19 of DoRA.

In terms of DoRA, National Treasury utilises the reported information from both municipalities and the transferring officers in terms of section 10 and section 71 of the DoRA and MFMA, respectively. The second quarter reports dated 31 December annually is targeted as a benchmark to determine whether municipalities have adequately performed against the total allocations made. Various conditional grant frameworks give guide on the conditions required for compliance and as a measure of the performance of the municipalities.

Transferring officers are required as part of section 12 of DoRA (duties of the transferring officer) to assess and monitor the performance of the municipalities against the conditional grants and recommend to National Treasury that underperforming municipalities should be considered for stopping, while best performing municipalities are considered for additional funding in terms of sections 18 and 19 of DoRA (stopping and reallocation). In terms of section 18(2) of DoRA, a request by a transferring officer or a receiving officer to stop the transfer of a schedule 4B or 5B allocation, or a portion thereof must be submitted to the National Treasury by **31 January 2025**.

National Treasury is required in terms of sections 17, 18 and 19 of DoRA and section 38 of the MFMA to consult municipalities and afford them an opportunity to make a written representation as to why their conditional grants should not be stopped. Only after National Treasury has consulted and engaged municipalities on this intention (stopping), would the Treasury decide to either stop or not stop. Therefore, the stopping and reallocation process is a consultative “process” for which National Treasury must decide on. Recommendations from all relevant stakeholders, i.e., transferring officers and provincial treasuries are considered before the National Treasury decides.

The following questions form part of the decision when National Treasury writes to municipalities to consider stopping the allocation due to persistent underspending and non-compliance against the provisions of the legislations:

- Why expenditure reported as at 31 December 2024 is below 40 per cent;
- Progress report against approved projections (provide list/ names of approved projects);
- Representation on the cash coverage for grants transferred (Liquidity ratio) and all committed unspent funds must be ringfenced;
- Representation on the initial cash flow projections against actual performance;
- Progress report on any approved rolled over for 2023/24 financial year;
- Commitment that the allocated funds are committed and that they will be fully spent by the end of the financial year, 30 June 2025, i.e., commitment that the municipality will not request rollover against the funds proposed to be stopped;
- Representation on all projects awarded after the second quarter of the municipal financial year as at 31 December 2024;



- Representation on any commitments made against Supply Chain Management Regulation 32 projects in terms of the Supply Chain Management policy and chapter 11 of the MFMA and progress made against these projects;
- Declaration by the municipality on the amount that should be stopped by National Treasury;
- All reporting must be accurate and aligned to mSCOA system and
- An acceleration plan against the 2024/25 approved implementation plan.

According to section 19 of DoRA, when a schedule 4B or 5B allocation, or a portion thereof, is stopped in terms of section 18, the National Treasury may, after consultation with the transferring officer and the relevant provincial treasury, determine the portion of the allocation to be reallocated, as the same type of allocation as it was allocated originally, to one or more provinces or municipalities, on condition that the allocation must be spent by the end of the 2024/25 financial year.

Reallocation is therefore based on availability of funding, with priority being reallocation of funds within the same district or a province. Priority is also given to the best performing municipalities, municipalities with ready projects for implementation, committed multi-projects that could be brought forward, etc i.e., A maximum expenditure of 70 per cent against original allocation is used as an indicator for reallocation. In terms of stopping of the allocations against slow spending municipalities, a 40 per cent benchmark is used to engage municipalities whether their funds should be stopped or not. It is important to note that a representation from municipalities in terms of section 38(2) (a) of the MFMA and a recommendation from the transferring officer/provincial treasury is considered before National Treasury can stop the funds.

### 3. Revenue Management

The weak economic growth continues to impact municipal finances, and this has strained consumers' ability to pay for services as communicated in MFMA Circular No. 89. Coupled with this conundrum is the marginal growth in national transfers as compared to the past. These two critical factors necessitate municipalities to function optimally, suggesting that municipal operations, processes, and procedures must be efficient. Inefficiencies in this space are guaranteed to manifest on municipal finances. Although some municipalities have managed these challenges well, others have fallen into financial distress and face liquidity challenges. Subsequently, municipalities are unable to meet their payment obligations to Eskom, water boards and other creditors. Therefore, municipalities must maximise their revenue generating potential and collect what is due to them and concurrently, eliminate wasteful and non-core spending. Municipal budgets will be scrutinised to ensure that municipalities adequately provide for their core mandate and to service their debt obligations. Municipalities must ensure that expenditure is limited to the maximum revenue collected and not spend money that they do not have.

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 that the tariffs are cost reflective for the financial sustainability of the municipality. The Consumer Price Index (CPI) inflation is forecasted to be 4.4 per cent; therefore, municipalities are required to justify all increases more than the projected inflation target for 2025/26 in their budget narratives and pay careful attention to the differential incidence of tariff increases across all consumer groups. In addition, municipalities should include details of their revenue growth assumptions for the different service charges in the budget narrative.

### 3.1 Revenue enhancement and Improved debt collection

Although different methods and tools are available to municipalities for improving revenue and debt collection through external sources, National Treasury would like to encourage municipalities to productively make use of the available revenue tools developed and available.

A useful method to ensure that all properties in the municipality are levied as per the 2014 Amended Property Rates Act and the municipality's tariffs and rates policies, is the correct use of the **National Treasury Valuation Roll Reconciliation Tool**. Except for property rates, other statistical data of consumers, like the number of users for different services (although it will not perfectly match) can also be benchmarked against.

The correct use of **National Treasury Cost Reflective Tariff** and **Valuation Roll Reconciliation Tools**, together with the statistical data from the municipal billing system, must be utilised to ensure the maximum levying of revenue. Unfortunately, these tools cannot be used successfully if the input data is not correct and / or output is not correctly interpreted.

The **Smart Meters Grant Roll-Out** and **RT29-2024** Transversal Tender (available to all government institutions) are both useful not only to improve revenue in municipalities, but also to assist in improving debt collection. Not only can water and electricity losses be reduced, but cash can be generated up front.

By making use of the available tools and smart metering systems, municipalities will be in a better position to prepare cost-reflective tariffs and credible funded budgets, budgets that align with actual revenues and expenditures.

***Municipalities must focus on increasing collection rates, curbing material losses, and aligning their budgets with actual financial realities.***

### 3.2 Maximising the revenue generation of the municipal revenue base

#### ***Property Rates***

Reference is made to MFMA Circulars No. 93, paragraph 3, 98 paragraph 4.1 and 123 paragraph 5.1. The emphasis in these MFMA Circulars is to ensure that municipalities are using their entire revenue base for the revenue budget projections. The status quo remains; however, it is essential that municipalities reconcile their most recent consolidated valuation roll data to that of the current billing system to ensure that revenue anticipated from property rates is realistic. The municipalities should implement a data management strategy and develop internal capacity to perform these reconciliations and investigations to improve completeness of billing.

The periodic general valuation of properties can result in significant changes in the market values of properties, especially where regular supplementary valuations are not done during the period of validity of the valuation roll. In the year in which a new valuation roll is implemented, where the general valuation of properties results in significant increases in the market values of a significant proportion of the properties, it would be advisable to reduce the cent in the Rand rates for categories of rateable properties for which the greater proportion of the market values increased significantly in the general valuation. To do this, the municipality must run various permutations of different cent in the Rand rates against different categories of properties to ascertain the rates payable against the different permutations.

The use of the Valuation Roll Reconciliation tool of National Treasury, can assist to test the various permutations of tariffs. After running the different permutations, the municipality can then determine cent in the Rand rates for the different categories of rateable properties that do not cause rates shocks that increase the rates payable by property owners excessively.

Municipalities are referred to the Department of Cooperative Governance's practice note in this regard, which is contained in the Local Government: Municipal Property Rates Act General Guidelines (March 2020) which can be found at the following link:

<https://www.cogta.gov.za/index.php/municipal-property-rates/>

### **Requirements for a billing report**

The Billing report must at a minimum provide the following per each property:

- Market value;
- Property category;
- Amount billed;
- Unique property identifier (linked to the Valuation Roll);
- Property owner;
- Rebate value;
- Exemption value; and
- Reduction value.

Although the format of the billing reports will vary across municipalities, the billing report will always have the above-mentioned specifics for any municipality regardless of the financial system used as they all use the valuation roll as the basis to update the municipal financial system. Municipalities are advised to engage their service providers in ensuring that there is a standardised billing report that considers the minimum billing report requirements.

### **Part A and Part B Register**

Reference is made to the Municipal Property Rates Act – section 23 of the MPRA reads as follows:

1. A municipality must draw up and maintain a register in respect of properties situated within that municipality, consisting of a Part A and Part B;
2. Part A of the register consists of the current valuation roll of the municipality, including any supplementary valuation rolls of the municipality prepared in terms of section 78;
3. Part B of the register must specify which properties on the valuation roll or any supplementary valuation rolls are subject to – (a) an exemption from the rate in terms of section 15; (b) a rebate on or a reduction in the rate in terms of section 15; (c) a phasing-in of the rate in terms of section 21; or (d) an exclusion referred to in section 17 (1) (a), (e), (g), (h) and (i);
4. The register must be open for inspection by the public during office hours. If the municipality has an official website or another website available to it, the register must be displayed on that website; and
5. A municipality must at regular intervals, but at least annually, update Part B of the register. Part A of the register must be updated in accordance with the provisions of this Act relating to the updating and supplementing of valuation rolls.

Based on the cited section, municipalities are expected to comply with the provisions of section 23 of the MPRA to ensure that the latest information is used in the reconciliation process. All revenue foregone as supported by municipal policies due to municipal reductions rebates and exemptions must be accounted for in the Part B register and all subsequent supplementary rolls performed are accounted for using a Part A register.

Furthermore, municipalities are also advised and expected to comply with section 8(1) of the MPRA in terms of the billing methodology that should be specified within their policies to ensure that the correct categories (based on the selection made by the municipality) are used



in the reconciliation process. A further test would be to reconcile this information with the Deeds Office registry.

In accordance with the MFMA Circular No. 93, municipalities are once more requested to submit their reconciliation of the Valuation roll, Part A register of the billing system to National Treasury on a quarterly basis by no later than the 10<sup>th</sup> working day after the end of the quarter. A detailed action plan must accompany the reconciliation where variances are noted.

[A copy of the Valuation Roll Reconciliation Tool template is available as Annexure A of this Circular.](#)

The information must be uploaded by the municipality's approved registered user(s) using the GoMuni Upload Portal at: [https://lg.treasury.gov.za/ibi\\_apps/signin](https://lg.treasury.gov.za/ibi_apps/signin).

### 3.3 Setting cost reflective tariffs

It is important that municipalities periodically conduct cost of supply studies in the provision of each basic service. Municipalities must ensure that when tariffs are designed that consumption charges for services are only based on consumption and all other variable costs and fixed costs e.g., salary and wages, etc. should be covered by a fixed charge. Municipalities must ensure that when tariffs are designed, capital repayment of loans are included in the provision for depreciation that must be budgeted for.

During the budgeting process, provision must be made for revenue to be generated by the tariffs levied for services to address the maintenance of infrastructure. Repairs and Maintenance need to be sufficiently covered in Employee Related Costs, Contracted Services, Operational Expenditure, and Inventory Consumed. New infrastructure developments in a municipal area of jurisdiction should be obliged to consider and incorporate efficiency sources of energy available such as solar or wind to respond to the ongoing global energy crisis. Using the latest format of the Cost Reflective Tariff Tool after the upload of the Adjustments Budget, again after the Tabled Budget (Draft Budget) and again after the Council Approved Budget, municipalities will be able to have a better understanding of the cost reflectiveness of its tariffs and future tariff adjustments successfully explained.

It is important to note that the Cost Reflective Tariff Tool's outcome is dependent on a well-structured budget with all applicable revenue and expenditure items included.

The latest version, National Treasury Tariff Tool Linked Vol. 2 of 27 November 2024, is available as **Annexure B** of this Circular. This latest Volume 2 now replaces the Tariff Setting Tool - 05 November 2019 mentioned in MFMA Circular No. 98.

The populated Cost Reflective Tariff Tool, must be uploaded by the municipality's approved registered user(s) using the GoMuni Upload Portal at:

[https://lg.treasury.gov.za/ibi\\_apps/signin](https://lg.treasury.gov.za/ibi_apps/signin).

### 3.4 Consumer Deposits and securities

Credit control policies must be reviewed and amended to include the raising of consumer deposits, the authority to raise deposits must be deleted where it is still in the Electricity and Water by-laws, this must be included in the credit control and debt collection by-laws. Deposits must be equal or more than two months bulk accounts from water services authorities and Eskom.

### 3.5 Contracts with customers

All municipalities should ensure that their service agreements with customers address the following matters:

- Requirements of POPIA;
- Digital and Physical Domicile for the delivery of notices;
- Acceptance of liability in the case of proven tampering of services;
- Acceptance of Magistrates Court Jurisdiction if in arrears and legal action has been taken;
- Acceptance to adhere to Municipal policies and by-laws;
- Acceptance and approval to be handed over to third party if in arrears inclusive of credit bureau;
- Acceptance to give access to meter readers to read meters;
- Municipality accept to render promptly bills; and
- Municipality accept to limit the estimation of consumption on meters.

### 3.6 Indigent Management

It is critical to progressively manage the restriction of free basic services to national policy limits. Therefore, free basic services to indigent households must be restricted. Where any unlimited supply or supply above national policy limits is provided, the budget narrative must explicitly articulate how this is funded, also in a context of facilitating adequate asset management and adequate provision for related debt impairment and ability to maintain payment of Eskom, bulk water, and other creditors.

**Establishing and maintaining credible indigent register** – It is important that the municipalities undertake the following actions to conduct quality control and monitor the indigents:

- Check accuracy and identify any overstatement of the indigent debtor which will enable municipalities to confirm the accuracy of the reported number of indigent debtors;
- Proactively identify indigent citizens and accelerate the registration process through data-driven indigency status verification, as a precursor to tabling applications to Council for approval;
- Verify the status of indigents on the current indigent register thereby reducing the risk of citizens benefiting from the indigent subsidy when they do not qualify for it anymore;
- Create a verifiable indigent register which reduces performance audit risk through the provision of monthly controls and credible, third party, data-driven evidence to support the validity of households registered as indigent;
- Use the insight provided regarding indigents to make any necessary amendments to current Indigent Policy; and
- Municipalities are advised to work closely with DCoG and their respective provincial counterparts to simplify its indigent management registration processes – even consider qualifying criteria that can be independently checked without requiring a hefty administration burden on indigent households that are already financially constrained, including facilitating such on-site close to where indigents may reside. It is noted that the municipality needs to report on all indigent households for water and energy within its demarcation also in the Eskom supplied areas since the LGES: Free basis services (FBS) allocation is targeted at the demarcation. The municipality must therefore focus in its 2024/25 MTREF Schedule A submission to report on all indigent households (also in Eskom supplied areas).

### 3.7. Voluntary restriction of notified maximum demand (NMD)

Municipalities are advised that Eskom agreed with National Treasury that once a municipality in principle agreed to a Notified Maximum Demand (NMD) restriction with National Treasury,

Eskom will within 30 days of National Treasury request advise on its ability to restrict the NMD at bulk supply points in that municipality. Eskom will restrict the NMD or not charge any NMD exceedance charges and penalties to the municipality until 30 June 2027 or earlier as may be agreed between National Treasury and the municipality. Should any municipality with the electricity function not be able to maintain its Eskom bulk account, it is strongly urged to make an application to the National Treasury for such a voluntary restriction of its NMD by Eskom. The application must include a council resolution to the effect that council approves and agrees to such a voluntary restriction and the effective date thereof. National Treasury will then make an application to Eskom for this purpose.

### **3.8. Pro-actively managing collection of municipal revenue in Eskom supplied areas**

The National Treasury notes that in the context of the Electricity Regulation Act, 2006 (ERA) existing section 21(5) prohibiting Eskom to cut supply in their areas to assist municipalities to collect on rates, water, wastewater and refuse removal – municipalities have no other tool but the restriction of water to collect in Eskom supply areas. Until ERA is amended it is critical that municipalities update their By-laws and policies to facilitate and legally allow the restriction of water as part of proper credit control for municipal revenue collection in Eskom supplied areas. The process before the supply of water is restricted/ limited, must honour the water supply rights of the indigent as well as the administrative processes and procedures, as contained in the municipal by-laws and policies read with section 4(3)(a) of the Water Services Act.

### **3.9. Eskom Bulk Tariff increases**

The National Energy Regulator of South Africa (NERSA) is responsible for the price determination of the bulk costs of electricity. In the municipal financial year 2024/25, bulk electricity costs increased by 12.7 per cent, a slight decrease as compared to 15.0 per cent in the 2023/24 municipal financial year.

Given the absence of an approved tariff increase by Eskom and no approval of Eskom tariff application available yet for the 2025/26 financial year, municipalities are cautioned to not only use the National Treasury Cost Reflective Tariff Tool, but also to do the Cost of Supply Study as prescribed by NERSA.

### **3.10. Organ of State Debt**

The reconciliation of Organ of State debt begins with the municipal statement as the foundational document, serving as the baseline for reviewing and verifying all transactions, balances, and outstanding amounts between the municipality and the respective organ of state. This statement ensures that the reconciliation process is rooted in the municipality's official financial records. Technical and provincial advisors must meticulously analyse the statement to confirm that it accurately reflects all billed amounts, payments received, adjustments made, and any interest or penalties applied. By starting with the municipal statement, the process systematically identifies discrepancies and allows for their resolution through collaboration with the municipality and the organ of state.

Using the municipal statement as the starting point, the municipality will cross-check it against the organ of state's financial records, identifying mismatches or omissions. The detailed analysis will uncover issues such as unrecorded payments, incorrect billing, or misallocated funds. Once all discrepancies are resolved and the accounts are reconciled, the verified amounts become final and binding. It is imperative that all accounts verified during this reconciliation process are settled in full. This ensures that both the municipality and the organ of state fulfil their financial obligations, promoting accountability and reducing long-standing debt burdens.

As part of the reconciliation, municipalities must apply their credit control and debt collection policies, which are also applicable to Organ of State accounts. These policies ensure structured and proactive debt management, including efforts to engage the organ of state to finalise payment agreements for the settled amounts. Additionally, any credits or overpayments identified during reconciliation must be processed promptly by the municipality through issuing credit notes or adjusting in their financial systems. Evidence supporting reconciled balances, credits, or any adjustments must be retained to ensure compliance with financial management standards and to maintain transparency.

Finally, once the reconciliation is complete and all parties agree on the verified balances, the municipality must formally sign off on the reconciled accounts. This step signifies the accuracy and acceptance of the financial records. The organ of state must then ensure that all verified accounts are settled in full without delay, demonstrating its commitment to sound financial management and equitable treatment of debtors. By enforcing credit control measures and focusing on timely settlement, the municipality not only improves its financial position, but also strengthens relationships with organs of state, fostering a culture of accountability and mutual respect.

## **4. Funding of municipal budgets and other management issues**

### **4.1. Funding of municipal budgets**

National Treasury has observed over the years that many municipalities that adopt unfunded budgets are adopting budget funding plans as a mere compliance exercise. There is very little progress made to turn around from an unfunded budget position, to a funded one. To this effect, National Treasury will only allow municipalities to turn around from an unfunded budget position to a funded position within three years, of which in each year there should be measurable progress in terms of the improvement in the collection rate and cost containment initiatives. Failure for the municipalities to show visible progress each year, such municipality will not be allowed to table an unfunded budget. On monthly basis, these municipalities are required to submit progress reports to the GoMuni Portal which must be closely monitored by the respective Provincial Treasuries.

Also note that all municipalities that adopted funded budgets in 2024/25, will not be allowed to adopt unfunded budgets in 2025/26 and going forward, this implies that such budget will be referred by National/ Provincial treasury for review until the funded position is achieved. This is to enforce compliance with Section 18 of the MFMA and to encourage prudent financial management which includes collecting what is due to a municipality and paying for services rendered.

### **4.2. Employee related Costs**

The salary and wage collective agreement were signed by the parties of the South African Local Government Bargaining Council (SALGBC) on Friday, 6 September 2024 and municipalities are expected to implement the agreement with immediate effect as from 1 July 2024.

In respect of the 2025/26 financial year, all employees covered by this agreement shall receive, with effect from 1 July 2025, an increase based on the average CPI percentage for the period 1 February 2024 until 31 January 2025, plus 0.75 per cent. The publications of Statistics South Africa shall be used to determine the average CPI.

In case the average CPI percentage for the period 1 February 2025 until 31 January 2026 is less than 4 per cent, it will be deemed to be 4 per cent, and if the average CPI percentage for this period is higher than 7 per cent, it will be deemed to be 7 per cent.

Municipalities that wish to be exempted from the collective agreement for this financial year, should apply 30-days from the date of approval of the budget of the municipality by the municipal council, or 30 June 2025. The onus to prove the case for the granting of exemption lies with the applicant municipality, and guidance is provided by SALGA.

If the municipality has missed the deadline to apply for exemption, and still wishes to do so, then the municipality will have to apply for condonation for the late referral and must show good cause of the referral as the panellist has the power to condone any failure to meet timelines. The panellist has the powers to grant full or partial exemption, and a municipality can apply to be exempted from any provision in the agreement.

In addition, the municipality must ensure that it enlists responses to all the indicators in terms of Sections 138 and 140 of the Municipal Finance Management Act. All the above are intended to ensure that municipalities find it easier to file appropriate exemption applications backed by relevant financial information.

#### **4.3. Remuneration of Councillors**

Municipalities are advised to budget for the actual costs approved in accordance with the Government Gazette on the Remuneration of Public Office Bearers Act: Determination of Upper Limits of Salaries, Allowances and Benefits of different members of municipal councils published annually between December and January by the Department of Cooperative Governance. It is anticipated that this salary determination will also consider the fiscal constraints. Municipalities should also consider the guidance provided above on salary increases for municipal officials during this process. Any overpayment to councilors contrary to the upper limits as published by the Minister of Cooperative Governance and Traditional Affairs will be irregular expenditure in terms of section 167 of the MFMA and must be recovered from the councilor(s) concerned.

#### **4.4. Municipal Pension Fund Contributions**

It has been observed that municipalities have defaulted on their responsibility to ensure that 3<sup>rd</sup> party payment obligations are met, despite deductions being made from employees' salaries. This has put several municipal employees in a very unfortunate situation where they have no funds in their pension fund accounts despite salary deductions having been made.

We wish to refer accounting officers to their fiduciary responsibilities as outlined in section 61(2)(a) of the MFMA, in terms of which an accounting officer may not act in a way that is inconsistent with the duties assigned to accounting officers of municipalities in terms of the MFMA. The failure to pay over deductions to pension funds is inconsistent with section 65(2)(f) of the MFMA which requires the accounting officer to ensure that the municipality complies with its tax, levy, duty, pension, medical aid, audit fees and other statutory commitments. Equally of importance is to ensure that payments to these statutory bodies are prioritised, or suitable arrangements are made with them towards settling their accounts.

Such failure constitutes an act of financial misconduct in terms of section 171(1)(b) of the MFMA, which provides that the accounting officer of a municipality commits an act of financial misconduct if he or she deliberately or negligently fails to comply with a duty imposed by a provision of the Act on the accounting officer of a municipality.

Additionally, the above failure also constitutes a financial offence in terms of section 173 of the MFMA, read together with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings. Section 173 of the MFMA provides that the accounting officer is guilty of an offence if that accounting officer, amongst others, deliberately or in a grossly negligent way contravenes or fails to comply with section 65(2)(f) of the MFMA.



Municipalities must therefore ensure that measures are put in place to ensure that salary deductions for pension fund contributions are paid over to the pension funds. In addition, those municipalities who have outstanding pension fund contributions are advised to ensure that any outstanding payments are paid over by latest end of the 2024/25 financial year, failure which will result in punitive measures being implemented against relevant municipalities.

Equally important is to ensure that payments to these statutory bodies are prioritised, or suitable arrangements are made with them towards settling their accounts. The two bodies must be equally urged to ensure that they provide suitable attachments when they issue their invoices to the municipality so that there is clarity of payments being made.

#### **4.5. Unauthorised, irregular, fruitless and wasteful expenditure reduction and implementation of consequence management**

Section 62(1)(d) of the Local Government: Municipal Finance Management Act, 2003 (MFMA) requires an accounting officer of a municipality to take reasonable steps to prevent unauthorised, irregular, or fruitless and wasteful expenditure (UIFWE) and other losses. Section 62(1)(e) of the MFMA obligates the accounting officer to ensure that disciplinary or, when appropriate, criminal proceedings are instituted against any municipal official who has allegedly committed an act of financial misconduct or an offence in terms of Chapter 15 of the MFMA.

We have noted that many municipalities still have high UIFWE disclosed in their annual financial statements. The high UIFWE balances confirms that more still needs to be done by the Municipal Public Accounts Committee (MPAC) in line with section 32 of the MFMA to address the balance of UIFWE. Municipalities are continuing to incur UIFWE year-on-year, which is indicative of ineffective preventative.

In addition to the above, many municipalities are still not establishing disciplinary boards or ensuring that the board in place to investigate allegations or instances of financial misconduct are functional. The disciplinary board is an independent advisory body that assists the council with the investigation of allegations of financial misconduct and is required in terms of regulation 4(1) of the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings, 2014. Therefore, the establishment of a disciplinary board is a legislative requirement.

Therefore, municipalities are required to submit an action plan that must address timelines for the establishment of the disciplinary board (where one does not exist) as well as addressing the backlogs of financial misconduct investigations. The action plan must address the period from 02 January 2024 to 31 August 2025. The action plan should include monthly calendar actions that will allow the monitoring of the compiled action plan.

#### ***The action plan should include the following information:***

- a. a plan to process the UIFWE balances up to 30 June 2024 by 31 August 2025 and how future UIFWE will be prevented with specific UIFWE prevention controls;
- b. the key process changes (including administrative processes) the municipality will implement to ensure that the UIFWE balances are processed to adhere to the August 2025 deadline; and
- c. the process to be followed to establish and appoint members of the disciplinary board and address the backlog of financial misconduct referrals to the disciplinary board.

The above action plan must be approved by council together with the 2024/25 adjustments budget and should be submitted to the National Treasury through the MFMA helpdesk at [mfma@treasury.gov.za](mailto:mfma@treasury.gov.za) by the latest end of February 2025.

#### 4.6. Special Adjustment Budget to authorise 2023/24 Unauthorised Expenditure

Section 28(2)(g) of the MFMA, read with regulation 23(6) of the Municipal Budget and Reporting (MBRR), provides the circumstances and the timelines within which the municipality must adjust its budget in relation to the unauthorised expenditure incurred during the previous financial year.

Regulation 23(6)(a) of the MBRR requires that the budget be dealt with as part of the adjustments budget contemplated in sub-regulation (1) of the MBRR. In terms of sub-regulation (1), an adjustments budget referred to in sections 28(2)(b), (d) and (f) of the MFMA may be tabled in the municipal council at any time after the mid-year budget and performance assessment has been tabled in the council but not later than 28 February of the current year. Additionally, in terms of regulation 23(6)(b), a special adjustments budget must be tabled in the municipal council when a mayor tables the annual report in terms of section 127(2) of the MFMA, which may only deal with unauthorised expenditure from the previous financial year which the council is being requested to authorise in terms of section 32(2)(a)(i) of the MFMA.

Therefore, municipalities are reminded to take this opportunity to table and approve an adjustments budget in relation to the unauthorised expenditure which was incurred during the 2023/24 financial year in line with section 28(2)(g) of the MFMA, read with regulation 23(6).

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

### 5.1. Release of Version 6.9 of the Chart

On an annual basis, the *mSCOA* chart is reviewed to address implementation challenges and correct chart related errors. Towards this end, Version 6.9 is released with this circular. Version 6.9 of the chart will be effective from 2025/26 and must be used to compile the 2025/26 MTREF. The linkages to chart version 6.9 can be downloaded from GoMuni on the following link under the *mSCOA*/ List *mSCOA* WIP account linkages menu option:

[https://lg.treasury.gov.za/ibi\\_apps/signin](https://lg.treasury.gov.za/ibi_apps/signin)

The reports on the Local Government and Reporting System (LGDRS) are populated from financial and non-financial data strings. Municipalities must use the linkages on GoMuni referred to above and not the formulas in the regulated MBRR Schedules when generating their data strings.

The MBRR Schedules (A to F) and non-financial data string (A1S) was also aligned to chart version 6.9. A protected version of the MBRR Schedules for version 6.9 of the A1S are available on the MFMA Webpage on the link below:

<http://mfma.treasury.gov.za/RegulationsandGazettes/Municipal%20Budget%20and%20Reporting%20Regulations/Pages/default.aspx>

Municipalities must verify that the A1S data string does not contain spaces and special characters prior to submission to the GoMuni Upload portal as this will result in the data not pulling through on table A10 of the A1 system generated schedule.

All municipalities must prepare their 2025/26 MTREF budgets using the budget modules of their integrated systems solution, generate their financial and non-financial data string and produce the Schedule A1 directly from the integrated systems solution. The manual preparation of these documents outside the integrated systems solution is not allowed in terms of the *mSCOA* Regulations.

For the National Treasury to consider a new chart change in version 6.10 of the chart, the issue must be logged with all relevant detail, supporting documents and screenshots (where applicable) on the *mSCOA* Frequently Asked Question (FAQ) portal by 31 August 2025. The *mSCOA* FAQ portal can be accessed by all registered GoMuni users on the following link:

[https://lg.treasury.gov.za/ibi\\_apps/signin](https://lg.treasury.gov.za/ibi_apps/signin)

Importantly, when a FAQ is logged, it is considered by the FAQ committee after it has been investigated. If the FAQ members do not find grounds for a chart change, the FAQ will be closed with an explanation. If there is merit for a chart change in the next version of the chart, the matter is referred to the *mSCOA* Technical and Steering Committees for recommendation and approval. This process only concludes by the end of October annually. The FAQ process will therefore not provide quick responses to queries.

If a query pertains to GoMuni related issues (such as the **A**, **B** and **C** Schedules) and not a chart change, then an email with all relevant detail, supporting documents and screenshots must be sent to [lgdataqueries@treasury.gov.za](mailto:lgdataqueries@treasury.gov.za).

It should also be noted that *mSCOA* Circulars No 9, 10, 11 and 12 have also been aligned to *mSCOA* chart version 6.9 and the addendums to these circulars are released with this circular and will be published on the MFMA webpage. The addendums to these circulars can be accessed on the following link:

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

## **5.2. Future chart changes**

The following chart changes are still under consultation and if approved, it will be effected in chart version 6.10:

### **5.2.1. Cost capitalisation to assets (current and non-current)**

The National Treasury has received multiple requests through the *mSCOA* FAQ database to include items for Cost Capitalisation to Assets (current and non-Current) in alignment with the principle applied to Employee Related Costs (Cost Capitalisation to PPE). The requested items pertain mainly to the following categories:

- Employee Related Cost
- Depreciation
- Contracted services (such as maintenance)
- Consumables and materials
- Other operating costs etc

In terms of the Generally Recognised Accounting Practice (GRAP), GRAP 1.104 states that *an entity shall present an analysis of expenses using a classification based on either the nature of expenses or their function within the entity, whichever provides information that is reliable and more relevant.*

Municipalities provide this analysis based on the nature of the expenses.

GRAP 12 further requires that *Inventories paragraphs 19 to 28 must be considered to determine which costs must be included in the cost price of inventory. In terms of paragraph 19 the cost of inventories shall comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.*



This GRAP standard specifically requires that any conversion costs be accounted for as part of the cost of inventory, rather than being expensed according to their nature. These costs may include labour and other expenses for personnel directly involved in the conversion process, such as water purification, as well as any attributable overheads.

When costs related to water inventory are capitalised in accordance with GRAP 12.19, no expense is recognised at the time of incurrence since a capital item is created. The expense is only recognised when the water inventory is distributed, at which point it is recorded as "Inventory consumed". This will reflect the nature of the expense incurred.

This is similar in principle to costs that are capitalised to property, plant, and equipment in accordance with GRAP 17.22. GRAP 17.22 outlines that examples of directly attributable costs that should be capitalised as part of the cost of an item of property, plant, and equipment (PPE) include expenses such as employee costs related to the construction or acquisition of the PPE, site preparation, delivery, installation, and assembly costs, among others. Once the PPE is ready for use (i.e., when it becomes available for its intended purpose), an expense is recognised in the form of "Depreciation". This depreciation represents the nature of the expense incurred over time, rather than the individual costs that were initially capitalised.

Therefore, it would not be correct to analyse and present the cost items incurred per GRAP 12.19 as the expense items outlined in the requirements of GRAP 1.104. The actual expense, by nature, is the "inventory consumed" expense, which reflects the consumption of the inventory rather than the individual costs incurred during its acquisition or conversion.

Given the current lack of consistency and the fact that only a few municipalities are accurately accounting for cost capitalisation, a guide will be issued once the consultation process with National Treasury's Office of the Accountant-General, the Accounting Standards Board (OAG), and the Auditor-General (AGSA) has been concluded.

### **5.2.2. Entity reporting**

Currently the Local Government Database and Reporting System (LGDRS) does not make provision for the separate submission of data strings for municipal entities. However, NT is in the process of developing data strings for entities for implementation in chart version 6.10. In the interim, municipalities must verify the VAT 201 return information directly with their entity. It should be emphasised that SARS is using the *mSCOA* data strings submitted to the GoMuni Upload portal for their verification processes relating to VAT 201 returns, and municipalities should ensure that their consolidated data strings are credible, as incorrect data will negatively impact this process.

### **5.2.3. SARS binding general ruling BGR74**

This binding general ruling issued by SARS under section 89 of the Tax Administration Act 28 of 2011 sets out the VAT treatment of supplies of goods or services made by municipalities to the national or provincial government under each contracting method. This BGR does not determine the contractual agreement between the parties but gives the VAT implications based on the nature of the transaction and the contractual capacity of the parties to the agreement. Note that the BGR 74 must be interpreted with the Value-Added Tax Act 89 of 1991.

In applying the principles of BGR 74, it is possible for municipalities to recognise output tax liabilities which they previously did not recognise. Municipalities must make appropriate payment arrangements with SARS to settle their previous unrecognised output tax liabilities due to SARS while ensuring that current output tax liabilities are settled without delay. While municipalities under BGR 74 may need to recognise output tax liabilities, municipalities should

also recognise possible previously unrecognised input tax deductions, for example, in the case of VAT expenditure incurred while completing certain housing programmes.

In accordance with the guidelines outlined in mSCOA Circular No. 12: Guidance on Value Added Tax (VAT), where municipalities are the developers for housing projects (excluding where the housing project relates to rental stock), municipalities can deduct the input tax on VAT expenditure incurred in the payment of housing and other contractors, which they have contracted in the course of constructing the houses. The VAT 409 Guide for Fixed Property and Construction for Vendors provides further guidance on the issue of low-cost housing.

In accordance with section 65(2)(f) of the MFMA, the municipality must comply with its tax commitments. Failure by the accounting officer of a municipality to comply with the duty imposed by section 65(2)(f) of the MFMA, which relates to tax commitments, not only constitutes an act of financial misconduct in terms of section 171(1)(b) of the MFMA, but also a financial offence in terms of section 173 of the MFMA. In terms of MFMA Circular No. 74, municipalities were advised to refrain from engaging tax consultants or other external service providers in preparing and reviewing their VAT returns. Where municipalities appoint tax consultants and other service providers to assist with the preparation, submission, review or correcting of VAT returns, the expenditure incurred in paying for the tax consultants and other service providers constitutes fruitless and wasteful expenditure.

#### **5.2.4. Costing segment**

The costing segment includes provisions for secondary cost allocation and categorise charge-out and recoveries separately. This approach ensures that there is a clear distinction in costs associated with both internal allocations and external recoveries, allowing for more accurate financial management and reporting. Due to the inconsistent implementation of the costing segment across municipalities, the National Treasury will review the costing segment in 2025. Changes to the principles in the Project Summary Document (PSD) as well as the mSCOA chart version 6.10 are envisaged.

### **5.3. Improving mSCOA data strings credibility**

#### **5.3.1 Balance Sheet Budgeting**

Balance sheet budgeting refers to the practise where the revenue and expenditure transactions, as well as the financial impact of these transactions on the statement of financial position, are included in the budget. In other words, all the planned transactions must be included in the budget. The debiting and crediting of all the transactions that will transpire in the ensuing financial year equates to balance sheet budgeting; thus, planning for the expense as well as the accrual, and payment of the liability. The revenue and expenditure must be accrued in the control accounts at correct posting levels and payments made and received. The correct combination of the mSCOA segments must also be used to ensure that data strings are credible. The PSD provides guidance on data string combinations.

Financial system solutions should be set-up correctly for balance sheet budgeting.

#### **5.3.2 Use of external service providers**

When municipalities appoint external service providers, they must ensure that these service providers have the expertise and skills to comply with the mSCOA Regulations. Section 5(2) of these regulations states that:

(2) The financial and business applications or systems used by a municipality or municipal entity must—

- (a) provide for the hosting of the general ledger structured in accordance with the classification framework determined in terms of regulation 4(2);
- (b) be capable of accommodating and operating the standard chart of accounts;
- (c) provide a portal allowing for free access, for information purposes, to the general ledger of the municipality or municipal entity, by any person authorised by the Director-General or the Accounting officer of the municipality.

This means that service providers appointed by the municipality **must** comply with the following requirements when performing the work that they were appointed to do:

- Have sufficient working knowledge to use the *mSCOA* accounts and regulated segments correctly;
- Use systems and tools that comply with the provisions of the *mSCOA* Regulation 5(1) and (2);
- Use the data available on the integrated financial system solution of the municipality to:
  - Prepare key documents such as the IDP, budget, in-year reports, AFS, asset registers, etc.; and
  - Develop analysis tools and dashboards for the municipality.

When an external service provider uses excel spreadsheets or systems and tools that are not *mSCOA* compliant and populate these spreadsheets and tools from data outside of the system solution, it has a detrimental impact on the credibility of data string submitted to the GoMuni Upload portal as the data will not be aligned to the data in the spreadsheets and tools of the external service provider. This compromises the intention of *mSCOA* to have one version of the truth for reporting to municipal management, council, provincial and national government.

*mSCOA* requires planning, budgeting, transacting, and reporting to be done directly in and from the integrated financial system solution. Furthermore, the MFMA and the Preferential Procurement Regulations (2022) that became effective on 16 January 2023 allows for the blacklisting of companies to do business with the state for a period of up to 10 years for non-performance and other malpractices such as not complying with legislative requirements.

#### **5.3.4 Use of modules on integrated system solution**

The *mSCOA* Regulations required municipalities to acquire integrated system solutions from 01 July 2017 to enable the seamless integration of information to the General Ledger on the core financial system. Whereas most municipalities have complied with the Regulations, a number of municipalities are not fully utilising the modules available on their integrated system solution. Instead, they are purchasing the same modules from third-party system providers, and this constitutes fruitless and wasteful expenditure.

Often these third-party modules and sub-systems do not integrate seamlessly with the core system solution to ensure smooth and efficient operations; thereby necessitating manual intervention to integrate and consolidate reporting.

Where third-party modules/ sub-systems are being used by municipalities, it is important to ensure that monthly and year-end adjustments are processed in the core system solution and not in the third-party modules/ sub-systems to achieve accuracy in financial reporting and

prevent discrepancies in information. It should also be noted that the rules for integration between the core system solution and third-party modules/ sub-systems must be set by the core system provider and the latter is not required to integrate with any third-party module/ sub-system provider unless this has been agreed upon in the service level agreement.

### **5.3.5 Audited Actuals (AUDA) Data String vs Annual Financial Statements (AFS)**

The *m*SCOA data string assessments performed by the national and provincial treasuries identified that there is generally poor alignment between the audited data strings submitted to the GoMuni Upload portal and the AFS submitted and audited by the Auditor-General South Africa (AGSA).

Adjusting journals agreed upon with AGSA must be processed in the core financial system and not in the AFS Tool. The misalignment has a direct impact on the opening balances that is critical to the statement of financial position and cash flow.

Municipalities must ensure that the pre-audited (PAUD), audited (AUDA) and restated (RAUD) data strings are carefully reviewed before submission thereof to the GoMuni Upload portal. The Trial Balance, audit data strings and AFS must be in perfect alignment before submission.

### **5.4. Ownership of data on municipal systems**

Section 65(2)(e) of the MFMA requires that monies owed by the municipality must be paid within 30 days of receipt of an invoice. Often when municipalities default for extended periods on payments to municipal system providers, system support is suspended until payment has been received or a payment plan has been agreed to. National Treasury supports that penalties are imposed by creditors for the non-payment of services and goods that were delivered. However, it must be emphasised that the ownership of the data contained in municipal systems rests with the municipality and in cases where services are suspended, the municipality should still be able to access their data. Also, where there is a migration to another system solution, the data on the legacy system must be transferred to the municipality. This applies to data stored on a server owned by the municipality, off-site server owned by a third party or in the cloud.

It is therefore important that the service level agreement entered with system providers clearly outlines the format and procedures related to access to data to minimise operational disruptions and ensure that legislative deadlines are met.

### **5.5. Budget override and virement**

In terms of Sections 15 of the MFMA, a municipality may incur expenditure only within the limits of the amounts appropriated for the different votes in a council approved budget. However, National and Provincial Treasuries often identify transactions against items where no budget has been allocated in their data string analysis. This is a clear indication that the budget controls in the integrated system solution have been overridden. The National Treasury has instructed system vendors to ensure that strict controls are in place when the budget is overridden on the system as this bad practice circumvents the build-in system controls that should eliminate unauthorised and irregular expenditure.

Municipalities must review their Virement policy annually and ensure that it aligns with the principles and guidance in *m*SCOA Circular No. 8 (29 April 2020). Virements may only be made between existing budget provisions and must be included in an adjustments budget.

Accounting Officers are reminded that once the council has approved the annual budget for the financial year, it must be locked, and any amendments to the budget can only be made through the adjustments budget process, in accordance with the MBRR.

From the 2025/26 MTREF, municipalities will be required to report on their virements through the submission of a separate data string on virements in the form of a virement string and budget report. Validation rules applicable to the virement data string will be communicated in due course.

## 5.6. Regulation of the minimum business processes and technical specifications for *mSCOA*

In terms of Regulation 6(1) and 7(1) of Municipal Regulations on Standard Chart of Accounts (2014), the Minister of Finance may determine the minimum business process requirements and system requirements for municipalities and municipal entities to enable the implementation of the regulations.

In 2024, extensive work was done regarding the regulations. The project consists of the following main outputs and planned time frames:

No	Output	Planned Time Frame
1	Review and update the minimum business processes for <i>mSCOA</i>	April 2024 to March 2025
2	Develop standard operating procedures for <i>mSCOA</i>	February 2025 to April 2025
3	Review and update the minimum technical specifications for <i>mSCOA</i>	April 2025 to Oct 2025
4	Align the current ICT due diligence assessment for <i>mSCOA</i> to the updated <i>mSCOA</i> requirements	
5	Develop Regulations on the minimum business processes and technical specifications for <i>mSCOA</i>	Oct/November 2025
6	Training on the new Regulations	November 2025 to Feb 2026

The comments and inputs received at the working groups engagements and via the dedicated email box on the minimum business processes for *mSCOA* have been considered and incorporated as applicable. Stakeholders are encouraged to provide their final inputs **by 31 January 2025** to [mSCOARegs@treasury.gov.za](mailto:mSCOARegs@treasury.gov.za)

All presentations and draft documents for comments can be located on the MFMA Webpage under *mSCOA* – Municipal Standard Chart of Accounts/ Regulations on Minimum Business Processes and Technical Specifications for *mSCOA*/ Working Groups on the following link:

<https://mfma.treasury.gov.za/RegulationsandGazettes/MunicipalRegulationsOnAStandardChartOfAccountsFinal/mSCOA%20Minimum%20Requirements/Forms/AllItems.aspx>

## 6. Muni eMonitor, FMCMM and Audit Action Plan System

### 6.1 Muni eMonitor

National Treasury launched and rolled out the Muni eMonitor System in November 2023 to strengthen the capacity and capability of municipalities and municipal entities to comply with the provisions of the MFMA and its regulations, to improve information flows for public accountability, to enhance monitoring, oversight, support measures and effective reporting by various stakeholders in municipalities, municipal entities, provincial treasuries, and National Treasury. Numerous capacity-building sessions were undertaken with various stakeholders, and Muni eMonitor champions were identified in every municipality and provincial treasury. More information on the system is also provided in MFMA Circular No. 125 on National Treasury's website.



The system consists of two main components, namely: the MFMA legislated calendar with the Actions Management function and the Evaluations Questionnaire function. The implementation plan of the two main components is as follows:

*MFMA legislated calendar with the Actions Management function* – All Actions appearing under the legislative calendar for each month must be processed within the specific month that they appear in the calendar.

**Evaluations Questionnaire** – Evaluations (covering various financial management disciplines) will be published by National Treasury (on a quarterly and ad hoc basis) for municipalities to complete and submit on the system within the deadlines stipulated by National Treasury (These evaluations replace the previous reporting requirements that municipalities were required to complete in Excel).

It has been noted that since the launch and rollout of the system, there are still municipalities/ municipal entities that have not completed and submitted the Actions Management and Evaluation Questionnaire on the Muni eMonitor system. Please note that sections 74 and 104 of the MFMA state that the Accounting Officer of a municipality/ municipal entity must submit to the National Treasury such information, returns, documents, explanations, and motivations as may be prescribed or as may be required. Therefore, to avoid any possible non-compliance, municipalities are requested to complete and submit both the Actions Management and Evaluation Questionnaires within the timeframes/ deadlines stipulated in the system.

Furthermore, it has also been noted that some municipalities are reporting information without adequate review and verification of the accuracy of the information provided by the municipality/ municipal entity. Municipalities/ municipal entities are advised that National Treasury will be using the information submitted on the Muni eMonitor system as input into the MFMA Compliance report, and thus, the onus lies with municipalities/municipal entities to submit credible information on the system to ensure that the report correctly reflects the situation at their institution.

## 6.2 Audit Action Plans

It is mandatory that municipalities and municipal entities develop their Audit Action plans on the FMCMM and Audit Action Plan web-enabled system and monitor and report on the implementation of the developed action plans to address the findings on the system. It has been noted that a few municipalities are still preparing and monitoring audit action plans outside of the web-enabled system.

Municipalities are reminded that the completion of the Audit Action Plan on the web-enabled system is one of the criteria required for the disbursement of the Equitable Share. Therefore, to avoid any possible withholding of the grant, municipalities are requested to develop, monitor, and report on the implementation of the Audit Action Plan on the FMCMM and Audit Action Plan web-enabled system.

## 6.3 Financial Management Capability Maturity Model (FMCMM)

MFMA Circular No. 114 documents the annual implementation plan for the completion of the FMCMM assessment. It breaks down the completion of the 21 modules over a 12-month period. It has been noted that many municipalities are still not completing the FMCMM on the web-enabled system and/ or are not developing action plans to address internal control deficiencies identified through the assessment.

The Auditor General of South Africa has repeatedly reported that the system of internal controls at municipalities is either not in place or ineffective. Furthermore, the 2022/23 audit outcomes indicate that 42 per cent of municipalities (excluding outstanding audits) are still receiving

negative audit outcomes, thereby highlighting weaknesses in financial management and internal control deficiencies.

We have also noted a strong correlation between municipalities scoring low in specific modules and them having audit findings in those same disciplines. Therefore, it is requested that municipalities prioritise the completion of the FMCMM assessment (in line with MFMA Circular No. 114) as well as complete the development and implementation of the generated action plans to address the internal control deficiencies identified and to put in place risk mitigation strategies to ensure that weaknesses identified are addressed proactively so that they do not adversely impact on the future audit outcomes.

## **7. SERVICE DELIVERY BUDGET AND IMPLEMENTATION PLANS (SDBIP)**

### **7.1. Key Performance Indicators (KPIs) in the top-layer of SDBIP**

SDBIPs serve as a critical performance management tool, aligning municipal KPIs with budgets and Integrated Development Plans (IDPs) to enable effective monitoring of service delivery performance, as emphasised in MFMA Circular No. 13. To operationalise IDPs, municipalities translate the broader strategic objectives outlined in IDPs into specific, measurable, and monitorable performance indicators and targets in the SDBIP. A distinguishing feature of the SDBIP is its emphasis on measurability. National Treasury has observed ongoing challenges in structuring and revising key KPIs within the SDBIP during the financial year. These challenges stem from misalignment between the Integrated Development Plan (IDP), budget, and SDBIP, leading to ineffective performance monitoring and reporting.

To address these issues, municipalities are advised to adhere to the Municipal Finance Management Act (MFMA) and guidance outlined in related MFMA Circulars. Specifically, MFMA Circular No. 13 emphasises the importance of aligning the SDBIP with the IDP and budget to ensure cohesive planning and execution. Additionally, MFMA Circular No. 88 provides guidance on standardised set of indicators, aiming to improve the quality of performance information across municipalities.

#### *Overcrowding of KPIs in the SDBIP*

Municipalities continue to include an extensive number of KPIs in their strategic scorecard or top-layer SDBIP or without aggregating departmental output indicators or lower layer SDBIP, despite the guidance outlined in MFMA Circular No. 13. This high volume of indicators in top-layer SDBIPs can dilute focus and make monitoring cumbersome. Municipalities are therefore encouraged to streamline their indicators by consolidating KPIs in the top-layer SDBIP, focusing on most critical indicators in achieving strategic objectives, ensuring a more manageable and effective monitoring process.

#### *Clarity of objectives*

Many KPIs lack clarity regarding their alignment with municipal objectives and intended service delivery outcomes outlined in the IDPs. This raises concerns about the 'ultimate objective' of these indicators, questioning their relevance and purpose. Additionally, municipalities duplicate KPIs across multiple functional areas or departments, resulting in redundant reporting efforts. Municipalities are urged to align all KPIs with the SMART criteria (Specific, Measurable, Achievable, Relevant, and Time-bound) and strategic objectives or priorities outlined in IDPs, this will enable better monitoring of progress, identifying performance challenges, and taking

timely corrective actions. Reference is made to the Framework of Managing Performance and Programme Information (FMPPI) for further guidance on performance management.

## 7.2. Adjustments to the SDBIP

Municipalities adjust KPIs during the financial year, generally following adjustments budgets under Section 28 of the MFMA. While these KPI adjustments may be necessary to respond to unforeseen circumstances, underperformance of revenue or policy changes, some municipalities use this process to manipulate original KPIs to avoid accountability for underperformance. This practice undermines transparency, as original KPIs are excluded from Section 52(d) reports or Annual Performance Reports (APRs), compromising the municipal council's role to exercise oversight, and limiting stakeholders' ability to assess actual performance against initial KPIs and targets.

Adjustments to KPIs are driven by either external or internal factors. External factors include but are not limited to, significant changes in external circumstances, unforeseeable or unavoidable expenditure referred to in Sections 28(2)(c) and 29, national policy developments or changes to nationally prescribed indicators. Internal factors include, adjustments budgets as contemplated in Section 28(2) (a, b, d, e, and f), wording errors and poorly defined KPIs.

## 7.3. Criteria for adjusting KPIs in the SDBIP

The following criteria outline the conditions under which a municipality may amend the KPIs in the SDBIP during the financial year:

<b>Internal factors</b>
<ul style="list-style-type: none"> <li>Only KPI targets may be adjusted due to under-collection of revenue or reprioritisation of funds, in terms of the council-approved adjustments budget referred to in Section 28(2) (a, e &amp; d) of the MFMA.</li> <li>Only KPI targets may be adjusted during the financial year, in line with Section 28(2)(b), to account for additional funding or resources that have become available during the financial year, enabling the revision or acceleration of spending programme already prioritised in the IDP.</li> <li>KPI description may be revised to correct errors in the wording. An explanation for the correction must accompany the revision.</li> <li>KPIs may be adjusted to align with changes in municipal circumstances or emergencies, provided these adjustments remain consistent with the strategic objectives and priorities outlined in the IDP. The reasons for these changes must be clearly explained in the revised SDBIP.</li> </ul>
<b>External factors</b>
<ul style="list-style-type: none"> <li>KPIs may be adjusted in response to amendments to legislation, government policies, or frameworks introduced by national or relevant provincial departments, affecting original KPIs. The related legislation or policy must be referenced and documented as evidence for the change.</li> <li>KPIs may be changed to respond to natural disasters, unforeseeable or unavoidable expenditures referred to in Sections 28(2)(c) and 29 of the MFMA. The reasons for these changes must be adequately justified.</li> <li>KPIs may change because of revisions to nationally prescribed indicators as contemplated by the applicable legislation or circular. An explanation for these KPI revisions must be articulated in the SDBIP, referencing the relevant legislation, framework or circular.</li> </ul>
<b>Cross-cutting conditions</b>
<ul style="list-style-type: none"> <li>Municipalities must reflect all KPI changes in their SDBIPs and APRs, providing clear and justifiable reasons for each change and detailing the process followed.</li> </ul>



- Both the original and revised KPIs must continue to be reported on in the Section 52(d) of the MFMA and the APR for accountability and transparency.
- KPI changes are prohibited during the fourth quarter of the financial year (April – June). Only KPI changes in relation to natural disaster or unavoidable or unforeseen expenditure will be permitted during the fourth quarter of the financial year.

#### 7.4. Alignment of the adjustments budget and adjustments to the SDBIP

When a municipality adjusts its KPIs during the financial year, it must align the changes with the provisions of Section 28 of the MFMA and the Municipal Budgeting and Reporting Regulations (MBRR). The table below outlines the different types of adjustments budgets and their linkage to SDBIP adjustments:

Types of adjustments budget	Timeframes	Sections of MFMA and MBRR	SDBIP KPIs in-year changes
Adjustments due to under-collection of revenue	Anytime	S.28(2)(a)	Only changes to KPI targets are allowed
Main adjustments budget	February – after the tabling of the mid-year budget assessment and performance  Only one adjustments budget referred to in Section 23(1) except S.28(2)(b)	S.28(2) (b, d & f) Reg. 23(1&2)	Allows for amendments to the SDBIP to address underperformance or realignment with revised priorities and allocations. This is subjected to the conditions outlined above
Additional funds from national / provincial government	60 days after the approval of the relevant national / provincial adjustments budget	S.28(2)(b) Reg. 23(3)	Only changes to KPI targets are allowed
Unforeseen and unavoidable expenditure	Within 60 days of expenditure being incurred	S.28(2)(c), 29(3) & 32 Reg. 23(4), 71 & 72	KPIs may be adjusted to reflect changes in resources or priorities caused by these expenditures
Roll-over of municipal funds	Before 25 August	S.28 (2)(e), Reg. 23(5)	Linked to revisions of the SDBIP to include projects and targets funded by rolled-over amounts
Authorisation of unauthorised expenditure	During main adjustments budget in February. After tabling of the annual report for that year (7 months after the financial year end)	S. 28(g), 32, 127(2) Reg. 23(6)	No changes to KPIs are allowed

**All SDBIP adjustments must be tabled and approved in council.**

National Treasury further discourages excessive or unjustified KPI revisions during the financial year as such practices distort municipal performance monitoring and reporting.

**N.B This guidance relating to in-year KPI changes in SDBIP should be read in conjunction with guidance provided in the MFMA Circular No. 88 – Addendum 6.**

## 8. The Municipal Budget and Reporting Regulations

### 8.1. Assistance with the compilation of budgets

If municipalities require advice with the compilation of their respective budgets, specifically the budget documents or Schedule A, they should direct their enquiries to their respective provincial treasuries or to the following National Treasury officials:

Province	Responsible NT officials	Tel. No.	Email
Eastern Cape	Matlatji Mashoeshoe	012-315 5553	<a href="mailto:Matlatji.Mashoeshoe@treasury.gov.za">Matlatji.Mashoeshoe@treasury.gov.za</a>
Buffalo City	Pitso Zwane	012-315 5171	<a href="mailto:Pitso.Zwane@Treasury.gov.za">Pitso.Zwane@Treasury.gov.za</a>
Free State	Mandla Gilimani	012-315 5807	<a href="mailto:Mandla.Gilimani@treasury.gov.za">Mandla.Gilimani@treasury.gov.za</a>
	Sifiso Mabaso	012-315 5952	<a href="mailto:Sifiso.mabaso@treasury.gov.za">Sifiso.mabaso@treasury.gov.za</a>
	Cethekile Moshane	012-315 5079	<a href="mailto:Cethekile.moshane@treasury.gov.za">Cethekile.moshane@treasury.gov.za</a>
Gauteng	Matlatji Mashoeshoe	012-315 5553	<a href="mailto:Matlatji.Mashoeshoe@treasury.gov.za">Matlatji.Mashoeshoe@treasury.gov.za</a>
	Pitso Zwane	012-315 5171	<a href="mailto:Pitso.Zwane@Treasury.gov.za">Pitso.Zwane@Treasury.gov.za</a>
	Oreal Tshidino	012 315 5090	<a href="mailto:Oreal.Tshidino@Treasury.gov.za">Oreal.Tshidino@Treasury.gov.za</a>
City of Tshwane and City of Johannesburg	Willem Voigt	012-315 5830	<a href="mailto:WillemCordes.Voigt@treasury.gov.za">WillemCordes.Voigt@treasury.gov.za</a>
	Makgabo Mabotja	012-315 5156	<a href="mailto:Makgabo.Mabotja@treasury.gov.za">Makgabo.Mabotja@treasury.gov.za</a>
	Enock Ndlovu	012-315 5866	<a href="mailto:Enock.Ndlovu@treasury.gov.za">Enock.Ndlovu@treasury.gov.za</a>
City of Ekurhuleni	Kgomotso Baloyi	012-315 5866	<a href="mailto:Kgomotso.Baloyi@treasury.gov.za">Kgomotso.Baloyi@treasury.gov.za</a>
	Lunathi Dumani		<a href="mailto:Lunathi.dumani@treasury.gov.za">Lunathi.dumani@treasury.gov.za</a>
KwaZulu-Natal	Kgomotso Baloyi	012-315 5866	<a href="mailto:Kgomotso.Baloyi@treasury.gov.za">Kgomotso.Baloyi@treasury.gov.za</a>
	Lunathi Dumani		<a href="mailto:Lunathi.dumani@treasury.gov.za">Lunathi.dumani@treasury.gov.za</a>
	Kevin Bell	012-315 5725	<a href="mailto:Kevin.Bell@treasury.gov.za">Kevin.Bell@treasury.gov.za</a>
eThekweni	Sifiso Mabaso	012-315 5952	<a href="mailto:Sifiso.mabaso@treasury.gov.za">Sifiso.mabaso@treasury.gov.za</a>
uMhlathuze	Matlatji Mashoeshoe	012-315 5553	<a href="mailto:Matlatji.Mashoeshoe@treasury.gov.za">Matlatji.Mashoeshoe@treasury.gov.za</a>
	Pitso Zwane		<a href="mailto:Pitso.Zwane@Treasury.gov.za">Pitso.Zwane@Treasury.gov.za</a>
Limpopo	Sifiso Mabaso	012-315 5952	<a href="mailto:Sifiso.Mabaso@treasury.gov.za">Sifiso.Mabaso@treasury.gov.za</a>
	Jabulile Ngwenya		<a href="mailto:Jabulile.ngwenya@treasury.gov.za">Jabulile.ngwenya@treasury.gov.za</a>
Mpumalanga	Mandla Gilimani	012-315 5807	<a href="mailto:Mandla.Gilimani@treasury.gov.za">Mandla.Gilimani@treasury.gov.za</a>
	Liyasa Nxosi	012 315 5613	<a href="mailto:liyasa.nxosi@treasury.gov.za">liyasa.nxosi@treasury.gov.za</a>
Northern Cape	Mandla Gilimani	012-315 5807	<a href="mailto:Mandla.Gilimani@treasury.gov.za">Mandla.Gilimani@treasury.gov.za</a>
	Liyasa Nxosi	012 315 5613	<a href="mailto:liyasa.nxosi@treasury.gov.za">liyasa.nxosi@treasury.gov.za</a>
North West	Willem Voigt	012-315 5830	<a href="mailto:WillemCordes.Voigt@treasury.gov.za">WillemCordes.Voigt@treasury.gov.za</a>
	Makgabo Mabotja	012-315 5156	<a href="mailto:Makgabo.Mabotja@treasury.gov.za">Makgabo.Mabotja@treasury.gov.za</a>
	Khanyisile Khosa		<a href="mailto:khanyisile.khosa@treasury.gov.za">khanyisile.khosa@treasury.gov.za</a>
Mafikeng	Cethekile Moshane	012-315 5079	<a href="mailto:Cethekile.moshane@treasury.gov.za">Cethekile.moshane@treasury.gov.za</a>
Western Cape	Willem Voigt	012-315 5830	<a href="mailto:WillemCordes.Voigt@treasury.gov.za">WillemCordes.Voigt@treasury.gov.za</a>
	Enock Ndlovu	012-315 5385	<a href="mailto:Enock.Ndlovu@treasury.gov.za">Enock.Ndlovu@treasury.gov.za</a>
	Khanyisile Khoza		<a href="mailto:khanyisile.khosa@treasury.gov.za">khanyisile.khosa@treasury.gov.za</a>
Cape Town	Kgomotso Baloyi	012-315 5866	<a href="mailto:Kgomotso.Baloyi@treasury.gov.za">Kgomotso.Baloyi@treasury.gov.za</a>
George	Sifiso Mabaso	012-315 5952	<a href="mailto:Sifiso.Mabaso@treasury.gov.za">Sifiso.Mabaso@treasury.gov.za</a>
Technical issues on GoMuni Website	Data management		<a href="mailto:lgdataqueries@treasury.gov.za">lgdataqueries@treasury.gov.za</a>

## 9. Submitting budget documentation and A schedules for the 2025/26 MTREF

### 9.1. Submissions to the National Treasury

Municipalities are reminded to submit documents and queries to the correct portals/ mailboxes. These portals/ mailboxes are:

- [https://lg.treasury.gov.za/ibi\\_apps/welcome](https://lg.treasury.gov.za/ibi_apps/welcome) (GoMuni Upload Portal) – All documents required in terms of legislation by approved registered users, including: mSCOA Data Strings; Budget-related, in-year and year-end documents and schedules (A, B and C); Revenue and MFRS Documents (as per MFMA Circular No. 126) procurement spent reports, etc.:
- [lgdataqueries@treasury.gov.za](mailto:lgdataqueries@treasury.gov.za) – Database related and submission queries;
- [lgdocuments@treasury.gov.za](mailto:lgdocuments@treasury.gov.za) – Only Provincial Treasuries may send contact details to [lgdocuments@treasury.gov.za](mailto:lgdocuments@treasury.gov.za) ; and
- mSCOA [Regulations@treasury.gov.za](mailto:Regulations@treasury.gov.za) – all inputs and comments relating to the intended mSCOA Regulations on the minimum business processes and system specifications; and
- [Rolloverapplication@treasury.gov.za](mailto:Rolloverapplication@treasury.gov.za) – all rollover applications and queries related to the conditional grants.

Any document/ queries that are submitted to the incorrect portal/ mailbox will not be processed and the submission status report will continue to reflect the documents as outstanding.

### 9.2. Time frames for submission

The LGDRS will be locked at 00:00 on the 10<sup>th</sup> working day of every month for the submission of data strings due, as required in terms of section 71 of the MFMA. Closed periods will not be opened to correct errors or to accommodate non-submission of data strings, regardless of whether a Schedule G application was done or not.

Municipalities must therefore verify the credibility and accuracy of the information in their financial system prior to closing the month on the ERP system and submitting the mSCOA data strings to the LGDRS. In 2025, functionality will be added to the GoMuni Upload portal that will require accounting officers and Chief Financial Officers to sign-off on the accuracy and completeness of the data strings prior to the submission thereof.

The GoMuni Upload portal can be accessed by registered users on the following link:

[https://lg.treasury.gov.za/ibi\\_apps/signin](https://lg.treasury.gov.za/ibi_apps/signin)

**Since the 2020/21 MTREF, municipalities are no longer required to submit hard copies of all required documents including budget related, Annual Financial Statements and Annual Reports to National Treasury via post or courier services. PDF versions of documents must be submitted to the GoMuni Upload portal.**

### 9.3. Updating of contact details on GoMuni

Municipalities are reminded to update their contact details on the LGDRS as and when changes occur. Often emails containing important information and deadlines are returned and do not reach the intended LGDRS users due to outdated contact information of users. From 01 July 2024, municipal officials must update their own contact details on the LGDRS. Updates made by municipal officials on the LGDRS are validated and approved for upload by the Contacts Administrators within each municipality that was nominated by the Municipal Manager for this purpose.

Municipalities that have not yet nominated Contact Administrators to validate and approve changes in contact details for their municipality are requested to nominate two officials by 30 January 2025 to ensure that the contact details for their respective municipality are always up

to date. Nomination forms can be requested from [lgdataqueries@treasury.gov.za](mailto:lgdataqueries@treasury.gov.za). Municipal Contacts Administrators will be trained in a virtual session to perform this task.

Registered LGDRS users can download the contact details for their municipality on the LGDRS by logging-in to GoMuni on the following link and then accessing the report under Database/Contacts/Reporting/Contact information:

[https://lg.treasury.gov.za/ibi\\_apps/signin](https://lg.treasury.gov.za/ibi_apps/signin)

#### 9.4. Training on GoMuni

The training schedule and GoMuni links for 2025 to assist those users that require new or refresher training on how to draw reports on the LGDRS, is available on the GoMuni/ Go Training portal on the following link:

[https://lg.treasury.gov.za/ibi\\_apps/portal](https://lg.treasury.gov.za/ibi_apps/portal)

## Contact



**national treasury**

Department:  
National Treasury  
REPUBLIC OF SOUTH AFRICA

**Post** Private Bag X115, Pretoria 0001

**Phone** 012 315 5009

**Fax** 012 395 6553

**Website** <http://www.treasury.gov.za/default.aspx>

**JH Hattingh**

**Chief Director: Local Government Budget Analysis**

**06 December 2024**



# Annexure E:

## PARENT- BUDGET RELATED POLICIES



# **DRAFT ASSET MANAGEMENT POLICY**

**2025/2026**

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## **1. OBJECTIVE**

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

## **2. BACKGROUND**

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

### 2.6.3. The standards to which these financial records must be maintained

## 3. DEFINITIONS

<b>“Accounting Standards Board”</b>	was established by the Public Finance Management Act to set standards of Generally Recognized Accounting Practice (GRAP) as required by the Constitution of the Republic of South Africa.
<b>“Assets”</b>	are resources controlled by the municipality as the result of past events and from which future economic benefits or future service potential are expected to flow to the municipality
<b>“Living resources</b>	Living resources are those resources that undergo biological transformation.
<b>Non-living resources</b>	are those resources, other than living resources, that occur naturally and have not been extracted.
<b>“Asset categories”</b>	are the asset categories as per the Polokwane Asset Register.
<b>“Amortisation”</b>	is the systematic allocation of the depreciable amount of an intangible asset over its useful life.
<b>“Basic Municipal Services”</b>	means a municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety or the environment.
<b>“Biological Assets”</b>	Living assets such as plants and animals
<b>“Capitalisation”</b>	is the recognition of expenditure as an Asset in the Financial Asset Register.
<b>“Carrying amount”</b>	is the amount at which an asset is included in the Statement of Financial Position after deducting any accumulated depreciation and accumulated impairment thereon.
<b>“Control items”</b>	are items of assets that are not significant enough for financial recognition but are valuable enough to warrant special safe-guarding.
<b>“Cost”</b>	is the amount of cash or cash equivalents paid or the fair value of the other consideration given or received to acquire an asset at the time of its acquisition or construction.
<b>“Cost of acquisition”</b>	is all the costs incurred in bringing an asset item to the required condition and location for its intended use.

<b>Current replacement cost</b>	The amount that the municipality would incur to replace an asset at the current time
<b>“Depreciation</b>	” is the systematic allocation of the depreciable amount of an asset over its useful life.
<b>“Depreciable amount”</b>	is the cost of an asset, or other amount substituted for cost in the financial statements, less its residual value.
<b>“Director”</b>	is the “head of each Directorate” that has the functional accountability for and control of the physical management of a particular set of assets in order to achieve the municipality’s strategic objectives relevant to that directorate. The execution of this responsibility will require the relevant asset manager to control the acquisition, utilisation, management and disposal of this set of assets to optimise the achievement of these objectives.
<b>“Fair value”</b>	is the amount for which an asset could be exchanged between knowledgeable willing parties in an arm’s length transaction.
<b>“Financial asset register”</b>	is the control register recording the financial and other key details for all municipal assets recognized in accordance with this policy.
<b>Finance lease</b>	Rental agreement that transfers substantially all the risks and rewards incidental to ownership of an asset. Legal ownership may or may not eventually be transferred.
<b>“Heritage Assets”</b>	are assets defined as culturally significant resources. Examples are works of art, historical buildings and statues.
<b>“Impairment loss” of a cash-generating asset</b>	is the amount by which the carrying amount of an asset exceeds its recoverable amount.
<b>“Impairment loss” of a non cash-generating asset</b>	is the amount by which the carrying amount of an asset exceeds its recoverable service amount.
<b>“Infrastructure assets”</b>	are defined as any assets that are part of a network of similar assets. Examples are roads, water reticulation schemes, sewerage purification and trunk mains.

<b>“Investment properties”</b>	are defined as properties that are held for rental and/or capital gains.
<b>“Other assets”</b>	are defined as assets utilized in normal operations. Examples are plant and equipment, motor vehicles and furniture.
<b>“Prescribe”</b>	means as prescribed by the Minister of Finance by regulation.
<b>“Property, plant or equipment” (PPE)</b>	Means tangible assets that: (a) are held by a municipality for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and are expected to have a useful life extending for more (b) than one financial year.
<b>“Recoverable amount”</b>	is the amount that the municipality expects to recover from the future use of an asset, including its residual value on disposal.
<b>“Remaining useful life”</b>	The future economic benefits or service potential that remains after the municipality has consumed some of the total economic benefits or service potential of the asset
<b>“Residual value”</b>	is the net amount that the municipality expects to obtain for an asset at the end of it’s useful life after deducting the expected costs of disposal.
<b>“Useful life”</b>	is either: (a) the estimated period of time over which the future economic benefits or future service potential embodied in an asset are expected to be consumed by the municipality, <b>or</b> (b) the estimated total service potential expressed in terms of production or similar units that is expected to be obtained from the asset by the municipality.

#### **4. STATUTORY AND REGULATORY FRAMEWORK**

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

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

4.2. This policy must also comply with the standards specified by the Accounting Standards Board.

The relevant currently recognized accounting standards include:

- GRAP 12 Inventory
- GRAP 13 Leases
- GRAP 16 Investment property
- GRAP 17 Property, plant and equipment
- GRAP 21 Impairment of non - cash generating assets
- GRAP 26 Impairment of cash generating assets
- GRAP 31 Intangible assets
- GRAP 100 Discontinued operations
- GRAP 103 Heritage assets
- GRAP 110 Living and non - living resources

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

## 5. RESPONSIBILITIES AND ACCOUNTABILITIES

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

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

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

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

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

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

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

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

- appropriate systems of physical management and controls are established and carried out for assets in their areas of responsibility;
- the municipal resources assigned to them are utilized effectively, efficiently, economically and transparently;

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

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

#### **5.5 Safe-guarding of assets.**

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

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

## **6. FINANCIAL MANAGEMENT**

### **6.1 Approval to acquire assets**

Funds can only be spent on a capital project if:

- the funds have been appropriated in the capital budget, and the future annual operations and maintenance needs have been calculated and have been budgeted for in the operations budget;
- the project, including the total cost and funding sources, has been approved by Council;
- the Chief Financial Officer confirms that funding is available for that specific project, and
- the Supply Chain Management prescripts/procedures have been adhered to.

## **6.2 Funding period of capital projects**

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

## **6.3 Disposal of assets**

- The municipality may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of an asset needed to provide the minimum level of basic municipal services, unless such asset is obsolete or surplus to requirements or beyond a state of good repair or being replaced and provided that the delivery of the minimum level of basic municipal services must not be compromised as a result of the disposal of the asset.
- The decision that a specific asset is not needed to provide the minimum level of basic municipal services, may not be reversed by the municipality after that asset had been sold, transferred or otherwise disposed of.
- The disposal of an asset must be fair, equitable, transparent, competitive and cost effective and comply with municipal supply chain management regulation and policy.
- The transfer of assets to another municipality, municipal entity, national directorate or provincial directorate is excluded from these provisions, provided such transfer is being done in accordance with a prescribed regulatory framework.
- Directors shall report in writing to the Chief Financial Officer on all assets controlled or used by the directorate concerned, which such Director wishes to alienate by public auction or public tender. The Chief Financial Officer shall thereafter consolidate the requests received from the various directorates, and shall promptly report such consolidated information to the Council or the Municipal Manager of the municipality, as the case may be, recommending the process of alienation to be adopted.
- Once the assets are alienated, the Chief Financial Officer shall de-recognise the asset from the asset register.
- All gains and losses realized on the alienation of assets shall be accounted for according to GRAP requirement.
- Asset which could not be found on site during three consecutive verification process i.e. (3) years in row which could be found even after the investigation by Risk Management Unit might be recommended for de-recognition or write-off from the fixed asset register.
- 

## **6.4 Loss, Theft, or destruction assets**

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

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





## **7. INTERNAL CONTROLS**

### **7.1 Financial asset registers**

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

7.1.2 Contents of the financial asset register:

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

7.1.3 Internal Controls over the financial asset registers:

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

### **7.2 General management of assets**

7.2.1 The Chief Financial Officer will undertake risk based annual asset verification.

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

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

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

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

### **7.3 Transfers of assets**

- Asset transfers must be done in writing

### **7.4 Verification of assets**

- The Municipality shall perform risk-based asset verification at the end of each financial year.
- Asset which could not be found on site during verification will be handed over to Risk Management Unit for further investigation.

### **7.5 Insurance of assets**

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

## 8. CLASSIFICATION & COMPONENTS

### 8.1 Classification of assets

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

### 8.2 Class of assets

- PPE asset hierarchy

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

- Servitudes

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

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

- Non-current assets held for sale

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

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

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

An extension of the period required to complete the sale does not preclude an asset from being classified as held for sale if the delay is caused by events or circumstances beyond the municipality’s control and there is sufficient evidence that the municipality remains committed to its plan to sell the asset. However, if the municipality has classified an asset as held for sale, but the criteria are no longer met, the municipality shall cease to classify the asset as held for sale.

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

- Land
- Buildings (not held as investment assets)
- Biological Assets
- Living and Non-Living Resources Assets

- Community assets (resources contributing to the general well-being of the community)
- Infrastructure assets (assets which are part of a network of similar assets)
- Intangible assets
- Heritage assets (culturally significant resources)
- Other assets (ordinary operational resources, consisting of Furniture, Equipment and Vehicles)
- Finance lease assets
- Library books
- Investment property
  - investment assets (resources held for capital or operational gain or rental); or
  - Land held with undetermined use

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

## 9. UNBUNDLING OF ASSETS

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

## 10. ACCOUNTING FOR ASSETS

### 10.1 Recognition of assets

- An item will be recognized as an asset when:
  - *it is probable that future economic benefits or potential service delivery associated with the asset will flow to the municipality,*
  - *the cost of the asset to the municipality can be measured reliably,*
  - *the municipality has control over the asset,*
  - *the asset is expected to be used for more than one financial year.*

### 10.2 Initial measurement

The municipality shall measure the assets in accordance with the requirements of GRAP standards for that class of assets. The relevant GRAP standards include the following

- GRAP 12 - Inventory
- GRAP 13 - Leases
- GRAP 16 - Investment property
- GRAP 17 - Property, plant and equipment
- GRAP 21 - Impairment of non-cash generating assets
- GRAP 26 - Impairment of cash generating assets
- GRAP 31 - Intangible assets
- GRAP 100 -Discontinued operations
- GRAP 103 -Heritage assets
- GRAP 105 -Transfer of functions between entities under common control
- GRAP 106 -Transfer of functions between entities not under common control
- GRAP 110 - Living and non-living resources

### 10.3 Subsequent Measurement

### 10.3.1 Definitions and rules

#### Options

Accounting standards allow measurement after recognition of assets as follows:

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

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

#### Cost model

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

#### Revaluation model

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

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

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

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

The revaluation surplus is transferred to the Accumulated Surpluses/ (Deficits) Account on de-recognition of an asset. An amount equal to the difference between the new (enhanced) depreciation expense and the depreciation expenses determined in respect of such immovable asset before the revaluation in question may be transferred from

the revaluation reserve to the municipality's accumulated surplus/deficit account. An adjustment of the aggregate transfer is made at the end of each financial year.

If the carrying amount based on the revaluation is less than the carrying value of the immovable asset recorded in the fixed asset register, the carrying value of such asset is adjusted by reducing the carrying amount to the value based on the revaluation. Such reduction forms a charge, in the first instance, against the balance in any revaluation reserve previously created for such asset, and to the extent that such balance is insufficient to bear the charge concerned, an immediate additional charge against the department or vote controlling or using the asset in question.

#### Investment property

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

#### Statutory inspections

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

#### Expenses to be capitalised

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

#### Spares

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



### 10.3.2 Adopted accounting models

Measurement after recognition shall be on the following basis: -

- Immoveable PPE: revaluation model.
- Heritage assets: cost model.
- Investment property: fair value model.
- Intangible assets: cost model.
- Movable Assets: Cost Model
- Biological assets: Fair value model
- Living and non-living resources: Revaluation model

### 10.3.3 Frequency of Revaluation

Where the valuation model is adopted, an official revaluation will be every three (3) financial years. This is closely aligned with the timeframe associated with the frequency at which Municipal Valuation Roll, which is currently determined, through legislation, which is five (5) financial years.

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

### 10.4 Donations or exchanges

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

### 10.5 Depreciation

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

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

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

#### 10.6 Initial determination of useful life

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

#### 10.7 Review of useful life

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

#### 10.8 Review of depreciation method

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

#### 10.9 Subsequent expenditure on property plant or equipment

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

## 10.10 Impairment of assets

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

- The carrying amount (Book value) of an asset should be reviewed when there are indicators of impairment in order to assess whether or not the recoverable amount has declined below the carrying amount.
- Recoverable amount is the amount that the municipality expects to recover from the future use of an asset, including its residual value on disposal. When the recoverable amount is lower than the carrying amount, the carrying amount should be reduced to the recoverable amount. The amount of the reduction should be recognised as an expense immediately.
- The recoverable amount of individual assets, or groups of identical assets, is determined separately and the carrying amount reduced to recoverable amount on an individual asset, or group of identical assets, basis. However, there may be circumstances when it may not be possible to assess the recoverable amount of an asset on this basis, for example when all of the plant and equipment in a sewerage purification work is used for the same purpose. In such circumstances, the carrying amount of each of the related assets is reduced in proportion to the overall decline in recoverable amount of the smallest grouping of assets for which it is possible to make an assessment of recoverable amount.
- The following may be indicators that an item of PPE has become impaired:
  - The asset has been damaged.
  - The asset has become technologically obsolete.
  - The asset remains idle for a considerable period either prior to it being put into use or during its useful life.
  - Land is purchased at market value and is to be utilized for subsidized housing developments, where the subsidy is less than the purchase price.
  - Net Selling price of the land which is the amount obtainable from the sale of the market in an arm's length transaction between knowledgeable, willing parties, less the cost of disposal.
  - Value in use of the land which is the present value of the estimated future net cash inflows expected from the continuing use of the asset and from its disposal at the end of its useful life.
  - **Asset which could not be found on site during verification.**

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

- Directorates will identify and inform Budget & Treasury Office Directorate - Asset Control of assets that are:
  - Are in a state of damage at year end.
  - Are technologically obsolete at year end. This can be facilitated if Directorates require Finance Directorate - Asset Control, to supply them with a Fixed Asset Register print-out pertaining to major assets showing the remaining useful lives of assets. The Directorates can then assess and indicate cases where

the assessed remaining useful life is shorter than the remaining useful life on the printout.

- Have remained idle for a considerable period either prior to them being put into use at year end or during their useful life.
  - Are subject to impairment losses because the subsidies to be received in exchange for assets are less than the carrying amounts. An example of this is land that is purchased at market value and is utilized for subsidized housing developments
- The impairment loss needs to be accounted for by identifying the relevant funding source.
  - The carrying amount of an asset should be reviewed when there are indicators of impairment to assess whether or not the recoverable amount has declined below the carrying amount.
  - When such a decline has occurred, the carrying amount should be reduced to the recoverable amount.
  - The amount of the reduction should be recognized as an Impairment expense immediately, unless it reverses a previous revaluation in which case it should be charged to the Revaluation Reserve.
  - For assets providing economic benefits, the recoverable amount is the net present value of future ownership.
  - For assets providing future service delivery, the recoverable amount is the remaining proportional to its useful life, service capacity or quality of service that is not intended to be restored by normal maintenance programs.

#### **Subsequent increase in recoverable amount**

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

#### **10.11 Accounting treatment on Disposal**

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

on the Statement of Financial Performance of the directorate or vote concerned. If, however, both gains and losses arise in any one financial year in respect of the alienation of the fixed assets of any directorate or vote, only the net gain (if any) on the alienation of such fixed assets shall be appropriated.

#### 10.12 Reinstatement, maintenance and other expenses

- Only expenses incurred in the enhancement of a fixed asset (in the form of improved or increased services or benefits flowing from the use of such asset) or in the material extension of the useful operating life of a fixed asset shall be capitalised.
- Expenses incurred in the maintenance or reinstatement of a fixed asset shall be considered as operating expenses incurred in ensuring that the useful operating life of the asset concerned is attained, and shall not be capitalised, irrespective of the quantum of the expenses concerned.
- Expenses which are reasonably ancillary to the bringing into operation of a fixed asset may be capitalised as part of such fixed asset. Such expenses may include but need not be limited to, transportation costs, installation cost etc.
- The following matrix will assist in distinguishing capital expenditure from maintenance expenditure: -

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

#### 10.13 Assets held under leases.

**Finance leases** are leases, which in effect transfer all risks and rewards associated with the ownership of an asset from the lessor to the lessee. Assets held under finance leases are capitalized by the municipality and reflected as such in the FAR. It will be capitalized at its leased value in accordance with requirements of GRAP 13. The asset is then depreciated over its expected useful life.

**Operating leases** are those leases which are not finance leases. Operating lease rentals are expensed as they become due. Assets held under operating leases are not accounted for in the asset registers of the municipality.

#### 10.14 Investment property

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

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

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

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

##### **Fair value**

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

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

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

#### 10.15 Fixed assets treated as inventory

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

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

#### 10.16 Recognition of heritage assets in the fixed asset register

If no original costs or fair values are available in the case of one or more or all heritage assets, the Chief Financial Officer may, if it is believed that the determination of a fair value for the assets in question will be a laborious or expensive undertaking, record such asset or assets in the fixed asset register without an indication of the costs or fair value concerned.

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

#### 10.17 Other write-offs of fixed assets

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

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

#### 10.18 General maintenance of fixed assets

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

### 11. FINANCIAL DISCLOSURE

Assets must be disclosed per class in accordance with Generally Recognized Accounting Practice.

### 12. DATE OF IMPLEMENTATION

This policy shall be implemented on 1<sup>st</sup> July 2025 and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.





**DRAFT**

**BILLING POLICY**

**2025/2026**

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### 1. DEFINITION

**“Accounting Officer”** means the municipal manager appointed in terms of Section 60 of the Municipal Finance Management Act.

**“Actual Consumption”** means the measured consumption from a metered service consumed by a customer.

**“Applicable Charges”** means the rate, charges, tariffs or levies determined by council.

**“Annually”** means once every financial year.

**“Arrears”** means those property rates (rates) and service charges that have not been paid by the due date.

**“Authorized Representative”** means a person or delegated person legally appointed by the Municipality to act or to fulfill a duty on its behalf.

**“Availability Charges”** means a fixed monthly or annual charge levied against the account holder which is based on the cost for providing a municipal service to the premises of the account holder.

**“Basic Municipal Services”** shall mean a municipal service necessary to ensure an acceptable and reasonable quality of life, which service – if not provided – would endanger public health or safety or the environment.

**“Billing”** refers to the process of charging for rates and taxes and issuing of accounts.

**“Billing Date”** means the date upon which the monthly statement is generated and debited to the customer's account.

**“By-law”** shall mean legislation passed by the council of the Municipality, and which shall be binding on the Municipality and on the persons and institutions to which it applies.

**“Chief Financial Officer”** means the person appointed as the Chief Financial Officer or the person appointed to act in the position of Chief Financial Officer of the Municipality.

**“Consolidated Account”** means an account which is a consolidation of any separate accounts of a person who is liable for payment to the Municipality.

**“Council”** means the Council of the Polokwane Municipality

**“Councillor”** shall mean a member of the Council of Polokwane Municipality.

**“Connection”** means the point at which a customer gains access to municipal services.

**“Customer”** means the occupier of any premises to which the Municipality has agreed to supply or is supplying municipal services to, or if no occupier can be identified or located, then the owner of the

premises.

**“Consumer”**

**“Due Date”** in relation to rates and taxes -

(a) rates due in respect of any immovable property, means: -

- (i) the date for payment indicated on the account,
- (ii) in the case where rates and services are levied on a monthly basis, the due date shall always be the 25<sup>th</sup> of each month.

**“Electricity Charges”** means service charges in respect of the provision of electricity.

**“Estimations”** - means approximate calculations or judgement about the value, number, quantity or extend of something

**“Financial Year”** shall mean the period starting from 1 July in any year and ending on 30 June of the following year.

**“Indigent Customer”** means the approved indigent household in term of council’s indigent policy

**“Illegal Connection”** means a connection to any system through which a municipal service is provided and that is not authorized or approved by the municipality.

**“Interest”** means a charge levied with the same legal priority as service fees and calculated at a rate determined by council from time to time.

**“Municipal Tariff”** shall mean a tariff for services which the Municipality may set for the provision of a service to the local community and may include a surcharge on such service.

**“Service Delivery Agreement”** means an agreement between the Municipality and an institution or persons mentioned in section 76(b) of the Local Government: Municipal Systems Act 32 of 2000.

**“Tampering and bypassing”** means unauthorized reconnection of a supply that has been disconnected for non-payment or interference with the supply mains or bypassing of the metering equipment to obtain unmetered service.

## **2. ABBREVIATIONS**

AO	Accounting Officer
CFO	Chief Financial Officer
MFMA	Municipal Finance Management Act 56 of 2003 (as amended)
MPRA	Municipal Property Rates Act 6 of 2004 (as amended)
MSA	Municipal Systems Act 32 of 2000 (as amended)
NCA	National Credit Act 34 of 2005 (as amended)
VAT	Value Added Tax Act 89 of 1991 (as amended)
IBT	Inclining Block Tariff

### 3. PREAMBLE

**Whereas** section 152 (1) (b) of the Constitution of the Republic of South Africa Act 108 of 1996 (*the Constitution*) provides that one of the objects of local government is to ensure that the provision of services to communities occurs in a sustainable manner;

**And whereas** section 4 (1) (c) of the Local Government: Municipal Systems Act 32 of 2000, as amended (*the Systems Act*) provides that the Council of a Municipality has the right to finance the affairs of the Municipality by charging fees for services, imposing surcharges on fees, rates on property and, to the extent authorized by national legislation, other taxes, levies and duties;

**And whereas** section 5 (1) (g), read with subsection (2) (b) of the Systems Act provides that members of the local community have the right to have access to municipal services which the municipality provides, provided that, where applicable and subject to the policy for indigent customers, pay promptly for services charges levied, surcharges on fees, other taxes, levies and duties imposed by the municipality;

**And whereas** Chapter 9, sections 95, 96, 97, 98, 99 and 100, of the Systems Act provides for Customer Care Management, and the responsibility for Debt Collection of the Municipality, contents of the policy, by-laws that give effect to the policy, Supervisory authority and Implementing authority, respectively.

**Now therefore** the Municipal Council of Polokwane Municipality adopts the following policy regarding Billing of Services to Customers.

### 4. OBJECTIVE OF THE POLICY

Section 95 of the Local Government: Municipal Systems Act, 32 of 2000 (hereinafter referred to as the MSA) requires the Municipality to:

- 4.1 establish a sound customer management system;
- 4.2 establish mechanisms for users of services and ratepayers to give feedback to the municipality regarding the quality of services;

- 4.3 take reasonable steps to ensure that users of services are informed of the costs of service provision, the reason for the payment of service fees, and the manner in which monies are utilized;
- 4.4 take reasonable steps to ensure the accurate measurement of consumption of services;
- 4.5 ensure the receipt by persons liable for payments of regular and accurate accounts that indicate the basis for calculating the amounts due;
- 4.6 provide accessible mechanisms for those persons to query or verify accounts and metered consumption, and appeal procedures which allow for prompt redress for inaccurate accounts;
- 4.7 provide accessible mechanisms for dealing with complaints, prompt replies and corrective action;
- 4.8 provide mechanisms to monitor response times to such complaints;
- 4.9 Provide accessible pay points and other mechanisms for settling accounts or for making pre-payments for services.

## **5. UNDERLYING PRINCIPLES OF THIS POLICY**

The principles of Billing in the Municipality are: -

- 5.1 The administrative integrity of the Municipality must be maintained at all times.
- 5.2 This policy must be approved by Council.
- 5.3 The policy must be made accessible.
- 5.4 A person liable for property rates and consumption levies must furnish the municipality with an address where correspondence can be directed to and remains his / her responsibility to enquire with the municipality if the account is not rendered
- 5.5 Customers must receive regular and accurate accounts that indicate the basis for calculating the amounts due. The customer is entitled to have the details of the account explained upon request.
- 5.6 Customers must pay their accounts regularly on or before the due date.
- 5.7 Customers are entitled to reasonable access to pay points and to a variety of reliable payment methods.
- 5.8 Customers are entitled to an efficient, effective, and reasonable response to queries dispute

and appeals, and should not suffer any disadvantage during the processing of a reasonable appeal.

- 5.9 All tariffs to calculate Property Rates, Electricity and Water consumption, Sewer and Refuse collection charges are determined annually, approved by Council, and contained in the Tariff booklet produced by the Municipality.

## **6. LEGISLATIVE FRAMEWORK**

The legal framework central to Billing and the functioning of municipalities is contained in various pieces of legislation, some of which is briefly outlined in the section to follow.

### **6.1 Constitution of the Republic of South Africa, 1996 (Act 108 of 1996)**

The Constitution of the Republic of South Africa, 1996, (Act 108 of 1996), is the supreme law of the Republic, any law or conduct inconsistent with it is invalid, and the obligations imposed by it must be fulfilled. The right to sufficient water and appropriate assistance where one is unable to support them, and their dependents is enshrined in the Constitution. In this instance the state must take reasonable legislative and other measures, within its available resources, to achieve the progressive realization of these rights.

The objectives of local government are set out in Section 152 of the Constitution and include:

- 6.1.1 providing a democratic and accountable government for local communities.
- 6.1.2 provision of services to communities in a sustainable manner.
- 6.1.3 promoting social and economic development.
- 6.1.4 promoting a safe and healthy environment; and
- 6.1.5 encouraging the involvement of communities and community organizations in the matters of local government.

Furthermore, a municipality must achieve these objectives within its financial and administrative capacity. It is therefore within the powers and functions of a municipality to impose rates on property and surcharges on fees for services provided by or on behalf of a municipality as it aims to achieve its objective of providing services to communities in a sustainable manner.

### **6.2 Electricity Regulation Act, 2006 (4 of 2006)**

The Electricity Regulation Act, 2006 (4 of 2006) prohibits a municipality (licensee) from reducing or terminating the supply of electricity unless.

- 6.2.1 the customer is insolvent,



6.2.2 the customer has failed to honor, or rejects to enter into, an agreement for the supply of electricity; or

6.2.3 the customer has contravened the payment conditions of that licensee.

As such, the municipality must ensure that it enters into service agreements with its customers for the supply of services, including electricity, and that these agreements clearly spell out the service and payment terms and conditions which the customer will be subject to.

### **6.3 Water Services Act, 1997 (Act 108 of 1997)**

The main objective of this Act is to provide for the right of access to “basic water supply” and “basic sanitation” necessary to ensure sufficient water and an environment not harmful to health or well-being. The responsibility lies on the municipality as a water services authority to take reasonable measures to realize these rights.

Basic water supply refers to the prescribed minimum standard of water supply services necessary to support life and personal hygiene. A municipality cannot deny any person access to basic water services due to non-payment, where that person proves, to the satisfaction of the municipality, that they are unable to afford to pay for basic services. The implication for municipalities is that they cannot disconnect or discontinue services beyond the basic water supply as defined but may limit/restrict the flow of water to a property. Limit to trickle flow up to 200 liters per day. (6kl per month).

### **6.4 Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003)**

The Municipal Finance Management Act (Act 56 of 2000) places responsibility on the Municipal Manager as the Accounting Officer to ensure that a municipality has and implements a Credit Control and Debt Collection Policy. As an Accounting Officer, the Municipal Manager is also responsible for the management of the revenue of the municipality and is under obligation to take all reasonable steps to ensure that the municipality has effective revenue collection systems consistent with Section 95 of the Municipal Systems Act and the municipality’s Credit Control and Debt Collection Policy. Further that the municipality charges interest on arrears, except where the council has granted exemptions in accordance with its budget-related policies.

### **6.5 Local Government: Municipal Structures Amendment Act, (Act 117 of 1998 as amended)**

The Municipal Structures Act 117 of 1998 sets out the powers and function of municipalities where District Municipalities were tasked with the supply of potable water, bulk electricity, sewerage and waste disposal. With the **Municipal Structures Amendment Act, 2000 (Act 33 of 2000)**, these functions are now performed by both the District and Local Municipalities based on the locality of the municipality.

### **6.6 Local Government: Municipal Property Rates Act, (Act 6 of 2004) as**

## **amended**

The Act aims to regulate the powers of municipalities to impose rates on property. As required by the Act, the council of a municipality must adopt a rates policy and pass bylaws to enable the municipality to levy rates on all rate-able properties in its area as required.

The owner of a property is liable for the payment of a rate levied by a municipality on the property, subject to the municipality's Credit Control and Debt Collection Policy. The municipality may recover any unpaid rates on the property from the tenant, occupier or agent of the owner after serving them with a written notice. This is irrespective of any contractual obligation that might exist with the owner and is limited to the rent or money due and payable.

### **6.7 Municipal By-laws**

Section 160(4) of the Constitution provides that no bylaw may be passed by a Municipal Council unless all the members of the Council have been given reasonable notice; and the proposed bylaw has been published for public comment.

Only once the by law has been published in the official gazette of the relevant province can it be enforceable.

Where there no changes to the bylaws, there is no need for it to be published in the official gazette of the relevant province.

Further, Section 90 of the Municipal Systems Act requires municipalities to adopt credit control and debt collection bylaws in order to give effect to the policy and to give the municipality

legislative powers to enforce the policy. These bylaws may differentiate between categories of ratepayers, user of service, debtors, taxes, services, service standards and other matters, the differentiation must not amount to unfair discrimination.

### **6.8 Local Government: Municipal Systems Act (Act 32 of 2000)**

The Act requires a municipality to collect all money due and payable to it, and in so doing a municipality must adopt, maintain, and implement a credit control and debt collection policy. A municipality is empowered by the Act to levy and recover fees, charges, or tariffs in respect of any function or service of the municipality; and to recover collection charges and interest on any outstanding amount subject to the provisions of the National Credit Act. The Act further outlines the contents required of a municipal credit control and debt collection policy.

## **7. SUPERVISORY AUTHORITY**

7.1 As provided by section 99 of the Systems Act, the Executive Mayor of the municipality is responsible for overseeing and monitoring:

7.1.1 The implementation and enforcement of this policy; and

7.1.2 The performance of the Municipal Manager in implementing this

- 7.2 The Executive Mayor shall at least once a year cause an evaluation or review of this policy and the by-law to be performed, in order to improve the efficiency of the municipality's Billing processes and procedures, as well as the implementation of this policy.

## **8. IMPLEMENTING AUTHORITY**

- 8.1 As contemplated in Section 100 of the Systems Act, the Municipal Manager: -

- 8.1.1 Implements and enforces the Billing policy.
- 8.1.2 Must establish effective administration mechanisms, processes and procedures to bill amounts that are due and payable to the Municipality.
- 8.1.3 Establish effective communication between the Municipality and account holders with the aim of keeping account holders abreast of all decisions by Council that may affect account holders.
- 8.1.4 Establish customer service centers, located in such communities as determined by the Municipal Manager.

## **9. APPLICATION FOR THE PROVISION OF MUNICIPAL SERVICES**

- 9.1 A customer who requires the provision of municipal services must apply for the service from the Municipality. The application must be made on the prescribed form.
- 9.2 The application for the provision of municipal services must be made by the registered owner of immovable property. An applicant can apply for the connection of services (water and electricity) without approved building plans. Except for:
- 9.2.1 Individuals and Businesses with lease agreements to lease properties from the Municipality;
- 9.2.2 Government Departments.
- 9.2.3 Body Corporates who take the responsibility for the payment of basic water, basic sewer and refuse removal services on behalf of the individual sectional title owners; and;
- 9.2.4 Approved Indigent Customers for the purposes of registering and allocating the applicable subsidy to qualified indigent customers who will be allowed to open an account in the name of the lessee of the property.
- 9.3 In case of existing arrangements where tenants have existing accounts, and the tenant is guilty of non-payment, the owner will be liable for the outstanding debt, except where the property concerned is owned by the Municipality.

9.4 In terms of section 102(3) of the Municipal Systems Act the Municipality must provide an owner of a property in its jurisdiction with copies of accounts sent to the occupier of the property for municipal services supplied to such a property if the owner requests such accounts in writing from the Municipality.

9.5 An agent may with a proxy open an account in the name of the owner.

9.6 Once you become the owner of the property or recipient of municipal services you are bind by the following: -

9.6.1 will be liable for collection costs including administration fees, interest, disconnection and reconnection costs, and any other legal costs occasioned by his or her failure to settle accounts by the due date on the attorney and client scale;

9.6.2 that accounts will become due and payable by the due date notwithstanding the fact that the owner did not receive the account;

9.6.3 That the onus will be on the owner to ensure that he or she is in possession of an account before the due date; and

9.7 On receipt of the application for provision of municipal services, the Municipality will obtain the reading of metered services linked to the property to be taken on the working day after the application.

9.8 The first account for services charges will be rendered after the first meter reading cycle to be billed following the date of signing the service agreement.

9.9 In case of new buildings being erected and a connection is made for the first time to the main service lines the metering and levying of services actually consumed or received will take place as follow: -

9.9.1 All basic services will be billed to the registered owner on the billing date.

## **10. ACCOUNTS AND BILLING**

10.1 Accounts will be rendered using either one of the following channels;

10.1.1 By means of an e-mail or website if so requested by the customer; or

10.1.2 By means of Multimedia system (MMS) if the account holder is registered for such a service

## **11. PROPERTY RATES**

- 11.1 Property Rates shall be billed monthly,
- 11.2 Property rates which are billed and recovered annually shall be billed in the July account of each year.

## **12. ELECTRICITY**

- 12.1 Service charges in respect of electricity shall be determined in accordance with metered consumption.
- 12.2 Monthly accounts shall be rendered for electricity consumption and the customer shall effect payment thereof by the due date.

## **13. WATER CHARGES**

- 13.1 The provisions of this policy, in respect of the supply of water to a customer, shall constitute the payment conditions of the Municipality as water services authority and water services provider, contemplated in sections 4 and 21 of the Water Services Act 108 of 1997.
- 13.2 Service charges in respect of water shall be determined in accordance with metered consumption.
- 13.3 Basic charges shall be levied on properties zoned as non-residential based on the extent of the erf
- 13.4 Monthly accounts shall be rendered for water consumption and the customer shall affect payment thereof by the due date.

## **14. REFUSE AND SEWER CHARGES**

- 14.1 Monthly accounts shall be rendered for Refuse and Sewer charges

## **15. SUNDRY CUSTOMER ACCOUNTS**

- 15.1 Sundry customer accounts may be rendered by the Municipality from time to time.
- 15.2 Any sundry customer account may be included in the monthly consolidated account produced by the Municipality in terms of section 102 of the Municipal Systems Act, 32 of 2000,

## **16. FINAL ACCOUNTS**

Upon receipt of a customer's application for the termination of municipal services, the Municipality shall: -

- 16.1 Take final readings in respect of metered municipal services.
- 16.2 Prepare and render a final account.
- 16.3 Appropriate the customer deposit towards the reduction or settlement of any outstanding amount owed by the customer; and
- 16.4 Return the customer deposit to the customer in the event that all amounts owing to the municipality have been settled in full.
- 16.5 The water and / or electricity services will be disconnected with a final reading taken until such time the new owner signs a new services agreement.

## **17. METERING OF MUNICIPAL SERVICES**

- 17.1 The Municipality may introduce various types of metering equipment and options, and may encourage customers to convert to a system which is preferred by the Council when Council considers this to be beneficial to its functioning and operations.
- 17.2 Electricity and water consumption are measured with conventional and prepayment meters.
- 17.3 Where a customer has successfully applied for indigent status the conventional meter for electricity may be changed to a prepayment electricity meter at the cost of the Council.
- 17.4 The following applies to the reading of conventional meters: -
- 17.5 Conventional electricity and water meters are read at in cycles of approximately 30 days. The period must not be less than 28 days and not longer than 32 days.

Where a reading could not be obtained, The Municipality may estimate the consumption based on previous actual readings, or if council fails to obtain a previous actual reading fixed consumption will be billed on the accounts. Refer CR/42/10/20.

The amount based on interim consumption will be adjusted in a subsequent account/based on the actual consumption.

- 17.6 The customer is responsible to ensure unhindered access to metering equipment for the purposes of obtaining the meter readings for billing purposes.
- 17.7 Customers can, for reasons of non-accessibility to their properties by meter readers, provide the Municipality with monthly meter readings for billing purposes. Customers can phone in or

email the above information to billing personnel with their readings and a photo, will be compulsory with the meter number and the reading clearly visible

- 17.8 If any calculation, reading or metering error is discovered, or an actual meter reading is obtained in cases where the Municipality did not have access to the meter, in respect of any account rendered to a customer: -
- 17.9 The error shall be corrected or the adjustment made in the subsequent account;
- 17.10 Any such correction / adjustment may apply in respect of an account from a date no more than 3 years for municipal services from the date on which the error on the account was discovered or the adjustment were done. All interims levied during this period will be reversed.
- 17.11 The correction shall be based on the tariffs applicable during the period in which the error occurred.
- 17.12 Any water leakage within the property of the customer (consumer's side of the meter) will be the responsibility of the owner and the owner will be liable for the payment of the water that has leaked. Refer to section 40 of the Water and Sanitation By-Law.
- 17.13 The following applies to prepayment metering: -
- 17.14 Prepayment electricity and water are purchased at prepayment vending points.
- 17.15 Amounts tendered for the purchase of prepaid electricity and water will not be refunded where incorrect information is presented by the customer, except where the admin fee is paid for uploading and clearing of the voucher by the Municipal Official.
- 17.16 On request of the customer, copies of the previous prepayment meter vouchers will be provided.
- 17.17 Credits remaining in the prepayment meter will not be refunded when the premises are vacated by a customer.
- 17.18 The Municipality shall not be liable for the reinstatement of credit in a prepayment meter due to tampering with, or the incorrect use or abuse, of prepayment meters.
- 17.19 The Municipality will apply all the debt collection functions available on the prepayment system to collect all arrear debt on the account of the customer.

## **18. PAYMENT OF ACCOUNTS**

- 18.1 The municipality reserves the right to allocate a portion of the prepayment amount towards any other arrears/consumption that remains owing to the municipality.

18.2 Account balances which remain unpaid after 30 days from the due date shall attract interest on arrears irrespective of the reason for non-payment.

18.3 All accounts are payable by the due date regardless of the fact that the customer may not have received the account; the onus being on the customer to obtain a copy or the balance on the account before the due date.

18.4 Payments received in respect of rates and service charges will be allocated by the Polokwane Municipality entirely within its discretion, on the account of the customer.

## **19. INTEREST ON ARREAR DEBT**

19.1 Interest charges will be raised on all amounts that remain unpaid for longer than 30 days from the due date.

19.2 The interest rate is determined by the Municipality and is reviewed annually with the review of budget. Interest shall accrue for each completed month in respect of any amounts unpaid after 30 days of the due date. A part of a month shall be deemed to be a completed month.

## **20. DISPUTES AND APPEALS**

19.1 A customer may lodge a dispute with the Municipality if not satisfied with the outcome of a normal query.

19.2 A customer who is not satisfied with the outcome of the dispute may lodge an appeal in terms of section 62 of the Municipal Systems act 32 of 2000.

## **21. POWER OF ENTRY AND INSPECTION**

21.1 For any purpose related to the implementation or enforcement of this policy, and at all reasonable times, or in an emergency, a duly authorized representative of the Municipality may enter premises, request information and carry out such inspection or examination, as he or she may deem necessary: -

21.1.1 Regarding the installation or repair of any meter or service connection or reticulation; or

21.1.2 To limit, discontinue, disconnect, or reconnect the provision of any service.

21.2 If the Municipality considers it necessary that work be performed to enable the afore stated authorized representative to perform a function referred to in subsection (1) properly and effectively, then it may: -

21.2.1 By written notice require the owner or occupier of the premises, at his or her own expense, to do specific work within a specified period; or



21.2.2 If, in its reasonable opinion, the situation is a matter of urgency, then the Municipality may do such work, or cause it to be done, at the expense of the owner or occupier, and without written notice.

21.3 If the work referred to in **section 20, is** carried out for the sole purpose of establishing whether a contravention of this policy has been committed, and no such contravention has taken place, then the Municipality shall bear the expense connected therewith, together with the expense of restoring the premises to its former condition.

## **22. IMPLEMENTATION AND REVIEW OF THIS POLICY**

This policy shall be implemented on 1<sup>st</sup> July 2025 and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.



# **DRAFT BORROWING POLICY**

**2025/2026**

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## **PURPOSE**

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

## **OBJECTIVES OF POLICY**

The objectives of this Policy are to: -

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

## **SCOPE OF THE POLICY**

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

### **3.1 Risk Management**

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

### **3.2 Cost of Borrowings**

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

### **3.3 Prudence**

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

## **LEGISLATIVE FRAMEWORK AND DELEGATION OF AUTHORITY**

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

## **TYPES OF LOANS AND FINANCING**

### **4.1 Annuity loans**

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

### **4.2 Bullet payment redemption**

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

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

### **4.3 Bonds**

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

### **4.4 Use of Internal Funds**

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

## **5. OTHER CONSIDERATIONS**

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

### **5.1 Factors to be considered when borrowing:**

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

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

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

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

The current gearing for external loans (total outstanding debt to operating revenue, including recurrent grants) should not exceed 60% at 30 June 2026. To reduce the reliance on external long term borrowing, this percentage must reduce by 1% each year till a level of 50% or less is attained by 30 June 2026.

## **5.2 REFINANCING DEBT**

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

### **5.3 DEBT REPAYMENT PERIOD**

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



## **5.4 SECURITY**

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

## **5.5 OVERDRAFT**

Polokwane Municipality has no Bank overdraft facility.

## **5.6 SHORT TERM DEBT**

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

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

## **5.7 DISCLOSURE**

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

## **5.8 GUARANTEES**

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

applicable to any other borrowings. Neither the National nor Provincial Government may guarantee the debt of any Municipality.

## **5.9 APPROVAL OF LOANS BY THE MUNICIPALITY**

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

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

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

## **5.10 PROVISION FOR REDEMPTION OF LOANS**

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

## **5.11 NON-REPAYMENT OR NON-SERVICING OF LOAN**

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

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

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

## **6. PROHIBITED BORROWING PRACTICES**

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

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

## **7. NATIONAL TREASURY AND OTHER REPORTING AND MONITORING REQUIREMENTS**

The Municipality submits returns to National Treasury quarterly as well as submissions to Council through Section 71 report.

## **8. MUNICIPAL REGULATIONS ON DEBT DISCLOSURE**

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

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

## **9. REVIEW OF POLICY**

This policy shall be implemented on 1<sup>st</sup> July 2025 and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.







**DRAFT BUDGET AND VIREMENT  
POLICY  
2025/2026**

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## 1. DEFINITIONS

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

**"Allocation"**, means-

- (a) a municipality's share of the local government's equitable share referred to in section 214(l) (a) of the Constitution;
- (b) an allocation of money to a municipality in terms of section 214(1) (c) of the Constitution;
- (c) an allocation of money to a municipality in terms of a provincial budget; or
- (d) any other allocation of money to a municipality by an organ of state, including by another municipality, otherwise than in compliance with a commercial or other business transaction;

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

**"Approved budget,"** means an annual budget-

- (a) approved by a municipal council, or
- (b) includes such an annual budget as revised by an adjustments budget in terms of section 28 of the MFMA;

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

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

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



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

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

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

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

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

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

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

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

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

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

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

- (a) a statement of financial position;
- (b) a statement of financial performance;
- (c) a cash-flow statement;
- (d) any other statements that may be prescribed; and
- (e) any notes to these statements;

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

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

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

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

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

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

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

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

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

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

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

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

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

**"Municipal debt instrument"** means any note, bond, debenture or other evidence of indebtedness issued by a municipality, including dematerialised or electronic evidence of indebtedness intended to be used in trade;

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

**"municipality"**-

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

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

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

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

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

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

**"official"**, means-

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

**"overspending"**-

- (a) means causing the operational or capital expenditure incurred by the municipality during a financial year to exceed the total amount appropriated in that year's budget for its operational or capital expenditure, as the case may be;
- (b) in relation to a vote, means causing expenditure under the vote to exceed the amount appropriated for that vote; or
- (c) in relation to expenditure under section 26 of the MFMA, means causing expenditure under that section to exceed the limits allowed in subsection (5) of this section;

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

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

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

- (a) 1 July to 30 September;
- (b) 1 October to 31 December;
- (c) 1 January to 31 March; or
- (d) 1 April to 30 June;

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

- (a) projections for each (i) revenue to be collected, by source; and
- (ii) operational and capital expenditure, by vote;
- (b) service delivery targets and performance indicators for each quarter; and
- (c) any other matters that may be prescribed, and includes any revisions of such plan by the Mayor in terms of section 54(l) (c) of the MFMA;

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

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

**"Unauthorised expenditure",** means any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3) of the MFMA, and includes-

- (a) overspending of the total amount appropriated in the municipality's approved budget;
- (b) overspending of the total amount appropriated for a vote in the approved budget;
- (c) expenditure from a vote unrelated to the department or functional area covered by the vote;
- (d) expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;
- (e) spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of allocation otherwise than in accordance with any conditions of the allocation; or
- (f) a grant by the municipality otherwise than in accordance with the MFMA;

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

**"vote"** means-

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

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

## **2. INTRODUCTION**

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

## **3. OBJECTIVES OF POLICY**

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

## **4. BUDGETING PRINCIPLES**

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

b) Expenses may only be incurred in terms of the approved annual budget (or adjustments

budget) and within the limits of the amounts appropriated for each vote in the approved budget.

c) The MTREF budget shall at all times be within the framework of the Municipal Integrated Development Plan

## **5. BUDGET PREPARATION PROCESS**

### **5.1. Formulation of the budget**

a) The Accounting Officer with the assistance of the Chief Financial Officer and the Heads responsible for IDP and Performance Management shall draft the Schedule of key deadlines for the budget and allied processes for the municipality and its municipal entities for the ensuing financial year.

b) The schedule of key deadlines shall indicate the processes relative to the review of the IDP as well as the preparation of the medium-term revenue and expenditure framework budget and the revision of the annual budget. Such target dates shall follow the prescriptions of the Municipal Finance Management Act as well as the guidelines set by National Treasury.

c) The mayor shall table the IDP process plan as well as the budget timetable to Council by 31 August each year for approval (10 months before the start of the next budget year).

d) Strategic workshop shall be convened in September/October with senior managers to determine the IDP priorities which will form the basis for the preparation of the MTREF budget taking into account the financial and political pressures facing the municipality.

e) The Mayor shall table the draft IDP and MTREF budget to council by 31 March (90 days before the start of the new budget year) together with the draft resolutions and budget related policies (policies on tariff setting, credit control, debt collection, indigents, investment and cash management, borrowings, etc).

f) The Chief Financial Officer and senior managers undertake the technical preparation of the budget.

g) The budget must be in the format prescribed by National Treasury and must be divided into capital and operating budget.

- h) The budget must reflect the realistically expected revenues by major source for the budget year concerned.
- i) The budget must also contain the information related to the two financial years following the financial year to which the budget relates, as well as the actual revenues and expenses for the prior year, and the estimated revenues and expenses for the current year.

## **5.2 Public participation process**

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

## **5.3 Approval of the budget**

- a) Per legislation, Council shall consider the next medium term expenditure framework budget for approval not later than 31st May (at least 30 days before the start of the budget year).
- b) The annual budget must be approved before the start of the financial year.
- c) Should the municipality fail to approve the budget before the start of the budget year, the mayor must inform the MEC for Finance that the budget has not been approved.
- d) The budget tabled at Council for approval shall include, inter alia the following draft resolutions:
  - i. draft resolutions approving the budget and levying property rates, other taxes and tariffs for the financial year concerned;
  - ii. draft resolutions approving measurable performance objectives for each budget vote, taking into account the municipality's IDP;
  - iii. draft resolutions approving any proposed amendments to the IDP;
  - iv. draft resolutions approving any proposed amendments to the budget related policies;
  - v. draft resolutions approving the contents of the annual budget and supporting documents in terms of Section 17 of the MFMA

#### **5.4 Publication of the budget**

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

#### **5.5 Service Delivery and Budget Implementation Plan (SDBIP)**

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

### **6. CAPITAL BUDGET**

- a) The capital budget refers to the allocations made to specific infrastructural projects and the purchase of equipment and other forms of assets having a lifespan of more than one year and a cost value of more than R10000



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

### **Basis of Calculation**

- a) The zero-based method is used in preparing the annual capital budget, except in cases where a contractual commitment has been made that would span over more than one financial year.
- b) The annual capital budget shall be based on realistically anticipated revenue, which should be equal to the anticipated capital expenditure in order to result in a balanced budget.

## **7. OPERATING BUDGET**

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

- i. provision for accrued leave entitlements equal to 100% of the accrued leave
- ii. entitlement of officials as at 30 June of each financial year,
- iii. provision for bad debts in accordance with its rates and tariffs policies
- iv. provision for the obsolescence and deterioration of stock in accordance with its stores management policy.
- v. Depreciation and finance charges shall be charged to or apportioned only between the departments or votes to which the projects relate.
- vi. At least a minimum of 5% of the operating budget component of each annual and adjustments budget shall be set aside for maintenance.

vii. When considering the draft annual budget, council shall consider the impact which the proposed increases in rates and service tariffs will have on the monthly municipal accounts of households.

viii. The impact of such increases shall be assessed on the basis of a fair sample of randomly selected accounts.

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

- i. depreciation charges
- ii. repairs and maintenance expenses
- iii. interest payable on external borrowings
- iv. other operating expenses.

c) The chief financial officer shall ensure that the cost of indecency relief is separately reflected in the appropriate votes.

## **8. FUNDING OF CAPITAL AND OPERATION BUDGET**

The budget may be financed only from

## **8.1 Own Financing Sources (Basic Capital Budget)**

The Council shall establish a Capital Replacement Reserve (CRR) for the purpose of financing capital projects and the acquisition of capital assets. Such reserve shall be established from the following:

a) unappropriated cash-backed surpluses to the extent that such surpluses are not required

for operational purposes.

b) further amounts appropriated as contributions in each annual or adjustments budget; and

c) net gains on the sale of fixed assets in terms of the fixed asset management and accounting policy.

## **8.2 Other Finance Sources (Ad Hoc Capital Budget)**

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

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

b) Grants and subsidies as allocated by Provincial government.

c) External Loans

d) Private Contributions

e) Contributions from the Capital Development Fund (developer's contributions) and,

f) Any other financing source secured by the local authority.

## **9. UNSPENT FUNDS/ ROLL OVER**

a) The appropriation of funds in an annual or adjustments budget will lapse to the extent that they are unspent by the end of the relevant budget year, but except for funds relating to capital expenditure.

- b) Only unspent grants (if the conditions for such grant funding allows that) or loan funded capital budget may be rolled over to the next budget year
- c) Conditions of the grant fund shall be taken into account in applying for such rollover of funds
- d) Application for rollover of funds ( if applicable) shall be submitted to National Treasury to the National Treasury by the 30 August annually
- e) No funding for projects funded from the Capital Replacement Reserve shall be rolled over to the next budget year except in cases where a commitment has been made 90 days (30 March each year) prior the end of that particular financial year.
- f) No unspent operating budget shall be rolled over to the next budget year

## **10. VIREMENT BUDGET/ TRANSFERS**

Virement is the process of transferring budgeted funds from one line-item number to another, with the approval of the relevant Director and CFO, to enable budget managers to amend budgets in the light of experience or to reflect anticipated changes. (Section 28 (2) (c) MFMA)

### **10.1 Financial Responsibilities**

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

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

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

## **10.2 Virement Restrictions**

- a) No funds may be transferred between votes (Directorates) without approval in the adjustment budgets.
- b) Virements resulting in adjustments to the approved SDBIP need to be submitted with an adjustments budget to the Council with altered outputs and measurements for approval.
- c) No virement may commit the Municipality to increase recurrent expenditure, which commits the Council's resources in the following financial year, without the prior approval of the Mayoral Committee. This refers to expenditures such as entering into agreements into lease or rental agreements such as vehicles, photo copiers or fax machines
- d) No virement may be made where it would result in unauthorised expenditure.
- e) If the virement relates to an increase in the work force establishment, then the Council's existing recruitment policies and procedures will apply.
- f) Virements are not allowed in respect of ring-fenced allocations.
- g) Virements are not allowed on the following items: - Finance Charges, Depreciation, Debt Impairment, Contributions, Grant Expenditure and Income Foregone, Insurance and VAT
- h) Virements must be between projects of similar major funding sources (e.g. CRR ↔ CRR)
- i) Virement amounts may not be rolled over to subsequent years, or create expectations on following budgets. (Section 30 MFMA)
- j) Virements are not allowed between Expenditure and Income.
- k) Virements are not allowed between capital and operational budgets without approval in the adjustment budgets.
- l) Virements towards personnel expenditure and vice versa will not be permitted.
- m) No budget may be moved to or from a vote, programme or project etc. that will exceed 20% of that vote

- i. This refers to virement within a directorate that must not exceed 20% of that department's total approved budget of the following Sub-votes – Other Materials, Contracted Services and Other Expenditure
- n) Any virement in excess of 20% should be approved by Council, however this threshold shall not apply in case of emergency
- o) No virement may be made where it would result in over expenditure (MFMA Section 32);
- p) Virement should only be allowed within a mSCOA function and its sub functions, except for the following cases:
  - 1. A Project extending over/ incorporating more than one mSCOA function or sub function, then savings in the budgetary allocation in a function or sub-function may be applied across the functions and/ or sub-functions directly linked to the same Project and Funding Source;
  - 2. Where the Finance and Administrative function or sub function is directly linked to another Function or sub function, then savings in the linked function/ sub-function may be applied in the Finance and Administrative function or vice versa<sup>2</sup>. Therefore virement between Rates Services and Trading Services and across Trading Service are not allowed;
  - 3. Virements should not result in adding 'new' projects to the Capital Budget;

### **10.3 Virement Procedure**

- a) All virement proposals must be completed on the appropriate documentation and forwarded to the Budget Office for verification and implementation.
- b) All virements must be approved by the Vote holder and/or relevant Manager in the case of a departmental budget transfer, and by the relevant Director in the case of a
- c) All the virement on Capital budget must be approved by the Municipal Manager
- d) Capital Budget Virement within a GFS Classification must be approved by the relevant manager and Director, the Municipal Manager and Chief Financial Officer.
- e) A virement form must be completed for all Budget Transfers.
- f) All documentation must be in order and approved before any expenditure can be committed or incurred.
- g) All virements must be reported to National Treasury in the prescribed format

## **11. ADJUSTMENT BUDGET**

- a) Each adjustments budget shall reflect realistic excess, however nominal, of current revenues over expenses.
- b) The chief financial officer shall ensure that the adjustments budgets comply with the requirements of the National Treasury reflect the budget priorities determined by the Mayor, are aligned with the IDP, and comply with all budget-related policies, and shall make recommendations to the executive mayor on the revision of the IDP and the budget-related policies where these are indicated.
- c) Council may revise its annual budget by means of an adjustments budget as regulated.
- d) The Accounting Officer must promptly adjust its budgeted revenues and expenses if a material under-collection of revenues arises or is apparent.
- e) The Accounting Officer shall appropriate additional revenues, which have become available but only to revise or accelerate spending programmes already budgeted for or any areas of critical importance identified by Council in compliance with Item 2 of Section 10.
- f) The Council shall in such adjustments budget, and within the prescribed framework, confirm unforeseen and unavoidable expenses on the recommendation of the Mayor.
- g) The Council should also authorise the spending of funds unspent at the end of the previous financial year, where such under-spending could not reasonably have been foreseen at the time the annual budget was approved by the Council.
- h) An adjustments budget shall contain the following aspects;
  - i. An explanation of how the adjustments affect the approved annual budget;
  - ii. Appropriate motivations for material adjustments; and
  - iii. An explanation of the impact of any increased spending on the current and future annual budgets.
  - iv. Any inappropriate surplus from previous financial years, even if fully cash backed shall not be used to balance any adjustments budget but shall be appropriated to the municipality's capital replacement reserve.
- i) Municipal taxes and tariffs may not be increased during a financial year except if required in terms of a financial recovery plan.

## **12. BUDGET IMPLEMENTATION**

### **12.1 MONITORING**

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

## **13. REPORTING**

### **13.1 Monthly Reports**

The accounting officer with the assistance of the chief financial officer must, not later than ten working days after the end of each calendar month, submit to the Mayor and Provincial and National Treasury a report in the prescribed format on the state of the municipality's budget for such calendar month, as well as on the state of the budget cumulatively for the financial year to date.

The report must reflect the following:

- a) actual revenues per source, compared with budgeted revenues;
- b) actual expenses per vote, compared with budgeted expenses;
- c) actual capital expenditure per vote, compared with budgeted expenses
- d) actual borrowings, compared with the borrowings envisaged to fund the capital budget;



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

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

### **13.2 Quarterly Reports**

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

### **13.3 Mid-year budget and performance assessment**

The Accounting officer must assess the budgetary performance of the municipality for the first half of the financial year, taking into account all the monthly budget reports for the first six months, the service delivery performance of the municipality as against the service delivery targets and performance indicators which were set in the service delivery and budget implementation plan.

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

The Accounting officer may in such report make recommendations after considering the recommendation of the Chief Financial Officer for adjusting the annual budget and for revising

the projections of revenues and expenses set out in the service delivery and budget implementation plan.

#### **13.4 Municipal website**

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

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

#### **14. Funds transferred to organisations and bodies outside government**

Before transferring funds of the municipality to an organisation or body outside any sphere of government otherwise than in compliance with a commercial or other business transaction, the accounting officer must be satisfied that the organisation or body:

- (a) has the capacity and has agreed:
    - I. to comply with any agreement with the municipality;
    - II. for the period of the agreement to comply with all reporting, financial management and auditing requirements as may be stipulated in the agreement;
    - III. to report at least monthly to the accounting officer on actual expenditure against such transfer; and
    - IV. to submit its audited financial statements for its financial year to the accounting officer promptly;
  - (b) implements effective, efficient and transparent financial management and internal control systems to guard against fraud, theft and financial mismanagement;
- and
- (c) has in respect of previous similar transfers complied with all the requirements of this section.

(2) If there has been a failure by an organisation or body to comply with the requirements of subsection (1) in respect of a previous transfer, the municipality may despite subsection (1)(c) make a further transfer to that organisation or body provided that:

- a) subsection (1)(a) and (b) is complied with: and
- b) the relevant provincial treasury has approved the transfer

(2) The accounting officer must through contractual and other appropriate mechanisms enforce compliance with subsection (1).

(3) Subsection (1)(a) does not apply to an organisation or body serving the poor or used by government as an agency to serve the poor, provided:

- (a) That the transfer does not exceed a prescribed limit; and
- (b) that the accounting officer-
  - I. takes all reasonable steps to ensure that the targeted beneficiaries receive the benefit of the transferred funds: and
  - II. certifies to the Auditor-General that compliance by that organisation or body with subsection (1)(a) is uneconomical or unreasonable.

## **15. IMPLEMENTATION AND REVIEW OF POLICY**

This policy shall be implemented on 1<sup>st</sup> July 2025 and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.



**DRAFT**  
**CASH MANAGEMENT**  
**AND**  
**INVESTMENT POLICY**

**2025/2026**

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## 1. PREAMBLE

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

**And whereas** a municipality must disclose its investment details;

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

**Now therefore** the Polokwane Municipality adopts the following Investment Policy:

## 2. DEFINITIONS

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

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

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

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

**Councillor:** A member of the Municipal Council.

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

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

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

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

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

### 3. OBJECTIVE OF POLICY

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

### 4. SCOPE OF POLICY

The Policy deals with: -

- Responsibility / Accountability;
- Investment instruments;
- Cash flow estimates;
- Investment ethics and principles;
- Investment procedures;
- Other external deposits; and
- Control over investments.

### 5. RESPONSIBILITY / ACCOUNTABILITY

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

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

5.3 Efficient and effective investment management include: -

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



## 6. INVESTMENT INSTRUMENTS

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

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

## 7. CASH FLOW ESTIMATES

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

7.2 In order to be able to make investments for any fixed term, it is essential that cash flow estimates can be drawn up.

7.3 Provision must be made in the cash flow estimates for the operating and capital requirements of the municipality: -

- a) The operating requirements must include provisions for: -
  - (i) Payment of monthly salaries.

- (ii) Payment for bulk purchases of electricity and water.
- (iii) Interest on long-term loans.
- (iv) Maintenance of assets.
- (v) General expenditure.
- (vi) Expected daily and monthly income. b) Capital requirement must provide for: -
  - (i) The anticipated cash flow requirements for each capital project.

## **8. INVESTMENT ETHICS AND PRINCIPLES**

8.1 The Municipal Manager will be responsible for the investment of funds, and he / she has to steer clear of outside interference, regardless of whether such interference comes from individual councillors, agents or any other institution.

8.2 Under no circumstances may he / she be forced or bribed into making an investment.

8.3 No member of staff may accept any gift unless that gift can be deemed so small that it would not have an influence on his / her work or was not intended to do so, and can merely be seen as goodwill.

8.4 A certificate in respect of any gifts received should be furnished to the Municipality.

8.5 Interest rates offered should never be divulged to another institution.

8.6 Long-term investments should be made with an institution with at least a minimum F rating (where F refers to low-risk institutions), however, institutions without a credit rating should be considered in line with sec 217 subsection (1) a and b of the constitution.

8.7 Short-term investments should be made with an institution with at

least a minimum BBB+ rating (where BBB+ refers to higher risk institutions), however institutions without a credit rating should be considered in line with sec 217 subsection (1)a and b of the constitution.

8.8 The maximum amount invested with a financial institution should

not exceed 10% of the relevant institution's shareholder's funds (capital and reserves).

8.9 The municipality may not borrow money specifically for re-

investment, as this would mean interest rates would have to be estimated in advance, which can be seen as speculation with public funds.

8.10 If the Municipal Manager invests with financial institutions, he/she

must ensure that such institutions are registered in terms of the Banks Act, 1990 (Act No. 94 of 1990) and that they are draft financial institutions, as draft by the Reserve Bank of South Africa from time to time.

8.11 When making growth related investments, the Municipal Manager must obtain a guarantee that at least the capital amount invested is safe and must exercise due diligence in this regard.

## 9. INVESTMENT PROCEDURES

After determining whether there is cash available for investment and fixing the maximum term of investment, the Municipal Manager must consider the way in which the investment is to be made.

9.1 Short-term Investments:

a) Quotations should be obtained from a minimum of three financial institutions (local banks), for the term of which the funds will be invested.

b). The Municipality may assess the investment portfolio's exposure to financial risk before deciding to wholly or part invest in one financial institution.

c) Quotations should be obtained in writing.

d) Quotations from institutions must include the following: -

(i) Name of institution;

(ii) Name of person quoting rates;

(iii) Period of the investment;

- (iv) Relevant conditions; and
- (v) Other facts, such as interest payable monthly or on maturation date.
- e) Once the required number of quotes has been obtained, a decision must be taken regarding the best terms offered and the institution with which funds are going to be invested.
- f) The best offer must under normal circumstances be accepted, with thorough consideration of investment principles.
- g) No attempt must be made to make institutions compete with each other as far as their rates and terms are concerned.
- h) The investment capital must only be paid over to the institution with which it is to be invested and not to an agent or third party.
- i) The financial institution where the investment is made must issue a confirmation stating the details of the investments.
- j) The Municipal Manager must make sure that the investment document, if issued, is a genuine document and issued by the draft institution.
- k) The municipality must be given a monthly report on all investments.
- l) The Municipal Manager must obtain information from which the creditworthiness of financial institutions can be determined. This must be obtained and analysed annually.

#### 9.1.2 INSTITUTIONS WHERE INVESTMENTS MAY BE MADE

Standard Bank Investment Corporation Ltd.

Investec Limited

First National Bank Ltd.

Nedbank Ltd.

ABSA Bank Ltd.

Rand Merchant Bank Ltd.

#### 8.2 Long-term investments:

- a) Written quotations must be obtained for all investments made for periods longer than twelve months.

b) The municipal council must approve all investments made for periods longer than twelve months after considering the cash requirement for the next three years.

c) The municipality must within 30 days after an investment with a term of 12 months or longer has been made, publish in a local newspaper in circulation within its area of jurisdiction, full details of any investments so made.

### 8.3 Withdrawals

All investment amounts withdrawn and not to be re-invested at the same institution at the time of withdrawal, shall be paid into the primary bank account.

All interest shall be paid into the primary bank account at the time of withdrawal of an investment, irrespective of the capital being re-invested.

## 10. OTHER EXTERNAL DEPOSITS

The principles and procedures set out above must apply to other investment possibilities subject to the applicable legislation, which is available to the municipality, including debentures and other securities of the state as well as other municipalities or statutory bodies in the Republic of South Africa, instituted under and in terms of any law.

## 11. CONTROL OVER INVESTMENTS

11.1 An investment register should be kept of all investments made.

The following information must be recorded: -

- a) Name of institution;
- b) capital invested;
- c) date invested;
- d) interest rate;
- e) maturation date;

f) interest received;

g) capital repaid; and

h) balance invested

10.2 The investment register and accounting records must be reconciled on a monthly basis.

11.3 The investment register must be examined on a weekly basis to identify investments falling due within the next week.

11.4 Interest, correctly calculated, must be received timeously, together with any distributable capital.

11.5 Investment certificates, if issued, must be kept in a safe place with dual custody.

11.6 The following documents must be safeguarded: -

- a) Fixed deposit letter or investment certificate;
- b) Receipt confirmation for capital invested;
- c) Copy of electronic transfer or cheque requisition;
- d) Schedule of comparative investment figures;
- e) Commission certificate indicating no commission was paid on the investment; and
- f) Interest rate quoted.

## 12. CASH MANAGEMENT

All money collected should be promptly deposited within 72 business hours in the municipality's Primary Bank unless on exceptional circumstances which should be approved by the Manager of Revenue or Chief Financial Officer. Satellite offices including the library, swimming pools and related will be allowed to bank monthly as long as the collection does not exceed R20 000. Exceptions will also be allowed where there is a cash-in-transit problem if the risk is minimised.

The respective responsibilities of the Chief Financial Officer and other directors in this regard are in terms of the approved budget and other budget-related policies.

Collection and banking of revenue is essential and determines the going-concern status of a municipality. A healthy cash flow is crucial to ensure sustainable service delivery and infrastructure development and maintenance and preservation.

This is appropriately prescribed in terms of section 64 of the Municipal Finance Management Act 56 of 2003.

## 12.1 SECTION 64: REVENUE MANAGEMENT

12.1.1 The Accounting Officer of the municipality is responsible for the management of the revenue of the municipality.

12.1.2. The Accounting Officer, must, among other things, take all reasonable steps to ensure that all money received is promptly deposited per the requirements of the Act into the municipality's primary bank account.

12.1.3. The Accounting Officer must also ensure that all revenue received by the municipality, including revenue received by any collecting agent on its behalf, is reconciled regularly.

12.1.4. The Accounting Officer must take all reasonable steps to ensure that any funds collected by the municipality on behalf of another organ of state are transferred to that organ of state at least regularly and that such funds are not used for purposes of the municipality.

## 12.2 REVENUE AND CASH COLLECTION

12.2.1. Every director shall be responsible for the collection of all money falling within the ambit and area of his or her designated functions and budget.

12.2.2. The Chief Financial Officer shall ensure that all revenues are properly accounted for.

12.2.3. The money collected from all cash points shall be coordinated by the Chief Financial Officer in terms of any policies determined by the Council.

12.2.4. The Municipality may allocate any credit/ payment to any accounts of the same debtor or department.

12.2.5. Any revenue that is not recovered or likely to be recovered after the necessary steps have been taken, the Chief Financial Officer shall report the matter adequately and timeously to the Finance Committee and advise for adjustment purposes.

### 12.3 CASHIER COLLECTION

12.3.1. The following negotiable instrument is accepted and will be construed as cash, credit cards, debit cards, direct deposits, and electronic funds transfers.

12.3.2. Every payment received by a cashier or other authorised officer in charge receipting of money shall be acknowledged by issuing a sequentially numbered official receipt of a receipt book or computer-generated receipt.

12.3.3. All cashier banking batches and or shifts must be closed at least daily and be deposited promptly in the municipality's primary bank account.

12.3.4. Receipts cancelled during collection should be attached on the end-of-shift form and be written with a detailed explanation thereof.

### 12.4 END OF SHIFT/DAY

*12.4.1. A cashier must count the money he/she receipted, record the outcome on the cash-up sheet per category, and then report to the senior responsible for the closing of the banking batches;*

12.4.2. No cashier may have access to the closing bank batch facility of the financial system. The senior verifies whether the amounts are correct, if not the supervisor request the cashier to make necessary corrections or otherwise closes the banking batch;

12.4.3. All shortages must be paid in by the cashier and all surpluses must be receipted in the vote number or segment open for this purpose.

12.4.4. The cashier supervisor in the presence of the cashier should deposit the money into the prescribed money bag, seal and lock it up in the safe;

12.4.5. All closed banking batches must be deposited and received by the bank within 72 hours unless holiday or weekends or as indicated above; and

### 12.5 AVAILABILITY OF RECEIPTING POINTS.

12.5.1. Cash receipting points will be available in Polokwane civic centre, Mankweng, Seshego, Sebayeng municipal offices and other special services such as Traffic and licensing in Ladanna, Game reserve, Swimming pools, Library, Sports and facility management and all satellite offices;



Clients can also Pay at the approved 3rd Party services.

12.5.2. The normal office hours for receipting all offices from Monday to Friday is 08h00 till 16h00.

12.5.3. The Municipality also makes use of third party pay points for example; Easy pay and Pay-a-Bill. Unipay, South African Post Office. The bank facilities such as; speed points, Electronic Funds Transfer, debit orders, direct deposits.

12.5.4. Electronic transfers directly into the bank account are allowed provided that the client use his/her debtors account number as reference or booking number or reference granted by the municipality. A penalty may be levied for incorrect or no reference.

12.5.5. Charges in respect of card payments and or any other payments method may be recovered from the customer in terms of the municipal policies or council resolution

## 13. CODE OF PRACTICE WITH REGARD TO CASH COLLECTION AND BANKING

### 13.1 CASHIER SHORTAGES

It is the cashier responsibility to take care of custody of cash until it is handed over to the supervisor. For this reason, shortages will be handled as hereunder:

13.1.1. A Stained/Dyed Note spotted on the spot or returned by the Bank will be paid by the Cashier.

13.1.2. Up to R100 must be paid in by the cashier, immediately before banking is done.

13.1.3. More than R100 up to R500, the cashier shortage account must be debited, and the total balance must be paid at the end of the same month.

13.1.4. Two shortages of over R100 in one month, the cashier must get a verbal warning, if it happens three times, the written warning must be issued and valid for Three Months.

13.1.5. Shortages of over R500 up to R1000, a written warning will be issued to the cashier, and disciplinary actions may be taken against the cashier.

13.1.6. Shortage over R1000 disciplinary actions must be taken against the cashier. (First-time offenders will have an option of a final warning and repayment; second-time offenders will have the option of a final warning or dismissal)

## 14. SHORTAGES IN THE BANK

14.2.1 Supervisors accept the money from the cashier for banking and take responsibility for the money until banked. As a result, shortages reported by the bank will be accounted for and paid for by the supervisor who prepared the banking. But where the Shortage is caused by a Stained/Dyed Note a Cashier should pay.

14.2.2 The above principle as per 12.1 on cashier shortages will be applicable in terms of payments and disciplinary actions to be considered.

14.2.3. All shortages identified by the bank, must be paid in by the supervisor, and all surpluses must be receipted in the vote number open for this purpose. Electronic shortages, like speed points not banked etcetera will be investigated for application of the recovery as recommended by the policy.

#### 14..2.4 SURPRISE CHECKS

The municipal management may conduct surprise checks without prior notice and take disciplinary actions on shortages as on 14.2.3 above.

### 15. ADVANCE PAYMENT.

15.1. Any amount that is paid in advance for the service that still has to be rendered will be kept in the suspense account / Unallocated vote until such time the service is rendered.

15.2. In case where service will be rendered in the following financial year, the applicant will be advised to pay the deposit for booking and later pay the required amount that will be in line with tariff policy for the particular year.

15.3 Amount directly deposited or transferred into the municipality's bank account will attract a penalty in line with the tariff schedule.

### 16. CASH FLOAT

Designated cashier may have cash float as determined by the responsible manager. Such cash float shall be kept by the cashier and should always be presented on request.

### 17. KEYS TO THE STRONG ROOM/ SAFE

Strong Room/ safe shall have at least more than one key and the keys should be kept by at least two authorised officials responsible for cash management. A register of keys shall be kept by the supervisor, accountant, or assistant manager.

### 18. SHORT TITLE

This Policy shall be called the Investment and Cash Management Policy of the Polokwane Municipality.

#### 19. IMPLEMENTATION AND REVIEW OF POLICY

This policy shall be implemented on 1<sup>st</sup> July 2025 and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.



**DRAFT CLAIMS & LOSS  
CONTROL COMMITTEE POLICY  
2025/2026**

**POLOKWANE LOCAL MUNICIPALITY**

**CLAIMS & LOSS CONTROL COMMITTEE POLICY**

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**POLOKWANE LOCAL MUNICIPALITY**

**CLAIMS & LOSS CONTROL COMMITTEE POLICY**

**To provide for a written description of the Claims & Loss Control Committee (the “Committee”) procedures established for Polokwane Local Municipality. This document is an overview of the individual procedures which support the Claims & Loss Control Committee and contains guidelines for Good Practice for claims and loss management within Polokwane Municipality.**

**WHEREAS** the municipality does from time to time receive claims from the public relating to possible damages caused in incidents occurring in the service delivery activities of the municipality;

**AND WHEREAS** from time to time the municipality has to deal with losses occurring within the organisation pertaining to its employees, official equipment, vehicles and municipal property as a whole as well as private property of employees;

**AND WHEREAS** it is the purpose of the Claims & Loss Control Committee to evaluate and settle property loss/damage and/or liability claims in amounts less than the excess amount for which the Municipality is liable in terms of its insurance policy;

**NOW BE IT ENACTED** by the Council of the Polokwane Local Municipality, as follows: -

## **CHAPTER 1**

### **COMMITTEE COMPOSITION**

#### **1.1 CUSTODIAN OF THE COMMITTEE**

- (a) The Committee shall fall under the custodianship of the Chief Financial Officer of the Municipality.
- (b) Members of the Committee shall be appointed, in writing, by the Municipal Manager or his/her authorised representative.
- (c) The office of the CFO shall appoint a secretary for the Committee, the duty of whom it shall be to distribute Agendas for meetings of the Committee as well as record and minute meetings of the Committee.
- (d) This Policy as well as the appointment of members of the Committee shall be reviewed annually by the Municipal Manager or his/her authorised representative.
- (e) The CFO may delegate any of his/her duties under this policy to a senior official within the Financial Services SBU.

#### **1.2 MEMBERS AND REPRESENTATION**

- (a) The Committee membership shall comprise of the following standard members: -

Chairperson	Deputy CFO/CFO and Manager Assets Finance Officials      Manager Asset Accountant Insurance or any delegated person by the CFO.
Legal Services	Asst. Manager Legislation & Law Enforcement or Delegate
OHS	Asst. OHS Officer or Delegate
Risk Management	Manager/Ass Manager Risk Management
- (b) Strategic Business Units shall be represented by the relevant Manager of that SBU in meetings of the Committee whenever a claim or loss arising from the activities of such a SBU is tabled before the Committee.
- (c) SBU Managers may delegate a representative to attend meetings of the Committee on his/her behalf but only with the consent of the Chairperson of the Committee and further provided that such a representative shall be fully conversed and familiar with all relevant facts pertaining to the claim or loss he/she shall be presenting before the Committee on behalf of the SBU.
- (d) The DCFO may delegate manager asset and any other manager within the BTO to chair the loss control committee for the discussions of claims tabled before the committee.

#### **1.3 ROLES AND RESPONSIBILITIES**

- (a) Chairperson: A representative from the Office of the Chief Financial Officer (generally the Deputy CFO and any other delegated manager from the BTO) will chair the Claims & Loss Control Committee.
- (b) The Chairperson shall ensure the meeting agenda is completed and that assignments and commitments have been achieved and further that all records are sent to the Records Section for safekeeping.
- (c) All records required and generated by the procedures and working of the Committee shall be maintained and located in the Records Section of the Municipality.
- (d) The Chairperson shall also be the technical mentor and coach of the Committee by providing guidance in terms of regulatory requirements, technical resources and references etc.
- (e) Members: Complete the functions and tasks necessary to fulfil the goals and objectives of the Committee.

#### **1.4 QUORUM RULES**

- (a) A minimum 75% (4) of the membership is required to be present in order to hold a meeting and take a vote.
- (b) Resolutions and process directions are passed by a majority vote.

#### **1.5 MEETING SCHEDULES**

The Committee will meet as claims arise but at least quarterly or whenever there are claims that should be discussed by the committee.

#### **1.6 AGENDAS MINUTES AND RECORDING OF MEETINGS**

- (a) The secretary of the Committee shall be responsible for compilation and distribution of Agendas for Committee meetings at least 3 days prior to a meeting.
- (b) Agendas shall contain all relevant information as stipulated in this policy regarding a specific claim and/or loss including a written report from the relevant SBU Manager to whose SBU the claim or loss relates.
- (c) The secretary shall capture all resolutions of the meeting during the meeting and then record same in written Minutes of the meeting to be distributed to all attendees of a specific Committee Meeting.
- (d) The secretary shall ensure that an attendance register is signed at all meetings of the Committee and record any apologies accordingly.

## **CHAPTER 2**

### **PROCEDURE**



## **2.1 PURPOSE OF THE COMMITTEE**

- (a) The purpose of the Committee is to consider and settle or repudiate claims for damages caused to the property of members of public arising against the Municipality from time to time as well as consider and settle internal loss control issues as they arise.
- (b) The Committee shall have the authority to deal with claims as described in sub-clause 2.1(a) on the merit of each individual claim, for claims which falls within the excess amount of the Municipality's liability under its public liability insurance policy.
- (c) The Committee shall focus on the following goals and functions in order to meet the purpose identified:
  - (i) Review, consider and discuss all claims and losses received;
  - (ii) Settle, repudiate or refer back for further information all claims tabled before the Committee which falls within its mandate;
  - (iii) Attend meetings arranged for purposes of discussion and finalisation
  - (iv) Seek advice from any Third Party in considering and finalising claims before the Committee as the Committee may deem necessary.
  - (v) Make recommendation to the SBU that are mostly affected by claims on remedial actions to deal with claims.

## **CHAPTER 3**

### **RECEIPT OF CLAIMS TO SERVE BEFORE THE COMMITTEE**

#### **3.1 SUBMISSION OF CLAIMS**

- (a) Claims against the Municipality have to be submitted at the office of the Manager of the SBU allegedly responsible for the damage which gave rise to the claim.
- (b) Potential claimants have to contact the office of the relevant SBU Manager where the necessary claim form can be obtained and again submitted with the required information and documentation required as indicated on the form.
- (c) Claimants shall claim from their own insurance companies first before recourse is sought against the Municipality. No claimant shall refuse to claim for damages against their own insurance company. In all instances the claimant shall disclose the name and telephone number of their insurance company.
- (d) Claims for consideration by the Committee have to be lodged with the Municipality within 3 months of the date of the incident causing the alleged damage. Claims lodged outside the cut-off period of 3 months shall not be considered by the Municipality.
- (e) All claims lodged with the municipality shall contain the following information and be accompanied by the following relevant documentation: -
  - (i) Departmental report for claims less than the excess amount
  - (ii) Sworn affidavit by the claimant on the circumstances how, date, time and place where the incident allegedly causing the damage occurred;
  - (iii) SAPS MR Number showing the incident has been reported with SAPS where necessary.
  - (iv) 3x quotations for repairing of the damage allegedly caused.
  - (v) Colour photographs of the scene of the incident as well as the damaged property (where damage is caused to mag-wheels and tyres the municipality reserves the right to inspect such mag-wheels and tyres);

- (vi) A certified copy of the claimants ID.
- (vii) A copy of the damaged motor vehicle's registration/licensing documents (where applicable);
- (viii) A copy of the claimant's municipal services accounts for the month directly preceding the incident; (Where necessary)

### **3.2 CLAIMS ASSESSMENT**

- (a) Although all claims received shall be reviewed by the Committee, the Municipality is not obliged to honour any claim.
- (b) Claims received shall be considered on merit of each individual claim. Negligence on the part of the claimant shall result in discounting of the claim in the discretion of the committee.
- (c) In all instances where alleged damage is caused to a claimant's property, the Municipality shall only consider payment of the claimant's excess payable under his/her own insurance policy where the Committee is of the opinion that the claim has merit and warrants remuneration.
- (d) Claims received shall within a period of 5 working days from date of receipt of such a claim, be submitted to the office of the Accountant Insurance by the relevant SBU Manager receiving the claim. Claims thus submitted shall contain all relevant information requested on the claim form and shall be accompanied by a written report of the relevant SBU Manager regarding the merit of the claim from the SBU's perspective.
- (e) On receipt of a claim from the SBU Manager, the Accountant Insurance shall acknowledge receipt of the claim and arrange for the claim to be lodged with the Records Section so that a file number can be allocated to the claim.
- (f) Complete claims shall be forwarded to the Secretary of the Claims and Loss Control Committee who in turns shall compile an Agenda for the Committee and secure a date for the next meeting to consider claims.
- (g) Claims have to be finalised within 30 working days following the date of receipt of a complete claim.

### **3.3 PAYMENT OF CLAIMS**

- (a) Claims deserving of payment in accordance with the Committee's resolution shall be limited to payment of the lowest quotation amount or the claimant's excess payment under his/her policy, whichever is the lesser amount.
- (b) Where the Committee resolves to honour a claim against the Municipality, the payment shall be made ex gratia and in full and final settlement of the claimants claim.

### **3.4 NO OR PARTIAL PAYMENT OF CLAIMS**

- (a) If the claim is denied, the Committee states and minutes explicitly to the claimant the reasons on which denial of the claim is based.
- (b) If the amount offered is different from the amount claimed, the Committee explains the reason for this to the claimant.

- (c) When the municipality is not responsible (by virtue of common law of delict principles) for meeting all or any part of the claim, the Committee notifies the claimant of this fact and explains why.

## **CHAPTER 4**

### **LOSS CONTROL**

#### **4.1 RECEIPT OF LOSS CONTROL MATTERS FOR CONSIDERATION**

- (a) Incidents of internal loss control to be considered by the Committee shall be submitted to the office of the appointed Secretary of the Claims and Loss Control Committee for inclusion in the Agenda of the Committee.
- (b) Incidents so submitted shall consist of a comprehensive written report by the relevant SBU Manager, which report shall contain information on the nature of the loss, how it occurred, what remedial steps have been taken to prevent future occurrences, disciplinary action taken if any, value of the loss and how the damage caused will be compensated. The said report shall also contain a recommendation to the Committee on how the incident has to be dealt with.
- (c) When a loss control issue serves before the Committee, the relevant SBU Manager shall avail himself/herself to ensure attendance of such a meeting of the Committee.
- (d) Resolutions taken on loss control issues shall be final and binding and executed accordingly by the SBU Manager.

## **CHAPTER 5**

### **CLAIMS REGISTER**

- (a) A claims register shall be opened and kept on all claims received and considered by the Committee. This register shall contain the date of the claim, the claimants name and ID number as well as the amount of the claim and whether the claim was paid out or not.
- (b) Claims are documented in order to be able to address questions that may arise concerning the handling and payment of a claim.

## **CHAPTER 6**

### **COMPLAINTS AND DISPUTES**

#### **6.1 FILING OF COMPLAINTS AND DISPUTES**

- (a) When a claimant files a complaint against the findings of the Committee, the Committee: -
  - (i) acknowledges receipt of the complaint within a reasonable period of time;
  - (ii) provides the claimant with explanations on how his/her complaint will be handled and the procedures to be followed
  - (iii) processes the complaint promptly and fairly
  - (iv) provides a final response in writing within a reasonable period of time.

## **6.2 PROCEDURE FOR DEALING WITH COMPLAINTS AND DISPUTES**

- (a) Once a complaint has been received and acknowledged, the letter of complaint together with the resolution of the Committee taken with regard to the claim on which a complaint has been received has to be tabled before the earliest next sitting of the Committee for consideration.
- (b) Complaints and disputes so received shall be duly considered by the Committee, whereafter the Committee shall resolve on the matter and a final response on the complaint be forwarded to the claimant in writing.

## **6.3 DISPUTES**

- (a) If the claimant is dissatisfied with the final response from the Committee, the claimant shall be informed to forward his/her dispute in writing to the CFO and Manager Legal Services, who will then assess the matter and decide on a way forward regarding that dispute and inform the claimant accordingly in writing.

## **7. IMPLEMENTATION AND REVIEW OF POLICY**

This policy shall be implemented on 1<sup>st</sup> July 2025 and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.



**DRAFT**

**CONSUMER**

**DEPOSIT POLICY**

**2025/2026**

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POLOKWANE LOCAL MUNICIPALITY CONSUMER  
DEPOSIT POLICY 2025/2026

1. PREAMBLE

**Whereas** Section 96(a) of the Local Government: Municipal Systems Act, No 32 of 2000 (hereinafter referred to as the “MSA”), obliges the municipality to collect all money that is due and payable to it, subject to the provisions of that Act and any other applicable legislation;

**And whereas**, the Municipal Finance Management Act (MFMA), 2003 (Act No. 56 of 2003) sections 62 and 64 requires the effective management of the municipality’s revenue;

**And whereas** the municipality requires assurance that service rendered will be paid for by the customer,

**Therefore**, the Consumer Deposit Policy 2024/2025 is herewith adopted by Polokwane Municipality.

## 2. DEFINITIONS

**“Arrears”** means the debt that is overdue after missing one or more required payments.

**“Council”** means the municipal council of Polokwane municipality in terms of section 18 of Municipal Structures act and or section 157(1) of the Constitution,

**“Credit Control and Debt Collection By-law”** means the Credit Control and Debt Collection By-law as adopted by Polokwane Municipal council in terms of section 96(b) of the Municipal Systems Act 2000 as amended,

**“Customer”** means the owner of property or premises, liable to the council for payment of municipal account.

**“Deposit”** means a determinable amount payable by a customer on application for municipal services, to be withheld by the municipality from the date of opening of an account until the date of termination thereof, which amount will be refunded to the customer on termination of the consumer account within the discretion of the Municipality, provided that the customer does not have any other outstanding accounts with the Municipality.

**“Financial Year”** means the Municipal financial year commencing on 1st July and ending at 30 June of the following year.

**“Foreigner”** means a person who comes from a foreign country, a person who is not in possession of a South African bar-coded identity book issued by the South African Department of Home Affairs.

**“Municipality”** refers to Polokwane Municipality,

**“owner”** means registered owner of the property; liable to pay all outstanding amounts of the property

**“Refund”** means to return or pay back money, repayment, or of a balancing account, appropriation of the deposit held by the Municipality.



**“Service agreement”** means a written agreement in a standard format entered between the Municipality and the owner of a property applying for municipal services, to be completed by the owner upon applying for a municipal service /account,

**“Sundry deposit”** means a person who receives goods or services from the Municipality and does not make payment immediately and is liable to pay for the service in future. Also called sundry debtors or accounts receivable

**“Termination of service application”** means the form to be completed by a customer as a notification of the closing of a municipal account.

### 3. OBJECTIVES OF THIS POLICY

To reduce the risk and liability of the Municipality by ensuring that deposits held shall be in line with the minimum deposit as set in the Tariff of Structure, of any consumer, and may be adjusted to comply with the latter.

### 4. LEGISLATIVE FRAMEWORK

The Local Government Municipal Finance Act, 56 of 2003, Section 64 of the Municipal Finance Management Act (MFMA) requires the Accounting officer of a municipality to take all reasonable steps to ensure that the municipality has and maintains effective revenue collection systems consistent with section 95 of the Municipal Systems Act (MSA) and the municipality's Credit Control and Debt Collection By-law and the requirements of section 104(1)(d) of the MSA.

### 5. DEPOSIT OUTLINED

5.1 The deposit payable by a customer on application for municipal services shall be in the form of a cash deposit, Electronic Fund Transfers, credit and debit cards.

5.2 Irrevocable bank guarantees will only be accepted after a duly motivated application, approved in writing by the Chief Financial Officer, is made in this regard, stating all reasons why the applicant cannot make a deposit in the form of cash

5.3 Deposits are payable on opening of accounts and will be held until the account is closed, subject to the provisions of this Policy.

5.4 At the time of entering into a service agreement with the Municipality, payment of a deposit will be required in an amount calculated on the basis as per the Tariff of Charges By-Law.

## 6. DEPOSIT AMOUNTS

6.1 The minimum deposit amount payable, will be as per the approved Tariffs. And may be reviewed annually.

6.2 A deposit will be due and payable on all new applications/registrations of customers and includes applications for services by such existing customer for services at an alternative address in the event that he/she moves to a new address.

6.3 Further to 5.2 above, deposits will not automatically be transferred from a terminated application to a new application by the same consumer at an alternative address. Each new application shall be treated as such and will require a deposit as determined by the Tariffs.

6.4 In the discretion of the Municipality, the deposit amount may vary according to the credit worthiness of the customer and/or the risk as determined by Council from time to time.

6.5 Foreign Customers, in the discretion of the Municipality, the deposit amount payable for municipal services by foreigners may vary from the deposit amount payable to SA Citizens. The deposit amount for foreigners shall be determined annually.

6.6 Only the Chief Financial Officer has the powers to approve a deposit amount other than the amounts stated in the deposit structure to the policy.

6.7 Any deposit amount, whether new or existing, may be adjusted, in writing, by the Chief Financial Officer based on the consumption of services by a customer.

6.8 The security deposit amounts may vary according to the credit rating of the customer as assessed by the municipality.

6.9 Apart from the grouping contained in sub-clause 5.5 the Municipality will categorize the customer type and minimum amount payable per type as contained in the Municipal Tariff Schedule.

## 7. REVISION OF DEPOSITS & ADDITIONAL DEPOSITS:

7.1 The municipality may in certain circumstances and in its sole discretion increase the deposit of a customer by not more than 10% of the approved deposit amount as per the approved tariff list of the current year.

7.2 The increase of consumer deposits in sub-clause 6.1 may be effected based on the following grounds: -

- (a) Where a consumer's account is regularly in arrears or paid after due date.
- (b) Where a consumer's account is regularly in arrears and the average account balance is more than the original deposit amount.
- (c) Where a consumer's service supply is restricted or disconnected.
- (d) When a debtor applies for extension of time to settle an account.
- (e) When payments by direct/negotiable instrument is dishonored.
- (f) When the debtor poses a payment risk in the discretion of the municipality.
- (g) When there is an increase in consumption of services.

## 8. ALLOCATION OF PAYMENTS

8.1 In the event where the Municipality increases a deposit as in the revision of deposits in Clause 6 above, the amount paid towards the increase shall first be allocated to the deposit and then other services as per the municipality's Credit Control and Debt Collection By-law. The total amount adjusted will be levied on the account in one month.

8.2 This sequence of allocation shall be followed notwithstanding any instruction to the contrary given by the account holder.

## 9. APPROPRIATION OF DEPOSITS

9.1 On termination of the service agreement, the deposit shall be appropriated to the account and;

9.2 Any credit due may be refunded to the customer provided that any other debt is paid in full.

9.3 If a customer's services account has not been paid in full, the deposit will be applied to any outstanding amounts owed by the customer. Should the deposit exceed the amount due on the account, the balance will be returned to the customer.

9.4 If the deposit is not sufficient to cover the amount outstanding on the consumer account, the customer shall remain liable for the outstanding balance and notice to that effect shall be given to the client to settle the account within 14 (Fourteen) days of such notice, after which credit control measures shall be applied.

9.5 The Municipality shall not be liable for non-payment of unclaimed deposits, or delayed payments due to outstanding documents and information requested for that purpose.

9.6 It remains the responsibility of the customer to ensure that a deposit is claimed back and to follow up on any deposits held by the Municipality.

9.7 An agreement for the provision of water and electricity services may contain a condition that a deposit will be forfeited to Council after approval by council

## 10. UNCLAIMED DEPOSIT /CREDIT

10.1 Only credits claimed by customers will be refunded and these credits will only be refunded to customers who can positively identify themselves as the person who has signed the consumer agreement in terms of which the deposit was paid initially with the Municipality.

10.2 In the event of the death of a customer who has entered into a service agreement and paid a deposit, application for a refund of the deposit shall only be considered upon submission of the following documents:

- a. A written request for the refund by the Executor of the deceased estate.
- b. A certified copy of the court appointment of the Executor; and
- c. A certified death certificate of the deceased customer.

10.3 Guarantees shall only be released on written confirmation by the Municipality's Manager Revenue that the outstanding debt of the consumer has been settled in full.

10.4 Where a customer does not complete a termination of service request form

services shall be disconnected by application of the new customer. It will then remain the responsibility of such disconnected consumer to claim their deposits.

10.5 The Municipality may appropriate a customer's deposit to any account related to that customer, including rates in arrears by tenants and occupiers in terms of section 28 of the Local Government Municipal Property Rates Act 2004 (Act 6 of 2004) and other legislation.

10.6 Where a customer has absconded leaving a municipal services debt on a property, the debt should first be paid in full before a customer is allowed to enter into a new agreement with the Municipality.

10.7 All the accounts linked to the stand must be paid in full or have approved arrangement any consumer can be connected.

10.8 All unclaimed credits more than three years shall be deemed prescribed and may be recognized as revenue and transferred to accumulated surplus of the municipality once appropriated.

## 11. UNECONOMIC REFUNDS

Where the Municipal Council deems it uneconomic to refund a certain consolidated amount which accumulated out of unclaimed deposits as calculated and resolved annually by the Council, such amount will be forfeited, and set off against provision for bad debts.

## 12. INTEREST

The municipality will not pay any interest on deposits or credits **balances**. All deposits paid shall not be regarded as being in payment of an account due to the Municipality, and as such will be held by the Municipality as security until the account is closed (service terminated) and fully settled.

## 13. SHORT TITLE AND COMMENCEMENT

This Policy will be known as the Consumer Deposit Policy of Polokwane Municipality and shall commence on the date of adoption thereof by the Municipal Council. And remain valid until reviewed.

#### 14. IMPLEMENTATION AND REVIEW OF POLICY

This policy shall be implemented on 1<sup>st</sup> July 2025 and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.



# **DRAFT COST CONTAINMENT POLICY**

**2025/2026**

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## **1. DEFINITIONS**

**“Act”** means the Local Government: Municipal Finance Management Act, 2003(Act No.56 of 2003)

**“consultant”** means a professional person, individual partnership, corporation, or a company appointed to provide technical and specialist advice or to assist with a design and implementation of projects or to assist the municipality to achieve its objectives of local government in terms of section 152 of the Constitution.

**“cost containment”** the measures implemented to curtail spending in terms of this policy.

**“credit card”** means a card issued by a financial services provider, which creates a revolving account and grants a line of credit to the cardholder.

**“municipality”** Polokwane Local Municipality

## **2. PURPOSE**

The purpose of the policy is to regulate spending and to implement cost containment measures at Polokwane Local Municipality.

## **3. OBJECTIVES OF THE POLICY**

The objectives of this policy are to:

3.1 To ensure that the resources of the municipality are used effectively, efficiently and economically;

3.2 To implement cost containment measures.

## **4. SCOPE OF THE POLICY**

This policy will apply to all:

4.1 Councillors'; and

4.2 Municipal employees.

## **5. LEGISLATIVE FRAMEWORK**

This policy must be read in conjunction with the -

5.1 The Municipal Finance Management Act, Circular 97, published on 7 December 2016;

5.2 Municipal Cost Containment Regulations, 7 June 2019; and

5.3 Travel and subsistence policy.

## **6. POLICY PRINCIPLES**

6.1 This policy will apply to the procurement of the following goods and/or services:

(i) Use of consultants

(ii) Vehicles used for political office-bearers

(iii) Travel and subsistence

- (iv) Domestic accommodation
- (v) Credit cards
- (vi) Sponsorships, events and catering
- (vii) Communication
- (viii) Conferences, meetings and study tours
- (ix) Any other related expenditure items

## **7. USE OF CONSULTANTS**

- 7.1 Consultants may only be appointed after an assessment of the needs and requirements have been conducted to support the requirement of the use of consultants.
- 7.2 The assessment referred to in 7.1 must confirm that the municipality does not have requisite skills or resources in its full time employ to perform the function that the consultant will carry out.
- 7.3 When consultants are appointed the following should be included in the Service Level Agreements:
  - (i) Consultants should be appointed on a time and cost basis that has specific start and end dates;
  - (ii) Consultants should be appointed on an output-specific, specifying deliverables and the associated remuneration;
  - (iii) Ensure that cost ceilings are included to specify the contract price as well travel and subsistence disbursements and whether the contract price is inclusive or exclusive of travel and subsistence; and
  - (iv) ensure the transfer of skills by consultants to the relevant officials
  - (v) All engagements with consultants should be undertaken in accordance with the municipality's supply chain management policy.
- 7.4 Consultancy reduction plans should be developed.
- 7.5 All contracts with consultants must include a retention fee or a penalty clause for poor performance.
- 7.6 The specifications and performance of the service provider must be used as a monitoring tool for the work that is to be undertaken and performance must be appropriately recorded and monitored.

## **8. VEHICLES USED FOR POLITICAL OFFICE-BEARERS**

- 8.1 The threshold limit for vehicle purchases relating to official use by political office-bearers must not exceed seven hundred thousand rand (R700 000) or 70% of the total annual remuneration package for the different grades, whichever is lower.
- 8.2 The procurement of vehicles must be undertaken using the national government transversal mechanism, unless it may be procured at a lower cost through other procurement mechanisms.
- 8.3 Before deciding to procure a vehicle, the Accounting Officer must provide the council with information relating to the following criteria that must be considered:
  - (i) Status of current vehicles
  - (ii) Affordability
  - (iii) Extent of service delivery backlogs
  - (iv) Terrain for effective usage of vehicle
  - (v) Any other policy of council
- 8.5 Regardless of their usage, vehicles for official use by public office bearers may only be replaced after completion of 120 000 kilometres.

8.6 Notwithstanding 8.5, a municipality may replace vehicles for official use by public office bearers before the completion of 120 000 kilometres only in instances where the vehicle experiences serious mechanical problems and is in a poor condition, and subject to obtaining a detailed mechanical report by the vehicle manufacturer or approved dealer.

## **9. TRAVEL & SUBSISTENCE**

9.1 An accounting officer:

(i) May only approve the purchase of economy class tickets for officials where the flying time for a flight is five (5) hours or less; and less; and

(ii) For flights that exceed five (5) hours of flying time, may purchase business class tickets *only* for accounting officers, and persons reporting directly to accounting officers.

9.2 Notwithstanding 9.1, an accounting officer may approve the purchase business class tickets for officials with disabilities.

9.3 International travel to meetings or events will only be approved if it is considered critical to attend the meeting or event, and only the officials that are directly involved with the subject matter will be allowed to attend the meeting or event.

9.4 Officials of the municipality must:

(i) Utilize the municipal fleet, where viable, before incurring costs to hire vehicles;

(ii) Make use of a shuttle service if the cost of such a service provider is lower than:

- the cost of hiring a vehicle;
- the cost of kilometres claimable by the employee; and
- the cost of parking.

(iii) not hire vehicles from a category higher than Group B; and

(iv) where a different class of vehicle is required for a particular terrain or to cater for the special needs of an official, seek the written approval of the accounting officer before hiring the vehicle.

### Circular 97

9.5 The municipality must use the negotiated rates for flights and accommodation as communicated by National Treasury, from time to time, or any other cheaper flight or accommodation that is available.

## **10. DOMESTIC ACCOMMODATION**

10.1 An accounting officer must ensure that costs incurred for domestic accommodation and meals are in accordance with the maximum allowable rates for domestic accommodation and meals, as communicated by National Treasury, from time to time, and the travel and subsistence policy of the municipality.

## **11. CREDIT CARDS**

11.1 An accounting officer must ensure that no credit card or debit card linked to a bank account of the municipality is issued to any official or public office-bearer.

11.2 Where officials or public office bearers incur expenditure in relation to official municipal activities, such officials and public office bearers must use their personal

credit cards or cash, and will request reimbursement from the municipality in terms of the travel and subsistence policy and petty cash policy.

;

## **12. SPONSORSHIPS, EVENTS & CATERING**

12.1 The municipality may not incur catering expenses for meetings that are only attended by persons in the employ of the municipality, unless prior written approval is obtained from the accounting officer.

12.2 Catering expenses may be incurred by the accounting officer for the following, if they exceed five (5) hours:

- (i) Hosting of meetings;
- (ii) Conferences;
- (iii) Workshops;
- (iv) Courses;
- (v) Forums;
- (vi) Recruitment interviews; and
- (vii) Council proceedings

12.3 Entertainment allowances of officials may not exceed two thousand rand (R2000,00) per person per financial year, unless otherwise approved by the accounting officer.

12.4 Expenses may not be incurred on alcoholic beverages.

12.5 Social functions, team building exercises, year-end functions, sporting events, budget speech dinners and other functions that have a social element must not be financed from the municipal budget or by any supplier or sponsor such as but not limited to:

- staff year-end functions
- staff wellness functions
- attendance of sporting events by municipal officials

12.6 Expenditure may not be incurred on corporate branded items like clothing or goods for personal use of officials, other than uniforms, office supplies and tools of trade, unless the costs thereto are recovered from the affected officials.

12.7 Expenditure may be incurred to host farewell functions in recognition of officials who retire after serving the municipality for ten (10) or more years, or retire on grounds of ill health, the expenditure should not exceed the limits of the pettycash usage as per the petty cash policy of the municipality.

## **13. COMMUNICATION**

13.1 All municipal related events must, as far as possible, be advertised on the municipal website, instead of advertising in magazines or newspapers.

13.2 Publications such as internal newsletters must be designed internally and be published quarterly in an electronic media format and on the municipal website/intranet.

13.3 Newspapers and other related publications for the use of officials must be discontinued on the expiry of existing contracts or supply orders.

13.4 The acquisition of mobile communication services must be done by using the transversal term contracts that have been arranged by the National Treasury.

13.5 Allowances for officials for private calls is limited to R50,00 per official.

13.6 Provision of diaries be limited to secretaries and electronic diaries be kept by directorates.

#### **14. CONFERENCES, MEETINGS & STUDY TOURS**

14.1 Appropriate benchmark costs must be considered prior to granting approval for an official to attend a conference or event within and outside the borders of South Africa.

14.2 The benchmark costs may not exceed an amount determined by National Treasury.

14.3 When considering applications from officials to conferences or events within and outside the borders of South Africa, the accounting officer must take the following into account:

- (i) The official's role and responsibilities and the anticipated benefits of the conference or event;
- (ii) Whether the conference or event will address the relevant concerns of the Municipality;
- (iii) The appropriate number of officials to attend the conference or event, not exceeding three officials; and
- (iv) Availability of funds to meet expenses related to the conference or event.

14.4 The amount referred to in 14.2 above excludes costs related to travel, accommodation and related expenses, but includes:

- (i) Conference or event registration expenses; and
- (ii) Any other expense incurred in relation to the conference or event.

14.5 When considering the cost for conferences or events the following items must be excluded, laptops, tablets and other similar tokens that are built into the price of such conferences or events.

14.6 Attendance of conferences will be limited to one (1) per annum with a maximum of two (2) delegates.

14.7 Meetings and planning sessions that entail the use of municipal funds must, as far as practically possible, be held in-house.

14.8 Municipal offices and facilities must be utilized for conferences, meetings and strategic planning sessions where an appropriate venue exists within the municipal jurisdiction.

14.9 The municipality must take advantage of early registration discounts by granting the required approvals to attend the conference, event or study tour, in advance.

#### **15. OTHER RELATED EXPENDITURE ITEMS**

15.1 All commodities, services and products covered by a transversal contract by the National Treasury must be procured through that transversal contract before approaching the market, in order to benefit from savings and lower prices or rates that have already been negotiated.

15.2 Municipal resources may not be used to fund elections, campaign activities, including the provision of food, clothing and other inducements as part of, or during the election periods.

## **16. ENFORCEMENT PROCEDURES**

16.1 Failure to implement or comply with this policy may result in any official of the municipality or political office bearer that has authorized or incurred any expenditure contrary to those stipulated herein being held liable for financial misconduct as set out in Chapter 15 of the MFMA.

## **17. DISCLOSURES OF COST CONTAINMENT MEASURES**

17.1 Cost containment measures applied by the municipality must be included in the municipal in-year budget report and annual cost savings must be disclosed in the annual report.

17.2 The measures implemented and aggregate amounts saved per quarter, together with the regular reports on reprioritization of cost savings, on the implementation of the cost containment measures must be submitted to the municipal council for review and resolution. The municipal council can refer such reports to an appropriate council committee for further recommendations and actions.

17.3 Such reports must be copied to the National Treasury and relevant provincial treasuries within seven calendar days after the report is submitted to municipal council.

## **18. IMPLEMENTATION & REVIEW PROCESS**

18.1 This policy will be reviewed at least annually or when required by way of a council resolution, or when an update is issued by National Treasury.

## **19. CONSEQUENCES FOR NON-ADHERENCE TO THE COST CONTAINMENT MEASURES**

19.1 Any person must report an allegation of non-compliance to the cost containment policy to the accounting officer of the municipality.

19.2 The accounting officer must investigate the allegations and if frivolous, speculative or unfounded, terminate the investigations.

19.3 If the accounting officer determines the allegations are founded, a full investigation must be conducted by the disciplinary board.

19.4 After completion of a full investigation, the disciplinary board must compile a report on the investigations and submit a report to the accounting officer on:

- Findings and recommendations; and/or
- Whether disciplinary steps should be taken against the alleged transgressor.

19.5 The accounting officer must table the report with recommendations to the municipal council.

19.6 Subject to the outcome of the council decision the accounting officer must implement the recommendations.

## **20. SHORT TITLE**

20.1 This policy shall be called the Cost Containment Policy of Polokwane Local Municipality.

## **21. DATE OF IMPLEMENTATION**

This policy shall be implemented on 1<sup>st</sup> July 2025 and shall be reviewed on an annual basis to ensure that is in line with the municipality's strategic objectives and with legislation.



**DRAFT  
CREDIT CONTROL AND DEBT  
COLLECTION  
BY LAW**

**2025/2026**



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## 1. P R E A M B L E

Whereas section 96 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) requires a municipality to adopt, maintain and implement a credit control and debt collection BY LAW;

And whereas section 97 of the Systems Act prescribes what such BY LAW must provide for;

And whereas the Municipal Council of the Municipality of Polokwane has adopted by-laws in line with section 98 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) to give effect to this BY LAW.

Now therefore the Municipal Council of the Municipality of Polokwane adopts the Credit Control and Debt Collection BY LAW as set out in this document: -

For the purpose of this BY LAW, unless the context indicates otherwise, any word or expression to which a meaning has been attached in the Act shall bear the same meaning and means: -

## 2. DEFINITIONS

<b>Act</b>	The Local Government Act: Municipal Systems Act 2000 (Act No. 32 of 2000) as amended from time to time.
<b>Authorised Representative</b>	The person or entity legally appointed by the Council to act or to fulfil a duty on its behalf.
<b>Arrears</b>	Amount outstanding after due date, payable in respect of fees, charges, surcharges on fees, property rates and other municipal taxes and services, levies, penalties and duties.
<b>Agreement</b>	Means the contractual relationship between the municipality and a consumer whether in writing or not.
<b>Account/ Municipal account</b>	<p>Account in name of customer held with the Polokwane Municipality.</p> <p>(a) The proper and formal notification by means of a statement of account, to persons liable for monies levied and indicating the net accumulated balance of account, specifying charges levied by the Municipality, in the format of, but not limited to:- Show the levies for property rates and services</p> <p>(b) Monthly accounts rendered indicating the levies for property rates and/ or building clause, availability charge, sewage, refuse removal, electricity, water, sundries, housing rentals and instalments, as well as monthly instalments for annual services paid monthly.</p>
<b>Basic service</b>	The amount or level of any municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety of the environment and for the purposes of this BY LAW are restricted to the delivery of electricity, refuse, sewerage and water services.
<b>Chief Financial Officer</b>	<p>An officer of the municipality appointed as the Head of the Finance Department (Budget and Treasury) and includes any person:-</p> <p>a) Acting in such position; and</p> <p>b) To whom the Chief Financial Officer has delegated a power, function or duty in respective of such a delegated power, function or duty.</p>
<b>Child-headed household</b>	A household where all the occupants of a residential property are younger than 18 years old, i.e. a child-headed household is a household consisting only of children and household income of below the indigent threshold.

<b>Council or Municipal Council</b>	A municipal council referred to in section 18 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) and for purposes of this BY LAW, the municipal council of the Municipality of Polokwane.
<b>Credit Control</b>	The functions relating to and aimed at the collection of any monies due and payable to the Municipality.
<b>Debt Collection</b>	The function relating to and aimed at the collection of any monies due and payable to the Municipality after due date has passed or not paid on due date.
<b>Closely connected Person</b>	Any immediate relative of the person namely spouse, child, parent, parent-in-law, life partner, siblings (brother or sister from same parents) and in laws,
<b>Customer</b>	Any occupier or consumer of any property to which the Municipality has agreed to supply services or already supplies services to, or if there is no occupier, then the owner of the property (including registered indigent households).
<b>Due date</b>	Means the date on which the amount payable in respect of an account becomes due, normally the 25 <sup>th</sup> unless the 25 <sup>th</sup> its on weekend, owing and payable by the customer, which date shall be determine by council from time to time.
<b>Defaulter</b>	A person who owes money to the Municipality in respect of a municipal account after the due date for payment has expired
<b>Director</b>	The person in charge of the civil and / or electrical component(s) of the Municipality and includes any person:- a) Acting in such position; and b) To whom the Director has delegated a power, function or duty in respect of such a delegated power, function or duty.
<b>Equipment</b>	A building, structure, pipe, pump, wiring, cable, meter, machine or any fittings.
<b>Household</b>	all persons who are jointly living on a stand or site on a permanent basis and who receives electricity and / or water from one meter, regardless whether the person rents or owns the property.
<b>Indigent and Pensioners</b>	A household which is not financially capable of paying for the delivery of basic services and meeting the criteria determined by Council from time to time – this also includes poor households and pensioners as per the Municipality's Indigent BY LAW.
<b>Interest</b>	A levy with the same legal priority as service fees and calculated on all amounts in arrears in respect of assessment rates and service levies

	or any other sundry services or surcharge at a standard rate as draft by Council from time to time.
<b>Municipality</b>	Means Polokwane Municipality established in terms of the Local Government Structures Act, 1998 as amended from time to time.
<b>Municipal Manager</b>	The accounting officer appointed in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) as amended from time to time and being the head of administration and accounting officer in terms of section 55 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) as amended from time to time and includes any person:- a) Acting in such position; and b) To whom the Municipal Manager has delegated a power, function or duty in respect of such a delegated power, function or duty.
<b>Municipal Services</b>	Those services provided by the Municipality such as, amongst others the supply of water and electricity, refuse removal, sewerage treatment, and for which payment is required by the Municipality or not.
<b>Occupier</b>	Any person who occupies any property or part thereof, without any regard to the title whether or not that person has the right to occupy the property.
<b>Premises or Property</b>	Any portion of land, the external surface boundaries of which are delineated on:- a) A general plan or diagram registered in terms of the Land Survey Act, 1927 (Act No. 9 of 1927) as amended from time to time or in terms of the Deeds Registry Act, 1937 (Act No. 47 of 1937); as amended from time to time or b) A sectional plan registered in terms of the Sectional Titles Act, 1986 (Act No. 95 of 1986); as amended from time to time which is situated within the area of jurisdiction of the Municipality.
<b>Owner</b>	a) The person in whom the legal title to the property is vested; b) A person mentioned below may for the purposes of this BY LAW be regarded by a municipality as the owner of a property in the following cases: i. A trustee, in the case of a property in a trust excluding state trust land; ii. An executor or administrator, in the case of a property in a deceased estate; iii. A trustee or liquidator, in the case of a property in an insolvent estate or in liquidation

	<p>iv. A judicial manager, in the case of a property in the estate of a person under judicial management;</p> <p>v. a curator, in the case of a property in the estate of a person under curatorship;</p> <p>vi. A person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude;</p> <p>vii. A lessee, in the case of a property that is registered in the name of a municipality and is leased by it; or</p> <p>viii. a buyer, in the case of a property that was sold by a municipality and of which possession was given to the buyer pending registration of ownership in the name of the buyer;</p> <p>ix. Owner in terms of Municipal Property Rates Act.</p> <p>(c) In the case where the Council is unable to determine the identity of such person; the person who is entitled to the benefit of such property or any building thereon;</p> <p>d) In the case of a property for which a lease agreement of 30 years or more has been entered into, the lessee thereof;</p> <p>e) Regarding:-</p> <p>(i) a portion of land delineated on a sectional title plan registered in terms of the Sectional Titles Act, 1986 (Act No. 95 of 1986), as amended from time to time and without restricting the above-mentioned stipulations, the developed or body corporate of the communal property; or</p> <p>(ii) a portion as defined in the Sectional Titles Act, the person in whose name that portion is registered under a sectional title deed, including the legally appointed representative of such person;</p> <p>(f) Any legal entity, including but not limited to:-</p> <p>(i) a company registered in terms of the Companies Act, 1973 (Act No. 61 of 1973), a trust inter vivos, trust mortis causa, a closed corporation registered in terms of the Closed Corporations Act, 1984 (Act No. 69 of 1984), and any voluntary organisation.</p> <p>(ii) Any local, provincial or national government.</p> <p>(iii) Any council, board or entity established in terms of any legislation applicable to the Republic of South Africa; and</p> <p>(iv) any embassy or other foreign entity.</p>
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### 3. GENERAL OBJECTIVES:

The objectives of this BY LAW are to:-

- 2.1 Provide a framework within which the municipality can exercise its executive and legislative authority with regard to credit control and debt collection.
- 2.2 Ensure that all monies due and payable to the municipality are collected and in a financially sustainable manner;
- 2.3 Provide a framework for customer care and indigent support;
- 2.4 Describe credit control measures and sequence of events;
- 2.5 Outline debt collection and credit control procedures and mechanisms; and
- 2.6 Set realistic targets for credit control and debt collection.
- 2.7 Provide for actions that may be taken by the Municipality to secure payment of accounts that are in arrears including and not limited to the termination or restriction of services and legal actions
- 2.8 Provide for alternative debt repayment arrangements in accordance with the terms and conditions of this BY LAW
- 2.9 Create an environment which enables a customer to repay the outstanding debt and establish culture of payment for services rendered by the Municipality.
- 2.10 Effectively and efficiently deal with defaulters in accordance with the terms and conditions of this BY LAW
- 2.11 Provide for procedures and mechanisms to ensure that all monies due and payable to the Municipality are collected.

### 4. PRINCIPLES:

The credit control and debt collection BY LAW is based on the following principles –



#### 4.1 GENERAL

- (i) The administrative integrity of the Municipality must be maintained at all costs.
- (ii) The democratically elected councillors are responsible for making the policies, while it is the responsibility of the Municipal Manager to ensure execution of these policies.
- (iii) The BY LAW and its application provides for the specific circumstances of the community to which it relates.
- (iv) The credit control and debt collection procedures must be understandable, uniform, fair and consistently applied.
- (v) Credit control must be effective, efficient and economical.
- (vi) The measures taken must be sustainable in the long term.

#### 4.2 COUNCIL

- (i) To enable the Council to differentiate between those customers that cannot pay from those that simply do not want to pay, the "Indigent BY LAW" will be applied.
- (ii) The Credit Control and Debt Collection BY LAW may be supported by procedure manual(s) and/or Revenue Enhancement strategies that may be put in place by the Chief Financial Officer and Revenue Manager.
- (iii) The Credit Control and Debt Collection BY LAW shall supersede all other policies aimed at achieving the same purpose to which the current credit control BY LAW seeks to achieve.

#### 4.3 SERVICE CONNECTION

- (a) Application forms may be used to, amongst others, categorize customers according to credit risk and to determine relevant levels of services and deposits required.
- (b) Unauthorized consumption, connection and reconnection, the tampering with or theft of meters, service supply equipment and reticulation network and fraudulent activity in connection with the provision of Municipal services will lead to disconnections, charges, penalties, loss of rights and/or criminal prosecutions.
- (c) The Council shall not conduct any business activity with or accept new services application to any customer who is in arrears with the Municipality except if a suitable payment arrangement for repayment of arrears is made.
- (d) The Municipality may whenever possible, combine any separate accounts of a person who is liable for payment to the Municipality, into one consolidated account in line with section 102 of the Act.

#### 4.4 COUNCILLOR SERVICES ACCOUNTS

In accordance with the provisions of Schedule 1, of the Municipal Systems Act, 32 of 2000, an elected councillor residing within demarcated area of the Council and is individually or jointly responsible for account, may not be in arrears for municipal service fees, surcharges on fees rates or any other municipal taxes, levies and duties levied by the Council for more than 3 (three) months.

Notwithstanding any relevant procedure, method or action that may be taken in terms of this BY LAW, the Municipal Manager may deduct amounts due for more than 3 (three) months from such councillor's remuneration.

#### 4.5 STAFF/ OFFICIALS SERVICES ACCOUNTS

In accordance with the provisions of Schedule 2, of the Municipal Systems Act, 32 of 2000, an official of council, residing within demarcated area of the Council and is individually or jointly responsible for account, may not be in arrears for municipal service fees, surcharges on fees rates or any other municipal taxes, levies and duties levied by the Council for more than 3 (three) months.

Notwithstanding any relevant procedure, method or action that may be taken in terms of this BY LAW, the City Manager may deduct amounts due for more than 3 (three) months from such official's remuneration.

#### 5. PERFORMANCE EVALUATION

This is addressed in the SDBIP and the Municipal Performance Management System.

#### 6. REPORTING

6.1 The Chief Financial Officer shall report monthly to the Municipal Manager in a suitable format to enable the Municipal Manager to report to the Mayor as supervisory authority in terms of the Systems Act. This report shall contain particulars on:-

- a. Cash collection statistics, showing high-level debt recovery information (number of consumers; enquiries; arrangements; default arrangements; growth or reduction of arrear debt).
- b. Where possible, the statistics should ideally be divided into wards, business (commerce and industry), domestic, government, institutional and other such divisions.
- c. Performance of all areas against targets agreed to in section 4 of this BY LAW document.

6.2 If in the opinion of the Chief Financial Officer, Council will not achieve cash receipt income equivalent of the income projected in the annual budget as draft by Council, the Chief Financial Officer will report this with motivation to the Municipal Manager who may immediately move for a revision of the budget according to realistically realizable income levels.

6.3 The Mayor as Supervisory Authority shall report quarterly to Council as contemplated in section 99(c) of the Systems Act.

## 7. CUSTOMER CARE AND MANAGEMENT

The municipality customer care shall be in line with the customer care BY LAW of the municipality.

## 8. ACCOUNTS ADMINISTRATION

### 8.1 ACCOUNTS AND BILLING

8.1.1 The municipality will render monthly accounts in line with the billing BY LAW

8.1.2 Failure by the Council to render an account does not relieve a customer of the obligation to pay any amount that is due and payable in terms of these By-laws.

8.1.3 The customer is entitled to accurate, timeous and understandable bill as far as possible.

8.1.4 The Council may, in accordance with the provisions of section 102 of the Act –

- a) Consolidate any separate accounts of a customer liable for payments in terms of these BY LAW to the Council;
- b) Credit any payment by such customer against any account of that customer; and
- c) Implement any of the debt collection and credit control measures provided for in these By-laws in relation to any arrears on any of the accounts of a customer.

8.1.5 The amount due and payable by a customer constitutes a consolidated debt, and any payment made by a customer of an amount less than the total amount due, will, be allocated in reduction of the consolidated debt in the order prescribed by the Municipality.

Council, in terms of section 102 (a) of the Systems Act 32 of 2000, considers all separate accounts of a person liable for payment to the City, to be consolidated, regardless of the fact that separate accounts for such debtor may be rendered, and includes all pre-paid services or any other debt for which no account is rendered.

(a) All separate accounts of a debtor shall for the purpose of this BY LAW be considered consolidated and shall, for the purpose of this BY LAW, be treated holistically.

(b) Any amount paid by a customer in excess of an existing debt may be held in credit for the customer in anticipation of future rates and fees for municipal services. (b) No interest is payable on any amount contemplated in paragraph (a)

### 8.2 ACCOUNT QUERIES

(a) Account query refers to the instance when a customer queries any specific amount or any content contained in any account as rendered by the Council;

(b) Query can be raised verbally or in writing at any of the Council's administrative offices

- (c) Customer to furnish in writing full personal particulars including acceptable means of identification, contact details and account number in respect of which amount owing is queried;
- (d) A customer may be represented by a duly appointed nominee or agent, and such nominee or agent shall upon request produce sufficient proof of such appointment;
- (e) Pending the outcome of query, a customer may be granted a temporary payment extension in terms of provisions of this BY LAW;
- (f) The customer shall, pending the resolution and outcome of the query, continue to make regular payments on all other services not disputed;
- (g) Should a customer not be satisfied with the outcome of the query, a customer may lodge an appeal in terms of section 62, as read with section 95 (f), of the Local Government: Municipal Systems Act 32 of 2000.

### 8.3 DISPUTES & APPEALS

- a) , In accordance with the provisions of the Municipal Systems Act 32 of 2000 section 102 (2) shall apply where there is a dispute between the municipality and the dispute applicant
- b) Such customer shall furnish in writing full personal particulars including acceptable means of identification, contact details and account number in respect of which amount owing is disputed

Only disputes lodged by registered account holder will be consideredd)Customer may be represented by a duly appointed nominee or agent, and such nominee or agent shall upon request produce sufficient proof of such appointment.

- (e) Should any written dispute arise as to the amount owing on the account in respect of all services by a customer, the customer shall, pending the resolution and outcome of that dispute, continue to make regular minimum payments based on the average charges for the preceding three months prior to the arising of the dispute, plus interest, until the resolution of that dispute.
- (f) Should any written dispute arise as to the amount owing on part of the account or service by a customer, the customer shall, pending the resolution and outcome of that dispute, continue to make regular payments on services that are NOT in dispute PLUS the average charges for the preceding three months prior to the arising of the dispute in respect of remaining part of account or disputed service until the resolution of that dispute.

A customer may lodge an appeal in terms of section 62, as read with section 95 (f), of the Local Government: Municipal Systems Act 32 of 2000.

## 9. INTEREST CHARGES

Interest will be levied on all accounts not paid by due date at a rate prescribed by council from time to time and in accordance with Section 97 (e) of Municipal Systems Act, 32 of 2000.

9.1 No interest shall be earned on a credit balances

9.2 Interest may only be reversed under the following circumstances–

- a) Exemptions as determined by Council from time to time
- b) If the Municipality has made an administrative error on the account
- c) Where any debt accrued as a result of incorrect charge or any administrative error
- d) Where Council or any other authorised committee or delegated official approves such reversal from time to time;

## 10. ACCOUNT DUE DATE & ALLOCATION OF PAYMENT

a) Account due date shall be the 25<sup>th</sup> day of the month or the following business day

Interest shall accrue after 30 days from date of account on unpaid accounts. The interest shall accrue for each completed month in respect of any arrears remaining unpaid after 30 days of the account, a part of a month shall be deemed to be a completed month on the basis that interest is charged as from the first day of the account been in arrears.

b) Only payments receipted through the Municipal financial system on or before account due date will be deemed to have been duly received.

c) Payments by customers through 3rd party vendors, will only be deemed to have been received when receipted through the Municipal financial system. Customers making use of this payment measure needs to pay at least three days before the due date .

d) Any amount paid by the Customer in excess of an existing debt may be held in credit for the Customer in expectancy of future rates and fees for Municipal services charges, and no interest will be payable on that amount.

## 11. CREDIT CONTROL

### 11.1 OBJECTIVE

11.1.1 To provide procedures and mechanisms to collect all the monies due and payable to the Municipality arising from the supply of services and annual levies, in order to ensure financial sustainability and delivery of municipal services in the interest of the community

11.1.2 To limit risk levels by means of effective management tools.

11.1.3 To provide for restrictions, limitations, termination of services for non-payment.

## 11.2 SERVICE APPLICATION, AGREEMENTS, CUSTOMER SCREENING AND SECURITIES

11.2.1 All consumers (owners) of services will be required to sign an agreement governing the supply and cost of municipal services. On default by a tenant, the owner will be the debtor of last resort and is responsible for payment unless where the Municipality is the owner of the property.

11.2.2 Applicants for Municipal services may be checked for credit worthiness, which may include checking information from banks, credit bureaus, other local authorities, trade creditors and employers.

11.2.3 The consumer applying for services must bring proof of ownership or consent from the owner, proof of residential address and physical address

11.2.4 Where the applicant is a legal entity, being a company, close corporation, trust, etc.

a) Sureties must also be signed by the directors, members, trustees, etc.

b) Must supply details of their director, members, partners or trustees and at least the main shareholder must in his/her personal capacity guarantee the payment of the applicant's Municipal account and in case of a trust, all the trustees in their personal capacity.

11.2.5 On the signing of the agreements, customers will be entitled to access the BY LAW document, which are available on [www.polokwane.gov.za](http://www.polokwane.gov.za) or on request at any Municipal office service centre at a fee prescribed by the council from time to time.

11.2.6 On the signing of the agreement, consumers will receive a copy of the agreement for their records.

11.2.7 The Municipality reserves the right to decline supplying services should such applicant owe monies to the Municipality until such debt is paid in full or an acceptable arrangement to settle has been made with the Municipality. Should the applicant prove to the Chief Financial Officer or the Manager Revenue or delegated Senior official that he/she is unable to pay, the application will be dealt with in terms of the Municipality's Indigent BY LAW and arrangements may be granted on exceptional cases.

11.2.8 The Municipality reserves the right to decline the application for services if any of the tenants or previous tenants or owner is in arrears or of a person who is closely connected to a customer who has defaulted with account payments and who resides or is to reside on the same premises, until such debt is settled in full or accepted arrangement has been made. The Municipality may also reject the application for services of any concern that is not a natural person should such concern be in arrears with any other municipal account for which it, or any member or director is responsible or partially responsible.

11.2.9 On the termination of the agreement the amount of the deposit, less any outstanding amount due to the Municipality, will be refunded to the consumer.

11.2.10 All information furnished may be verified by the Municipality with any or all data information institutions, credit information bureaus and any financial institutions as may be deemed necessary by the Municipality in determining a person's credit worthiness or for any other reason as determined by the delegated Senior official.

### 11.3 RESPONSIBILITY FOR AMOUNTS DUE

11.3.1. In terms of Section 118 (3) of the Systems Act, an amount due for municipal service fees, surcharge on fees, property rates and other municipal taxes, levies and duties is a charge upon the property in connection with which the amount is owing and enjoys preference over any mortgage bond registered against the property. Accordingly —

a) The owner of such property shall be liable for charges incurred in connection with such property and all municipal debts must be paid by the owner of such property without prejudice to any claim or right of recovery which the Municipality may have against another person;

b) The Municipality reserves the right to cancel a contract with the Customer in default and register the owner of such property for services on the property; and

c) Subject to the right to a basic water supply as contemplated in the Water Services Act, 1997 (Act No. 108 of 1997), as amended, the Municipality will not provide any services on the property until all municipal debts on the property have been paid in full or suitable arrangements have been made to pay such debts. The Municipality reserves the right to determine the manner in which access to a basic water supply will be provided.

11.3.2 Where the property is owned by more than one person, each owner shall be jointly and severally liable, the one paying the other to be absolved, for all municipal debts charged on the property.

11.3.3 Owners with their tenants who are registered as Customers shall be held jointly and severally liable, the one paying the other to be absolved, for debts on their property, except for property rates.

11.3.4 When a Juristic person opens a Service Account, the directors, members or trustees as the case may be must sign personal suretyships in favour of the Municipality. Liability for outstanding amounts may be extended to such directors, members or trustees jointly and severally, the one paying the other to be absolved.

#### 11.3.5 The Municipality may —

In a case of an Owner who is in arrears recover from the tenant or agent in terms of Section 28 and 29 of the Municipal Property Rates Act, 6 of 2004 as amended;

11.3.6 Should the tenant, occupier or agent as contemplated in subsection 10.3.5 refuse to pay the Municipality, the services of the tenant, occupier or agent may be disconnected.

11.3.7 Should any query or dispute arise as to the amount owing, the Customer shall pay all amounts which are not subject to the dispute and average of the service under dispute that are due and payable, pending the finalisation of the dispute lodged in respect of the specific amount owed by the Customer.

#### 11.4 RIGHT OF ACCESS TO PREMISES

10.4.1 The owner and or occupier of property must allow an authorized representative of the municipality access at all reasonable hours to the property in order to read, inspect, install or repair any meter or service connection for reticulation, or to disconnect, stop or restrict, or reconnect, the provision of any municipal service as stipulated in Section 101 of Municipal Systems Act, 32 of 2000.

11.4.2 The owner is responsible for the cost of relocating a meter if satisfactory access is not possible.

11.4.3 If a person fail to comply, the municipality or its authorised representative may:-

a) By written notice require such person to restore access at his/her own expense within a specified period.

b) Without prior notice restore access and recover the cost from such person if it is the opinion that the situation is a matter of urgency.

#### 11.5 ENFORCEMENT MECHANISM

11.5.1 The Municipality will issue a credible statement of account reflecting all services charge, units of water & electricity consumed (where applicable), due date and monies payable. Where the Municipality fails to render the account, subsection 7.1.2 of this BY LAW shall apply.

11.5.2 The Municipality may deliver notices electronically or by any means available to it or in accordance with section 115 of the Municipal Systems Act and section 3 of PAJA.

11.5.3 Subject to the provisions of section 95(e) of the Systems Act, a failure to receive or accept accounts does not relieve a Customer of the obligation to pay any amount due and payable. The



onus is on the Customer to make every effort to obtain a copy of the account, or establish the amount payable for payment.

11.5.4 The Municipality may print a message on a statement of account to remind customers to pay before or on due date to avoid interest charges and other credit control measures.

11.5.5 The Municipality may remind the customer to pay the account before or on due date by using and not limited to SMS, MMS, e-mail and Telephone call.

10.5.6 A 14 Days' notice may be issued before cut off or restriction of supply for accounts in arrears.

11.5.7 In the event of queries and disputes section 7.2 and 7.3 of this BY LAW shall apply.

11.5.8 The customer may apply/ request payment extension in writing before the due date stating reasons for such request and proposed date for payment.

11.5.9 The Municipality shall have the right to discontinue or restrict the supply of services due to late or non-payment of accounts relating to any consumer and or owner of property.

11.5.10 All debtors who are in arrears for more than 60 days may have their water and electricity meters converted to prepaid at municipality 's sole discretion.

## 11.6 PRE-PAYMENT METERING SYSTEM

The Municipality will use its pre-payment metering system to:-

- a) Link the provision of electricity or water by the Municipality to a "pre-payment" system comprising, pre-payment of electricity or water units; and
- b) A payment in respect of arrears comprising all accrued municipal taxes and other levies, tariffs and charges in respect of services such as water, refuse removal, sanitation and sewage.
- c) To load an auxiliary on the "pre-payment" system in order to allocate a portion of the rendered amount to the customers arrear account for other services.
- d) To enforce satisfactory arrangements with consumers in arrears by blocking access to pre-payment meters.
- e) A 60/40% prepayment debt recovery, the municipality may allocate 60% of payment to the arrears and 40% to the purchase of electricity to customers who purchases prepaid electricity with other services in arrears.

## 12. DEBT COLLECTION

### 12.1 OBJECTIVE

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

12.1.2 THE PRINCIPLE: The money owed to the Municipality for more than 30 days after due date would be classified as debt to be collected following the procedures as outlined in this section of the BY LAW.

## 12.2 ACTIONS TO SECURE PAYMENTS INCLUDING TERMINATION OF SERVICES AND SERVICE AGREEMENTS

12.2.1 The Municipality and/or Service provider may take the following actions to secure payments of arrears in respect to Municipal services.

12.2.1 At least fourteen (14) days' notice is required from the Customer upon termination of an account, to enable the Municipality to take final meter readings and process account adjustments.

12.2.1 The Municipality or service provider may contact the customer telephonically and/or physically.

(a) Council will endeavour, within the constraints of affordability, to make personal or telephonic contact with all arrear debtors to encourage their payment, and to inform them of their arrears state, their rights (if any) to conclude arrangements or to indigence subsidies, other related matters and will provide information on how and where to access such arrangements or subsidies. But the action above does not restrict the municipality from executing credit control and other debt collection actions on overdue accounts

12.2.1 Council reserves the right to deny or restrict the sale of electricity or water to consumer and or the owners who are in arrears with their rates and or other service charge.

12.2.2 60/40% prepayment debt recovery, the municipality may allocate 60% of payment to the arrears and 40% to the purchase of electricity to customer who purchases prepaid electricity with other services in arrears. Or allow the customer to purchase 40% of the amount paid.

12.2.3 If a person is indigent a pre-paid electricity meter or water meter may be installed free of charge.

12.2.5 Once the tenant's consumption account in arrears is terminated, the account may thereafter be linked to the owner's rates account.

12.2.6 The Municipality may exercise its common-law right where a tenant on a property is in breach of his or her contract with the Municipality, and link the debt to the owners' account. The tenant shall forfeit his or her deposit to the owner where the outstanding debt is paid by the owner.

12.2.7 The Municipality may terminate a service agreement, or any other arrangement with the municipality having given a written notice of not less than 14 days to the Customer, if the Customer

concerned has breached or failed to comply with any specific term or condition of the service agreement.

### 12.3 THE POWER TO RESTRICT OR DISCONTINUE SUPPLY OF MUNICIPAL SERVICES

12.3.1 The Council or duly appointed agent may terminate and / or restrict the supply of water, electricity or in the case of pre-paid electricity withhold the selling of electricity in terms of the prescribed disconnection procedures, or discontinue any other service to any premises associated with the customer, whenever a consumer of any service –

12.3.2 after the expiry of the period for payment in terms of the final demand/final notice referred to in section 11.2.1.1, fails to make full payment on the due date or fails to make acceptable arrangements for the repayment of any amount for municipal services, property rates or taxes or other amounts due in terms of this BY LAW;

12.3.3 No proof of registration as an indigent was furnished within the period provided for in the final demand / final notice referred to in section 11.2.1.1;

12.3.4 No payment was received in accordance with an agreement for payment of arrears;

12.3.5 fails to comply with a condition of supply imposed by the council;

12.3.6 obstructs the efficient supply of electricity, water, or any other municipal services to another customer;

12.3.7 Supplies such municipal service to a consumer/owner who is not entitled thereto or permits such service to continue;

12.3.8 causes a situation, which in the opinion of the council is dangerous, or a contravention of relevant legislation;

12.3.9 in any way bridges the supply or illegally reconnect previously disconnected municipal services;

b) The Council shall hand deliver, per mail or per electronic means available, to the physical address of property or most recent recorded address or electronic contact address and / or number of such customer, a discontinuation notice informing such consumer –

(i) That the provision of the service will be, or has been discontinued on the date stated on the discontinuation notice;

(ii) Of the steps which can be taken to have the service reconnected;

(iii) Of the minimum amount payable to restore service.

c) The right of the Council or any duly appointed agent to restrict or discontinue water and electricity to any premises, owner of property, tenant on property, customer or occupant of property, shall be subject to the relevant legislature.

d) The Council reserves the right to deny or restrict or reduce the sale of electricity or water to properties which are in arrears with their rates or other municipal charges.

#### 12.4 RECONNECTION OF SERVICES

12.4.1 Upon paying the full amount owed or the conclusion of acceptable arrangements as prescribed in section 11.6 of this BY LAW the service will be reconnected and soon as conveniently possible.

#### 12.5 DEBT FOR WHICH AN ARRANGEMENTS CAN BE DONE

Arrangements for the payment of outstanding debt can be made according to the procedures described hereunder.

#### 12.6 CONCLUSION OF AGREEMENT

12.6.1 If a customer cannot pay his/her account with the Municipality then the Municipality may enter into an extended term of payment not exceeding 12 months, stipulating that the debt will be paid together with the monthly and/or annual accounts, with the customer upon paying at least the required percentage as determined by Council from time to time.

Should the debtor default on any arrangement, all services may be restricted, disconnected or discontinued and, any agreement may be terminated and legal action may be taken and such debt may be referred to a third party for recovery without any further notice.

The conditions contained in the City's arrangement document, as amended from time to time, will form part of the arrangement criteria contained in this BY LAW; and the conditions contained in this BY LAW shall form part of the conditions contained in any of the City's arrangement document as amended from time to time; and the Municipal Manager may require that a consent to judgment form also be signed.

#### 12.7 DEBT COLLECTION PROCEDURE

12.7.1 Council may handover accounts that are 90 days and older to external debt collection companies after all internal processes have been exhausted and there is no positive respond.

12.7.2 The handover will be done through creation of child account linked to the main account. The child account will be closed when it is paid up or balance cleared. The debt collector will not be responsible for collection on the debt on the main account where child account is created.

12.7.4 Notice may be given to the owner/consumer that the amount owed should be settled within fourteen (14) days, failure of which it would be handed over for collection. Should there be no reaction on the notices; accounts are forthwith handed over for collection, which may include legal proceedings.

12.7.5 All debtors regarding houses in rental, selling and self-build schemes, without any capital debt, which are still registered in the name of the Municipality, should be notified in writing that if satisfactory arrangements for transfer of the property into his/her name are not made within one (1) month, the property concerned will be put up for sale by Council at a public auction.

12.7.6 Upon handing over of accounts for collection, details of employers and work addresses of the debtors should be made available to the attorneys as far as possible for the purposes of garnishee orders.

## 12.8 INDIGENT

12.8.1 Customers who qualify as indigent households will be assisted in terms of the indigent BY LAW.

## 12.9 THEFT AND FRAUD

12.9.1 Any person (natural or juristic) found to be illegally connected or reconnected to municipal services, tampering with meters, the reticulation network or any other supply equipment or committing any unauthorized act associated with the supply of municipal services, as well as theft of and damage to Council property, will be prosecuted and/or liable for costs at the prescribed tariffs as determined from time to time.

12.9.2 The Municipality may terminate and/or remove the supply of services including the removal of circuit breakers to a customer should such conduct as outlined above, be detected and certified.

12.9.3 The total bill owing, including penalties, assessment of unauthorized consumption and credit control administration fees, will be due and payable before any reconnection can be sanctioned. Corrective measures may be put in place to calculate lost consumption and levy penalty due to illegal connections or tampering of meters, refer to tariff schedule.

12.9.3 Council will maintain monitoring systems and teams in order to identify and monitor customers who are undertaking such illegal actions.

12.9.4 Council reserves the right to lay criminal charges and/or to take any other legal action against both vandals and thieves.

12.9.4 Any person failing to provide information or providing false information on his application for or other document pertaining to the supply of services to the Municipality may face immediate disconnection of services.

## 12.10 INCENTIVES

Incentives may be used in collection procedures as approved by council.

## 12.11 LEGAL PROCESS (USE OF ATTORNEYS/USE OF CREDIT BUREAUS)

12.11.1 The Municipality may, when a debtor is in arrears, commence legal processes against that debtor, which process could involve final demands, summonses, court trials, judgements, garnishee orders and, as last resort, sales in execution of property.

12.11.2 The Municipality will exercise strict control over this process to ensure accuracy and legality within it and will require regular reports on progress from staff responsible for the process or outside parties, be the attorneys or any other collection agents appointed by Council.

12.11.3 The Municipality will establish procedures and codes of conduct with such outside parties. In the case of employed debtors, garnishee orders, are preferred to sales in execution, but both are part of the Municipality's system of debt collection procedures.

12.11.4 All steps in the credit control procedure will be recorded for the Municipality's records and for the information of the debtor.

12.11.5 All costs of this process will be for the account of the debtor.

12.11.6 Individual debtor accounts are protected and are not the subject of public information. However, the Municipality may release debtor information to credit bureaus and the property owner in respect of his/her lessee(s). This release will be in writing or by electronic means and will be covered in the agreement with customers.

12.11.7 The Municipality may consider the cost effectiveness of the legal process and will receive reports on relevant matters and report to the Executive Mayor.

12.11.8 Upon recommendation from the Municipal Manager, Council may consider the use of agents and innovative debt collection methods and products. Cost effectiveness, the willingness of agents to work under appropriate codes of conduct and the success of such agents and products will be part of the agreement Council might conclude with such agents or service providers.

12.11.10 Any agreement concluded with an agent or product vendor shall include a clause whereby breaches of the code of conduct by the agent or vendor will constitute termination of the contract.

12.11.11 If, after the due date an amount due for rates is unpaid by the owner of the property, the Municipality may recover the amount, in whole or in part, from the tenant or occupier of the property, after it has served written notice on the tenant or occupier. The Municipality may recover the outstanding amount despite any contractual obligation to the contrary on the tenant or occupier.

12.11.12 If, after the due date an amount due for rates is unpaid by the owner of the property, the Municipality may recover the amount, in whole or in part, from the agent of the owner, if this is more convenient for the Municipality, after it has served written notice on the agent.

The agent must on request from the Municipality, provide a statement reflecting all payments made to the agent for the owner during a period determined by the Municipality.

#### 12.12 COST OF COLLECTION

The Municipal manager may recover from the debtor, all costs in cases where such costs are incurred by or on behalf of the City, including;

All costs of legal processes such as interest, penalties, service discontinuation costs and legal costs associated with credit control and debt collection, wherever applicable, are for the account of the debtor and should reflect at least the cost of the particular action.

Council may recover from the debtor the following costs in instances where such costs are incurred by the city as a result of efforts to collect

- a) Disconnection fees including Penalty charges on illegally connected meters
- b) legal and administration and all other costs/charges, including attorney and client costs, and tracing fees incurred in the recovery of debts
- c) Any collection and related commission
- d) cost and administration fees, where presented payments are dishonoured

#### 12.13 CLEARANCE CERTIFICATE

12.13.1 In terms of section 118(3) of the Act an amount due for municipal service fees, surcharges on fees, property rates and other municipal taxes, levies and duties is a charge upon the property in connection with which the amount is owing and enjoys preference over any mortgage bond registered against the property,

12.13.2 The municipality will require an estimation of up to four months before issuing clearance figures.

12.13.3 All payments will be allocated to the registered seller's municipal accounts and all refunds will be made to such seller unless advised otherwise.

12.13.3 Clearance figures for all accounts handed over to debt collectors may make provision for Collection costs at the draft commission percentage.

12.13.4 The Municipality will only issue a clearance certificate once a completed prescribed application form from the conveyancer has been received.

12.13.5 Where any residential or non-residential debtor has entered into an arrangement with the Municipality in respect of the arrears on a property, the prescribed certificate as referred to in Section 118 of the Systems Act, will not be issued until such time as the full outstanding amount have been

paid. Should the certificate be issued on payments for three months preceding the date of clearance, the outstanding balance will be due and against the property or any owner thereof with or without their knowledge on transfer.

12.13.6 Accordingly, all such municipal debts shall be payable by the owner of such property without prejudice to any claim which the municipality may have against any other person,

12.13.7 On application for clearance any arrangements, acknowledgement of debt shall be cancelled, and all debts on the property shall become due, and payable.

12.13.8 The payments of clearance certificate must be made in cash or by irrevocable bank guarantee, there shall be no refunds on cancellation of sale, and the certificate shall be valid for a period of 60 days from date of issue.

12.13.9 No Clearance certificate, in terms of section 118 of the Municipal Systems Act, will be issued were the registered owner (and, in this instance, the seller) has not complied with any relevant legislation, BY LAW or agreement relating to the property in question;

12.13.10 Polokwane Municipality reserves the right to pursue the debt incurred by the seller by lodging an interdict with a competent court prior to any transfer to obtain a court order ordering the sale in execution of a property.

12.13.11 Subject to section 118 (1) of the Systems Act the City manager has the right to offset any credit , or any amount due to a debtor, against any debit pertaining to that same debtor; or

(a) To transfer any debt to another account of the same debtor.

12.13.12 The City Manager has the right to transfer any property debt, incurred by a tenant, to any account of the registered owner, provided the registered owner was the owner of the property at the time the debt was incurred.

## 12.14 BUSINESS RESCUE

12.14.1 In terms of Section 118 (3) of the Systems Act, an amount due for municipal service fees, surcharge on fees, property rates and other municipal taxes, levies and duties is a charge upon the property in connection with which the amount is owing and enjoys preference over any mortgage bond registered against the property.

## 12.15 DECEASED ESTATES



11.15.1. The Executor or representative of a Deceased Estate shall be liable for payment of all debts on the property.

12.15.2. The purposes of liability for an account, including a consolidated accounts, the occupier or occupiers of a property which vests in a deceased estate where neither an executor nor representative has been appointed, will be regarded as the Deemed Owner. The municipality may request a deemed owner to sign a services agreement. Where there is more than one occupier on the property, every occupier will be jointly and severally liable for an account or consolidated account.

12.15.3. "Deemed Ownership" does not confer any rights on an occupier other than the liability to pay the accounts.

12.15.4. Failure by the executor to inform the Municipality that the property forms part of a deceased estate may result in the disconnection of services, until an executor or representative has been appointed.

12.15.5 Where a deceased estate is insolvent (liabilities exceed all assets) and a property is sold by the executor pursuant to section 34 of the Administration of Deceased Estates Act, 1965 (Act 66 of 1965), the Municipality enjoys preference creditor status in terms of section 118 (1) of the MSA. Accordingly, no revenue clearance certificate will be issued until all amounts assessed for the prescribed 2-year period, have been paid. The balance of the debt will be dealt with as guided by the law on the administration of deceased estates.

## **12.16 IRRECOVERABLE DEBT**

12.16.1 Debt will only be considered as irrecoverable if it complies with the following criteria: -

(a) All reasonable notifications and cost-effective legal avenues have been exhausted to recover a specific outstanding amount; or

(b) any amount equal to or less than R1 000.00, or as determined by Council from time to time, will be considered too small, after having followed basic checks, to warrant further endeavours to collect it; or

(c) The cost to recover the debt does not warrant the further action; or

(d) The amount outstanding is the residue after payment of a dividend in the rand from an insolvent estate; or

1. There is a danger of a contribution; or

2. No dividend will accrue to creditors; or

(e) A deceased estate has no liquid assets to cover the outstanding amount following the final distribution of the estate; or

Where the estate has not been reported to the Master and there are no assets of value to attach; or

(f) It has been proven that the debt has prescribed; or

(g) The debtor is untraceable or cannot be identified so as to proceed with further action; or

(i) The debtor has emigrated leaving no assets of value to cost effectively recover Councils' claim; or

(h) it is not possible to prove the debt outstanding; or

(i) a court has ruled that the claim is not recoverable; or

(j) The outstanding amount is due to an irreconcilable administrative error by the Municipality as approved by Council.

#### 12.17 ABANDONMENT OF CLAIMS

12.17.1 The Municipal Manager must ensure that all avenues are utilised to collect the Municipality's debt.

12.17.2 There are some circumstances, as contemplated in section 109(2) of the Act, that allow for the valid termination of debt collection procedures, such as:-

a) The insolvency of the debtor, whose estate has insufficient funds.

b) A balance being too small to recover, for economic reasons considering the cost of recovery.

c) Where Council deems that a debtor or group of debtors are unable to pay for services rendered.

12.17.3 The Municipality will maintain audit trails in such an instance, and document the reasons for the abandonment of the action or claim in respect of the debt.

#### 12.18 AUTHORITY AND DELEGATION TO WRITE OFF

Once council has approved or any of the event above is met, officials responsible or delegate for capturing journals under the relevant Strategic Business Unit will then affect the transaction on the system.

### 13. SHORT TITLE

This BY LAW will be called Credit control and debt collection BY LAW of Polokwane municipality.

### 14. IMPLEMENTATION AND REVIEW OF BY LAW

This BY LAW shall be implemented on 1<sup>st</sup> July 2025 and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.



**DRAFT**

**INTERGRATED CUSTOMER CARE**

**POLICY**

**2025 / 2026**

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## 1. PREAMBLE

Whereas Section 95 of the Local Government Municipal Systems Act, Act No 32 of 2000 requires a Municipality to exercise Customer Care and Management in relation to levying of rates and other taxes.

And Whereas Section 156(1) of the Constitution of the Republic of South Africa, 1999 conferred powers of the Municipality to administer. Now therefore the Municipal Council of Polokwane Municipality adopts the Customer Care Policy as set out in this document.

## 2. PURPOSE AND OBJECTIVE.

In establishing itself as a progressive and service oriented municipality, Polokwane Municipality, the City of Stars, is committed to focusing on its customers' needs as well as creating a positive and reciprocal relationship between the community or customers of the Municipality and the Municipality itself.

In order to achieve this objective, this Customer Care Policy has been adopted to develop structures to ensure that in our dealing with customers these values are demonstrated and in line with Batho Pele Principles

## 3. PRINCIPLES

- a. Polokwane Municipality aims to set a consistent and excellent service standard in its dealings with customers.
- b. The Municipality is committed to ensuring human rights principles set out in the National Constitution of the Republic of South Africa, 1996, as well as the Batho Pele Principles, aimed at transformation of public service delivery, and "getting it right the first time", forms the basis on which Polokwane Municipality's service delivery rests.
- c. By laying this basis and building a service delivery model thereon, the Municipality wants to display the commitment to the principle of "Customer First" and ensuring that service excellence forms an integral part of the planning and delivery of all Municipal services to our community.

## 4. MUNICIPAL VALUES.

- a) As a service delivery orientated organisation, and in order to satisfy the goal of achieving Customer Service excellence, a common set of values, that guides the interaction between municipal Officials and the customers shall form the basis of the relationship between the Municipality and its Customers.

b) Commitment to the following values will guide our Officials interaction with Customers and form the cornerstone of our customer focused approach:

- i) Mutual Respect, which includes mutual trust and understanding.
- ii) Good Customer Care.
- iii) Efficient and Excellent Service.
- iv) Integrity and Professionalism.
- v) Equity and Fairness.
- vi) Compassion and Dignity.

#### 5. "PEOPLE FIRST" – THE *BATHO PELE* PRINCIPLE

- vii) National Government's approach to all interaction between government institutions and the public is based on the eight "Batho Pele Principles", which forms the foundation of service delivery to the public. Therefore Customers of the Municipality:-
- viii) Should be given a choice about the services offered to them and also be consulted about the level and the quality of the public service they receive.
- ix) Has to be informed regarding the level and quality of public services (service standards) they will receive, in order to be aware of what service to expect.
- x) Should have equitable access to the services they are entitled to.
- xi) Has to be treated with courtesy and with consideration.
- xii) Should be given full and accurate information regarding the public services they are entitled to receive
- xiii) Has, in an open and transparent way, to be informed on how services are calculated and levied.
- xiv) Where the promised standard of service is not delivered, in redress, should be offered an apology, an explanation and a speedy and effective remedy, and when complaints are lodged, Customers should receive a sympathetic, positive response thereto.

- xv) Has to receive Municipal services (as a public service) provided economically and efficiently so as to give the best possible value for money.

## 6. THE CUSTOMER.

Habitually the people who dealt with the Municipality were primarily referred to as ratepayers or consumers. This created an unequal balance as these people were seen either as taxpayers or as people who consumed essential services provided by the Municipality.

The aim is at changing this mind set and constantly reminding ourselves that we are dealing with Customers,

- a. Thus, Customers are all the people that a Municipality deals with in the execution of daily duties and work.
- b. Customers are the people who live in, work in or visit the City and this includes people who do business with the Municipality.
- c. In this sense, the Municipality has internal as well as external Customers and the same standards shall apply to internal (colleagues and service providers) as to external Customers.

## 7. CUSTOMER CARE.

### **WHAT CUSTOMER CARE IS AND WHY IT IS IMPORTANT:**

Polokwane Municipality is committed in ensuring that its customers get the assistance required when approaching the Municipality.

It is the Municipality's aim to, whenever contacted by a customer, make it convenient for the Customer to do so as well as treat such a Customer courteously, promptly and fairly.

This in essence means that the Customer will receive a prompt and clear response to queries made within a stated period of time as defined in the Customer Care Standards and Management Controls as well as in the Customer Service Charters for the various service delivery counters.

Customer Care embodies the principle of taking care of Municipal Customers in a positive manner, as part of the set of behaviours to be undertaken in interaction with our Customers.

At the same time and in addition to Officials education on Customer Care, Customers have to be informed what standards of Customer Care they can expect when they engage with officials/Officials of Polokwane Municipality.

The "Customer First" principle will also be adhered to by the Municipality in all policies and procedures to be considered.



Therefore Customer Care is:-

- a. Treating all Customers with courtesy, dignity and respect;
- b. As far as possible customers may be served in their language of choice, always bearing in mind that English is the official communicating language of Council as per resolution;
- c. Providing a good quality service in a friendly, efficient and helpful manner;
- d. Giving people the information they need and providing an explanation where the service is not available or up to the expected standard;
- e. Keeping the Customers informed of progress in addressing their complaints, requests and enquiries.
- d. Subsequently Customer Care standards are important to ensure:-
  - i. That all Customers, whether they are residents or visitors to Polokwane Municipality, will receive the same consistent high standards of customer care;
  - ii. That Customer Care and service to Customers are essential to the planning and delivery of all Council Services;
  - iii. That Polokwane Municipality officials will constantly be reminded of their responsibility in putting the Customer First and what this means in practical terms;
  - iv. That Polokwane Municipality will eliminate wastage by providing all services "Right the First Time".

## 8. CUSTOMER CARE CYCLE .

### Terms of Credit Control and Debt Collection Policy

- e. The Municipality provides services to the consumers.
- f. Afford opportunities for customer queries to be addressed.
- g. Implement the follow up process of query resolution.
- h. Ensure community interaction outside the office.
- i. Implement processes to produce accurate and credible accounts.
- j. Bill for the service rendered.
- k. Issue accounts to consumers.

- l. Remind customers by issuing notices to settle accounts.
- m. Issue final notices to non-paying consumers, a further opportunity to the consumer to either raise queries or to make arrangements for account payment.
- n. Consult with non-paying consumers, as part of the final demand process and actual credit control action and enforcement of credit policy.
- o. Final step is to restrict or disconnect actual services to the consumer, with clear municipal input via the customer care and debt collecting policies.

## 9. CUSTOMER INTERACTION.

### 9.1 Face to Face Contact;

- a) Customers will be treated in a courteous and polite manner.
- b) Officials should always give their full attention to the customer.
- c) Wherever possible, Officials will aim to resolve the customer's enquiry at first contact
- d) All customers will be catered for and appropriate arrangements are in place.

*e) Officials at first point of contact will give customers the option of seeing specialist members of Officials.*

### 9.2 Waiting Times

### 9.3 Telephone Calls;

- a) Officials will answer telephone calls promptly
- b) Officials should aim, wherever possible, to resolve the customer's enquiry at first contact.
- c) If a call is put on hold the customer must be told the reasons and kept updated if the waiting time is longer than expected.

### 9.4 Written Correspondence.

- a) Incoming written correspondence will be acknowledged within 7 days and responded to in 14 working days
- b) Receipt of an email will be acknowledged in 3 working day
- c) All issues raised by the customer will be acknowledged and responded to within the correspondence.

## 9.5 Complaints Procedure

- a) Officials will aim to resolve all concerns raised by the customer immediately and informally
- b) Officials will inform the customer that if the informal resolution is not to their satisfaction, they may make a formal complaint and explain how to do this
- c) Heads of Departments will analyse any complaints about the service in their respective units and take remedial action

## 10. MEASURING SUCCESS IN CUSTOMER CARE.

- 10.3 Polokwane Municipality Customer Care Policy is extended with specific Customer Service Charters for each service delivery counter, in which Charter the Customer Care Standards for that specific service point is contained.
- 10.4 Customer Care Officials at the counters shall commit to upholding the Customer Care Standards set for their various service counters.
- 10.5 Satisfactory Customer Care performance by Municipal officials/Officials will be monitored continuously and Performance will be reviewed quarterly.
- 10.6 Methods for receiving Customer feedback will be developed and communicated to the customers.
- 10.7 Communication means will be developed and communicated to the customers within the constraints of the municipal resources.
- 10.8 Comments and complaints from Customers are an important part of the process and will assist in building a "Customer First" environment
- 10.9 Monitoring methods will further help in developing programmes to address any shortcomings in the standard of the Municipality's service.

## 11. STANDARDS AND CONTROLS IN CUSTOMER CARE

### 11.1 Customer Care Standards

Polokwane Municipality is committed to the continuous improvement of the standards of service it renders to its Customers. For this reason the Municipality is endeavouring to provide services and manage complaints in a manner which is timeous, efficient and effective.

In reaching this goal in service delivery the following principles have been set as Customer Care Standards:-

- a. A friendly and courteous service that puts the Customer first; that is Customer focused and measurable;
- b. Clear guidelines along which officials/Officials is to behave in dealing with Customers;
- c. Clear, achievable performance targets;
- d. Trained officials who have a full understanding of the standards of performance that are expected will go through additional training and capacitated to achieve these performance standards.

#### *11.2 Commitment to equal opportunities which will provide:-*

- i) Support, interpretation and translation services;
- ii) Clear signage to direct Customers to where they need to go;
- iii) Accessible, welcoming buildings and service counters;
- iv) Disabled access wherever practicable;
- v) Private areas when necessary, where Customers can discuss private and sensitive matters;
- vi) Officials/Officials trained in awareness and understanding.

## **12. CUSTOMER EXPECTATIONS.**

Customers of Polokwane Municipality can expect the following treatment from officials/Officials:-

- a. Courtesy, respect and consideration towards a Customer at all times;
- b. Officials/Officials will identify themselves by name and communicate by listening and responding appropriately
- c. Communicate efficiently, with integrity, fairly and professionally;
- d. To be provided with relevant, accurate and up-to-date information;
- e. Actively seeking comments on a regular basis in order to continue and develop a service of high standard;
- f. In instances where problems arise: -
  - i. Officials will deal with such a problem promptly;

- ii. Advise on a probable delay in provision of a solution to the problem as well as any relevant reasons;
- iii. Update on progress with long-term problems;
- v. Advise on how and who to contact in the event of any dissatisfaction.

### 13. CUSTOMER CARE: MANAGEMENT.

At the core of the service delivery principle of placing the Customer first, lies the need to re-evaluate processes as well as ensure achievement of set standards.

For the purpose of meeting that goal, controls to measure the Municipality's overall performance has been set in place, including: -

- a. Compliance with or adherence to the Customer Care Service Standards to be reflected as a Key Performance Indicator on each responsible official's Performance Plan;
- b. Continuous training programmes for officials to ensure effective service delivery and Customer satisfaction;
- c. Continuous monitoring and review of processes and procedures in ensuring the Customer is put first;
- d. Consideration for introduction of a computerised call-logging and tracking system, ensuring sensitivity and efficiency in the enquiries, complaints and feedback received from Customers.

### 14. VARIOUS SERVICE DELIVERY COUNTERS.

#### *14.1 Accommodation of Disabled and Senior Citizens*

General enquires on all Municipal Services.

#### *14.2 Municipal Services General – excluding & Licenses, Community Safety & Disaster Management.*

- a. Any query or complaint regarding Corporate and Technical Services to be recorded and submitted to the relevant Service Business Units.
- b. Means of communication between SBU's to be done via
  - Telephones; and
  - E-mails
- c. Centralized database to be maintained for accurate reporting and tracking purpose of all complaints.

- d. All Financial Services complaints must be captured on the financial systems notepad.
- e. Feedback to customers to be done via telephone and or e-mails and in person for walk in customers
- f. Turn-around time regarding feedback or completion of the complaint or query, must not exceed 21 (twenty-one) working days, alternatively according to timeframes as set in Policies and By-Laws of The Polokwane Municipality
- g. All queries and complaints that are not being dealt within the prescribed timeframe must be escalated to the next levels: Direct Supervisor, Assistant Manager, Manager, Director and ultimately the Municipal Manager.

#### *14.3 Indigents and request for extension on payments:*

##### **Refer to indigent policy**

- a. All Indigents related queries
- b. Apply for extension of payments on service accounts on the prescribed via the prescribed documents

#### *14.4 Account Statements and Clearances:*

- a. Issuing of duplicates accounts, histories and various reports.
- b. Receive applications for clearance requests on transfer of properties
- c. Attorney correspondence relating to clearances only (Submit and collect)

#### *14.5 Budget and Treasury – General enquiries:*

- a. All account and related queries.
- b. Request special meter readings on the prescribed document, accompanied by payments as stipulated in the Tariff policy.
- c. Request a Meter Test on the prescribed document, accompanied by payments as stipulated in the Tariff policy.
- d. Changing of addresses.
- e. Requesting ACB payment methods.
- f. Cancellation of ACB payment methods.
- g. Valuation certificates/roll at the tariff as per Councils Tariff policy.
- h. Request information subject to stipulation of Access to the Information as stipulated in The Promotion of Access to Information Act, Act 2 of 2000.
- i. Profile updates.
- j. Leeto la Polokwane Bus Tickets
- k. Prepaid water and Electricity Personnel
- l. RPU Officials

#### ***14.6 Connection and Disconnection of supply services:***

- a. Only rightful owners are allowed to apply for services on the prescribed documents. No tenant will be allowed to apply for any services unless prepaid.
- b. Special consent to open accounts should be allowed to Lessees who have contracts with the Municipality; (Sundry accounts), including private owned properties where a portion of the property is being leased to cellular phone towers.
- c. New occupants of low cost housing must also be allowed to open accounts with the municipality and paying a connection fee. This connection fee is a fee approved by council by its resolution CR/81/12/22.
- d. Notification of disconnections by owners of properties in respect of services on the prescribed documents.

\*Arrange final readings, including arrangements of access to premises by authorized representatives of the Municipality for purposes of final readings. Refer section 101 of the Municipal Systems Act, 32 of 2000.

#### ***14.7 Cashiers.***

##### **Refer to cash management policy**

- a. Cashiers general.
- b. Cash Power (Water & Elect)
- c. Disabled, Senior Citizens
- d. Traffic Fines
- e. Leeto la Polokwane Bus Tickets
- f. One can also pay at the Shops- Easypays (Shoprite/Checkers/Pick'nPay/Woolworths/Boxer/Macro/Game); Unipay (Spar and selected Garages-Shell/Sasol) and Post Office.

#### ***14.8 Municipal Control Centre***

The following services are located within the Municipal Control Centre by dialling the following telephone numbers: 015-290 2000 – Any Municipal related enquiries:

- Vehicle registration enquiries;
- Water & Electricity cut-off lists;
- Polokwane Mapping (Geographical Information System);
- Provincial Traffic After-hours call-out procedures;
- Electrical and water Complaints;

- Information on security and traffic cameras;
- Emergency Numbers;
- Disaster Management Information;
- Mobile Control Unit (Combined Joint Operation Control);
- Reporting bomb threats;
- Reporting serious occurrences;
- Reporting drowning;
- Complaints relating to animals;
- Towing Services radio link;
- Civil defence radio link.
- Any other services unless directed otherwise

#### 15. COMMUNICATION TO PUBLIC REGARDING METER READING AND METER READING SCHEDULES

- a. Section 101 of the Local Government Municipal Systems Act to restrict makes it an offense deny accessibility of meters to authorised representatives of the Municipality.
- b. Where a reading could not be obtained, The Municipality may estimate the consumption based on previous actual readings, or if council fails to obtain a previous actual reading fixed consumption will be billed on the accounts. Refer CR/42/10/20.
- c. Members of the public must further be informed that failure to receive an account does not relieve a consumer of the obligation to pay an amount due and payable. Accounts can be obtained during normal working hours, per e-mail, telephone request or by visiting the Civic Centre or any satellite office.
- d. Inform Polokwane Citizens of the Municipality's intention to do away with Conventional Meters- we rolling over to Prepaid Services
- e. Fines for Bridging Municipal Services- taken care of by the RPU Team weekly (Surprise Visits conducted)



## 16. ORGANISATIONAL CONDUCT: CODE OF CONDUCT OF ALL MUNICIPAL OFFICIALS

- a. All Municipal Officials shall treat all customers with dignity and respect at all times. Employees shall execute their duties in an honest and transparent manner whilst protecting the confidentiality of information in accordance with the Promotion of Access to Information Act No. 2 of 2000.
- b. Where information held by the municipality is requested by Customers, such information shall only be made available in accordance with the Municipality's official Promotion of Access to Information Manual and provided that the necessary application forms have been filled in by a customer and the required fee has been paid.
- c. All Councillors and officials shall conduct themselves according to the "Code of Conduct" for Councillors and Municipal Officials members as contained in Schedule 1 & 2 of the Municipal Systems Act 32 of 2000.
- d.

## 17. SHORT TITLE

This policy shall be called the Integrated Customer Care Management Policy of the Polokwane Municipality

## 18. IMPLEMENTATION AND REVIEW OF POLICY

This policy shall be implemented on 1<sup>st</sup> July 2025 and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.



# **DRAFT EXPENDITURE MANAGEMENT POLICY**

**2025/2026**

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## **1. ABBREVIATIONS**

**CFO** – Chief Financial Officer

**CM** – Council Minute/s

**IDP** – Integrated Development Plan

**MBRR** – Municipal Budget Reporting Regulations

**MFMA** – Municipal Finance Management Act, Act No. 56 of 2003

**MSA** – Municipal Systems Act, Act No.32 of 2000

**MSTA** – Municipal Structures Act

**MTREF** – Medium term revenue and expenditure framework

**SDBIP** - Service delivery and budget implementation plan

## **2. DEFINITIONS**

**"Accounting Officer"** a person appointed in terms of section 82(l) (a) or (b) of the Municipal Structures Act; and also refers to the municipal manager of a municipality in terms of section 60 of the MFMA;

**"Approved budget"** the annual budget approved by a municipal council; and includes such an annual budget as revised by an adjustments budget in terms of section 28 of the MFMA;

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

**Chief Financial Officer”** a person designated in terms of section 80(2) (a) of the MFMA;

**"Creditor"** a person to whom money is owed by the municipality;

**"Current year** the financial year, which has already commenced, but not yet ended;

**"Delegation"** the power to perform a function or duty which is given to office bearer, councillor or staff members either in terms of section 59 of the MSA or section 79 of the MFMA;

**"Financial year"** a twelve-month period commencing on 1<sup>st</sup> July and ending on 30<sup>th</sup> June each year;

**"Overspending" -**

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

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

(c) in relation to expenditure under section 26 of the MFMA, causing expenditure under that section to exceed the limits allowed in subsection (5) of this section; **"Previous financial year"** the financial year preceding the current year;

**"Senior Manager”** all officials reporting directly to the Accounting Officer as contemplated in sect 56 of the MSA;

**"Service delivery and budget implementation plan"** a detailed plan approved by the executive mayor of the municipality, in terms of section 53(l) (c) (ii) of the MFMA, for implementing the municipality's delivery of municipal services;

**“Vote”** one of the main segments into which a budget of a municipality is divided for the appropriation of funds for the different directorates of the municipality; and which specifies the total amount that is appropriated for the purposes of the directorate concerned.

**“Vote holder”** means the senior manager to which the vote is assigned.

### **3. INTRODUCTION**

The Municipal Finance Management Act, (Act 56 of 2003) read together with the Municipal Budget and Reporting Regulations, provides the legislative framework within which any expenditure related transactions must take place.

Section 11 of the Municipal Finance Management Act, (Act 56 of 2003) specifically provides the legislative framework for any withdrawals from any bank account in the name of the municipality. The budget plays a critical role in an attempt to realise the diverse community needs. Central to this, the formulation of this expenditure policy must ensure that the objectives of the MFMA as set out in section 2, is incorporated in the day to day administration of the municipality. This policy must be read, interpreted, implemented and understood against this legislative background.

### **4. OBJECTIVE**

The objective of the Expenditure Management policy is to:

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

## **5. EXPENDITURE MANAGEMENT**

### **5.1 Responsibility of the accounting officer with regards to expenditure management:**

#### **S65 MFMA**

The accounting officer of municipality is responsible for the management of the expenditure of the municipality and must, among others ensure-

- that the municipality has and maintains an effective systems of expenditure control, including procedures for the approval, authorisation, withdrawal, and payments of funds;
- that the municipality has and maintains a system of internal control in respect of creditors and payments;
- that payments made by the municipality are made- o directly to a person to whom it is due unless agreed otherwise for reasons as may be prescribed; and
  - o either electronically or by way of non-transferable cheques, provided that cash payments and payments by way of cash cheques may be made for exceptional reasons only up to a prescribed limit.
- That all money owing by the municipality be paid within 30 days on receipt of relevant invoices or statements, unless prescribed otherwise for certain categories of expenditure.
- That municipality complies with its tax, levy, duty, pension, medical aid, audit fees and other statutory commitments.
- That the municipality's available working capital is managed effectively and economically in terms of the prescribed cash management and investment framework.
- That all financial accounts of the municipality are closed at the end of each month and reconciled with its records.
- That the municipality has and maintains a management, accounting and information system which- o recognises expenditure when it is incurred; o accounts for creditors and payments made by the municipality;
- Avoid and report on Unauthorised, irregular, fruitless and wasteful expenditure as soon as it occurs.
- Expenditure on staff, including councillors are reported in line with section 66 of

## **5.2 Creditor Payments**

5.2.1 All money owed by the Municipality must be paid within thirty (30) days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure.

5.2.2 The CFO has the powers to delay payments beyond 30 days on negotiations with the creditors should the municipality be unable to pay due to any challenges that may be faced by the municipality.

5.2.3 All payments vouchers must be sequentially filled and stored in a secured room.

5.2.4 Payments will only be made directly to the person or institution to which a contract was awarded and from which the invoice is received for legally rendering the service to the Municipality.

5.2.5 Invoices or statements submitted for payment to the Deputy CFO by any department must be signed, when a department authorises the payment of accounts the signatory certifies and authorises that: -

- (a) All processes in terms of the Supply Chain Management Policy of the Municipality had been followed;
- (b) The goods and services have been received and rendered in good order and are under the control of the Municipality;
- (c) The account has not previously been submitted for payment;
- (d) Sufficient budgetary provisions exist;
- (e) Authority for the payment exists, in which case the authority shall be indicated on the voucher; and
- (f) Fruitless and wasteful expenditure has not been incurred.

5.2.6 Before payment is processed the Creditors Department shall ensure that: (a) The prices, calculations and any taxes are correct and invoice are tax compliant.;



- (b) Any discounts to which the municipality is entitled to have been deducted;
- (c) Correct with regard to period covered.
- (d) Sufficient budgetary provisions exist.
- (e) Supported by original and necessary documentation such as, tax invoices, certificates, goods received notes and signed by the recipient, and is generally in order.

5.2.7 All payments due by the Municipality shall be made by or approved electronic payment method.

### **5.3 Recovery of Losses**

5.3.1 Any loss suffered by the Municipality due to any fraudulent or corrupt act or an act of bribery shall be dealt with and immediately be reported to the South African Police Service, Auditor-General, Mayor and Accounting Officer in terms of section 32 (b) of the MFMA

5.3.2 Circumstances of financial misconduct by municipal officials in accordance with section 171 of the MFMA must be reported to the Accounting Officer immediately.

### **Conclusion**

This policy will be implemented on 1<sup>st</sup> July 2025 in line with the delegations of financial authority by the accounting officer and the creditor procedure manual and will be reviewed and adjusted for any new developments as and when the need arises.

\*\*\*\*\*



**DRAFT**

**FARE POLICY AND FARE  
STRUCTURE**

**LEETO LA POLOKWANE**

**2025/2026**

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**ANNEXURE "A" TO THE FARE STRUCTURE – FARE REGIME**

## DEFINITIONS AND ACRONYMS OF TERMS

For the purpose of this policy, unless the context indicates otherwise, any word or expression to which a meaning has been attached in the Act shall bear the same meaning and means:

Term	Definition
NLTA	The National Land Transport Act, No 5 of 2009
AFC	Automated Fare Collection system as defined in the NLTA Regulations. A Smartcard must be used as the main Payment Medium.
BRT (Bus Rapid Transit)	A high capacity road based public transport system utilising buses of varying sizes and capacities characterised by high frequency of vehicles and exclusive use lanes which may or may not be physically separated from other traffic lanes. Bus Rapid Transit systems consist of high capacity trunk routes as well as feeder routes.
Check in/out	To check in or check out is the terminology used to describe the act of entering or leaving the transport system and either by validating a Smartcard on a card validator machine or by use of a paper ticket. Using a Smartcard to enter or exit the system is also referred to as tapping in or out as the card is often tapped against the validator equipment although physical contact is not necessary as the validator equipment can detect a card in close proximity to the validator.
Chief Financial Officer	an officer of the municipality appointed as the Head of the Finance Department (Budget and Treasury) and includes any person: - <ul style="list-style-type: none"><li>• acting in such position; and</li><li>• to whom the Chief Financial Officer has delegated a power, function or duty in respect of such a delegated power, function or duty.</li></ul>
Contracting Authority	Authority assigned to a Local Government by a Provincial MEC for transport to develop, negotiate and enter into contracts with public transport operators in terms of the NLTA
Council or Municipal Council	A municipal council referred to in section 18 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) and for purposes of this policy, the municipal council of the Municipality of Polokwane.

Director	the person in charge of the transportation services component(s) of the Municipality and includes any person acting in such position; and to whom the Director has delegated a power, function or duty in respect of such a delegated power, function or duty.
Electronic Purse	Portion of the data storage facility on the Smartcard ()ABT wherein cash can be loaded electronically for use to purchase cash Fares or low value retail purchases from retail merchants, at a retail outlet that supports the use of this functionality of the card.
ABT	The Account-Based Ticketing Fare collection system as specified by the Department of Transport,
ABT Card Issuing Fee	<p>The fee to be charged to any passenger to whom an ABT Card is issued:</p> <ul style="list-style-type: none"> <li>• on request, the Municipality may redeem the issuing fee where the passenger returns the Smartcard, provided that the card has been used on the Leeto La Polokwane system.</li> <li>• subject to Leeto La Polokwane Rules and Terms &amp; Conditions made available together with the Smartcard, or on the Municipality's website, including terms and conditions regarding the redemption of the issuing fee - which conditions may be varied on notice to the passengers;</li> </ul> <p>The Smartcard issuing fee may, for marketing purposes, be waived when and where applicable as authorised by the Transport Authority in consultation with the Chief Financial Officer.</p> <p>The ABT Card Issuing Fee shall be waived in respect of the first issue provided ID number of the passenger is captured on issue.</p>
Fare	The price of conveyance or passage of a person travelling on a public transport vehicle.
Fare Box Recovery Ratio	The Fare box recovery ratio of a passenger transportation system is the fraction of operating expenses which are met by the Fares paid by passengers. It is calculated by dividing the system's total Fare revenue by its total operating expenses. Fare Box Recovery Ratios are normally represented as a percentage with 100% representing a balance between operating cost and revenue.

Fare Evasion Penalty Fare	<p>The Fare to be charged where there is prima facie proof that a passenger has intentionally evaded or attempted to evade paying a Fare.</p> <p>An example is where a passenger jumps over an access gate or a station fence, or intentionally tailgates. An example of tailgating is where a passenger enters a gate together with another passenger in such a manner that the second passenger does not pay a Fare.</p> <p>Where more than one passenger acts in this way with a common purpose, they may all to be charged the Penalty Fare.</p> <p>Despite having been charged a Penalty Fare, the relevant passengers may also be prosecuted.</p> <p>The Fare Evasion Penalty Fare applies where the passenger is found to have evaded or attempted to evade the Fare on a Route..</p>
Interim Period	The duration of the Interim Service, which shall not exceed 3 (three) years from date of commencement thereof.
Interim Service	A public transport service that is run on a temporary basis and may or may not be replaced by a permanent service and may operate under a temporary or experimental fare system and design until the permanent service commences operation or the temporary service is terminated.
IRPTS (Integrated Rapid Public Transport System)	A public transport system that is integrated with other public transport systems and that conveys passengers rapidly and at higher speeds by using a degree of segregation from other traffic either by exclusive use lanes in the case of road based public transport. Rapid transit systems are characterised by high capacity and high frequency of vehicles.
IRPTS Full Fare System	The IRPTS service using a full fare management system, namely an AFC system including technology, software and back office capacity required to administer a route-based fare. Public to be notified of the start of the IRPTS Full Fare System through a notice in the press. IRPTS.
Journey	One or more One Way trips connected through permitted closed and open transfers.
Leeto La Polokwane	The official brand name of the Municipality contracted, road-based public transport system consisting of Bus Rapid Transit (BRT) on trunk routes and supported by a feeder and distribution network on other routes and utilizes a variety of vehicle and facility types. The Leeto La Polokwane system is characterised by high quality services an automated fare collection system utilising CiPurse Smartcard technology and is operated by means of vehicle operator contracts developed and administered by the Municipality.

Municipality	Means Polokwane Municipality established in terms of the Local Government Structures Act.
Municipal Manager	The accounting officer appointed in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) and being the head of administration and accounting officer in terms of section 55 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) and includes any person acting in such position; and/or to whom the Municipal Manager has delegated a power, function or duty in respect of such a delegated power, function or duty.
Municipal Services	any of the local government matters listed in Part B of Schedule 4 of the Constitution, those services provided by the Municipality, including Municipal Public Transport Services, and for which payment is required by the Municipality or not.
Municipal Surcharge	A charge in excess of the municipal base tariff that a municipality may impose on fees for a municipal service provided by or on behalf of a municipality, in terms of section 229(1)(a) of the Constitution
Notice in the press	A notice placed in two newspapers generally circulating in the City of Polokwane prior to the relevant information that is to be published, as per the City of Polokwane Communications Strategy.
Off-peak periods	All periods of operation of the service, other than peak periods.
One Way	One Journey or trip either in a forward or a return direction only.
Payment Medium	The means by which payment is made or payment information is conveyed e.g. by paper ticket or Smartcard etc.
Peak Period	The period as defined in the official published timetable (as amended from time to time) and relates to the peak demand of travel during the morning and evening peak periods. This period may be amended by a notice in the press.
Penalty	A punishment or sanction imposed by law or an authority for a crime or an offence.
Policy	A plan, course of action or guiding principle of a government or business, intended to influence and determine decisions, actions, and other matters.
Premium Service	A service designed on a specific route for a specific trip purpose. A premium service generally offers a higher level of service than a non-premium service.



Redundancy Conditions	A condition which occurs when a necessary part of the AFC system is not operating as planned, such as when the system for loading cash on the card is down, or when the electricity supply is interrupted and the uninterrupted power supply (provided as backup) fails, or where the electricity supply is interrupted for an extended period resulting in the power in the uninterrupted power supply being depleted. It could also be due to a corrupted server and data is lost.
Regulations	Refers to the Regulations relating to integrated fare systems published in the Government Gazette on 17 June 2011 in terms of the National Land Transport Act, No 5 of 2009.
Ridership	In public transport terms, patronage or ridership is a type of forecasting or statistic for studying the average quantity of passengers ("patrons") carried per certain time period in a mode of a public transport system. The concept should not be confused with the maximum loading capacity of one particular vehicle or the whole public transport system. The gathered or predicted ridership data is usually used in transport planning to align a route and determine the kind of vehicles that should be employed.
Seamless Travel	Travel from origin to destination, which attempts to improve the ease of transfer between modes.
Smartcard	<p>A contactless card CiPurse, a South African National Roads Agency Limited (SANRAL) recommended payment media, complying with National Department of Transport (NDoT) specifications and conforming to the requirements of the NDoT data structure, as prescribed in the Regulations. A user can use the Smartcard in two ways:</p> <p>(a) as an Electronic Purse, with value to be loaded as required, regarding which the user must pay load fees to the SANRAL (which load fees are deducted from value loaded and which load fees are payable in addition to the fees above), with Fares being paid from this purse by checking in ( currently there is only checking in though the Bus Validator) on the Leeto La Polokwane system; and</p> <p>(b) to load and use a Travel Package issued by the Municipality.</p>
Tariff	A Municipal Tariff means a tariff (price) for services which a municipality may set for the provision of a service to the local community and includes a surcharge on such tariff.
Transit points	Transit points are a transit product that offer prepaid value covering the bank load fees and enabling the traveler to choose the amount to load and to use this for travelling on a pay as you go basis. This product does not offer any discounted Travel Fare and is charged at single trip rates. Transit points loaded are equivalent to the rand value.

Travel Demand Management	<p>The concept of managing travel behaviour in favour of more efficient transport modes is known as Travel Demand Management (TDM). The following six focus areas should inform the Travel Demand Management Strategy:</p> <ul style="list-style-type: none"> <li>• Promote Higher Vehicle Occupancies.</li> <li>• Roll out programmes for large employers to encourage alternative transport options (Travel Smart programme).</li> <li>• Develop supporting Policies and Tax incentives.</li> <li>• Market TDM and Public Transport.</li> <li>• Develop a Congestion Pricing Strategy and focus on Intelligent Transport System applications to inform drivers.</li> </ul>
Travel Package	<p>Travel Packages are a transit product that offer prepaid discounted payment options and give added benefits such as covering the bank load fees and enabling the discounted Travel Fare to be charged compared to single trip Fares. Travel Packages load points equivalent to the rand value. Savings are provided on purchases of Travel Packages compared to loading cash without purchasing a Travel Package. Travel Packages are offered at a discount, through various Travel Fares. This is intended to encourage bulk purchase and frequent use of the system as well as the purchasing of the Travel Packages as opposed to loading cash. The costs of the various Travel Packages are defined in the associated tariffs as applicable per financial year.</p>
Trip	<p>Travel from one point to another per mode of travel. A single journey may be made up of multiple trips for example in a home to work public transport journey, a traveller may walk to a taxi or feeder bus stop (one walking trip), catch a taxi or feeder bus to a BRT station (one taxi or feeder bus trip), travel by BRT to a taxi or feeder bus stop (one BRT trip), catch a taxi or feeder bus to an approximate final destination (an additional taxi or feeder bus trip) and walk the rest of the way to the final destination (additional walking trip). This typical journey would therefore consist of 5 trips.</p>

ACRONYMS	MEANING
AFC	Automated Fare Collection
BRT	Bus rapid transit
CITP	Comprehensive Integrated Transport Plan
CPI	Consumer Price Index
PSDF	Polokwane Spatial Development Framework
DoRA	Division of Revenue Act (5 of 2012)

ABT	Account-Based Ticketing
IDP	Integrated Development Plan
IPTN	Integrated Public Transport Network
IRPTN	Integrated Rapid Public Transport Network
IRPTS	Integrated Rapid Public Transport System
KPI	Key Performance Indicator
MEC	Member of the Executive Council
MFMA	Municipal Finance Management Act (56 of 2003)
MSA	Municipal Systems Act (32 of 2000)
NLTA	National Land Transport Act (5 of 2009)
PC	Portfolio Committee
PGL	Provincial Government of Limpopo
PLTF	Provincial Land Transport Framework
PTIG	Public Transport Infrastructure Grant
PTNO	Public Transport Network Operations
PTNOG	Public Transport Network Operations Grant
PTOG	Public Transport Operations Grant
TDM	Travel Demand Management
TCT	Transport for Polokwane
VOCs	Vehicle Operating Companies

## 1 PROBLEM STATEMENT

The Polokwane Municipality is in the process of introducing the initial implementation stage of Leeto La Polokwane, Phase 1A which will be launched during the latter part of the 2018/2019 Municipal financial year. The Fare Policy needs to accord with the Vision, Mission and Values of the City of Polokwane of becoming a "**Smart City**".

The **Vision, Mission and Values** for the City of Polokwane are as follows:

- **Vision:** The ultimate in Innovation and Sustainable Development

- **Mission:** Provide cost-effective services which promote sustainable livelihood through socioeconomic development and good governance
- **Values:** Transparency, Respectfulness, Integrity, Responsiveness, Loyalty, Professionalism, Approachable, Adaptable.

With the development and implementation of the Leeto La Polokwane Integrated Rapid Public Transport System (IRPTS) project underway, the need to establish a formal Fare Policy and a Fare Structure that governs Polokwane's Fare-related decisions is vital. Within the Polokwane area, different public transport modes are operated by different entities, each with its own Fare Structure, policy regimes and differing subsidy levels. The minibus taxi industry serves an important role in the public transport environment, but it is unscheduled and receives no operating subsidy.

With the establishment of the Polokwane Transport Authority and its vision for an IRPTS in Polokwane, it is considered imperative that a policy foundation is established before the incorporation of additional modes into the Fare system and design.

A condition of the Public Transport Network Operations Grant (PTNOG) is: *"From the start of operations, IRPTN/IPTN systems must recover all the direct operating costs of contracted vehicle operators from Fare revenue, other local funding sources and, if applicable, from any Public Transport Operating Grant contributions. These direct operational costs include fuel, labour, operator administration and vehicle maintenance"*. This condition poses a challenge for the Leeto La Polokwane system as it is highly unlikely that the IPTN system can immediately recover all direct operating costs to ensure the self-sustainability of the system.

A Fare Policy should establish the principles and goals that will underlie and guide the Municipality's Fare-related decisions (i.e., decisions regarding developing or adjusting the Fare structure). In addition, all such decisions should also be made in accordance with National, Provincial and Local Government enabling legislation (e.g., NLTA, MFMA and MSA) and policy frameworks for public transport.

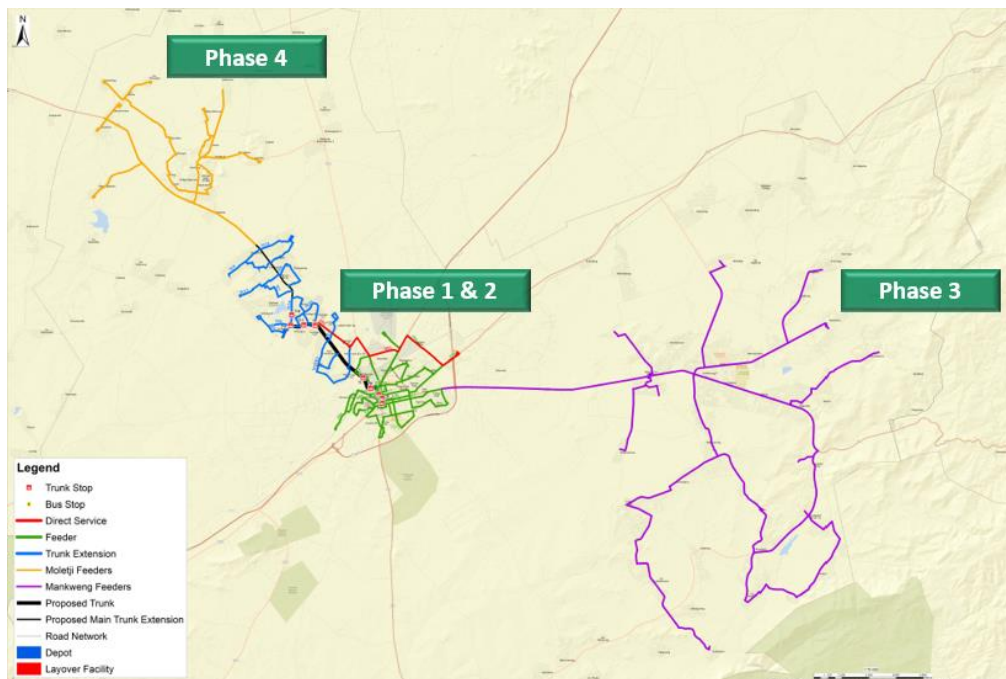
Three fundamental parameters are related to decisions taken about Fares namely,

- Fare Policy;
- Fare Strategy and Design; and
- Fare Structure and Levels.

These three primary parameters of a Fare System are closely interrelated. This policy should generally set the direction for the specific strategy and design. This Fare Policy applies to all aspects of Fare Design development, pricing, and the selection of fare collection and payment methods.

## 2 OVERVIEW OF FULL LEETO LA POLOKWANE NETWORK

The full Leeto La Polokwane IRPTN route system and network extents are illustrated in the figure below



The following is a brief description of the four phases:

**Phase 1 & 2 – Public Transport Infrastructure Intervention:** Within the high population density of the Seshego-Moleletje corridor the PIRTN will provide a Bus Rapid Transport (BRT) system. This intervention is infrastructure intensive and will require significant investments in road infrastructure, new vehicles, bus stops and depots. The key design features of Phase 1 & 2 of the PIRTN system is the extensive use of trunk & trunk extensions designed to maximise coverage and minimise walking distances to access the IPTS. No transfers have to be made by commuters between the feeders and the trunk service. A second feature is the pedestrianisation of Church Street to only allow access to pedestrians, PIRTN buses and delivery vehicles. Other vehicles currently making use of Church Street will be accommodated by addressing congestion on parallel roads. This

will be done by improving intersection capacity through the implementation of intersection upgrades, improved traffic signalling and better management of parking demand.

**Phase 3 & 4- Transport Restructuring and Formalisation:** The PTI Grant will be used to restructure the existing conventional bus or mini-bus services along public transport corridors between Mankweng and Polokwane, and along the lower density area of outer limits of Polokwane North West. This development will be in line with the grant requirements for the transformation of the businesses and operational models and for meeting tax and labour requirements. Infrastructure upgrades are not the focus of this intervention, the focus is operational improvements and a restructuring of the existing subsidized (PTOG) services into integrated, coordinated PIRTN contracts. A further key feature of Phases 3 and 4 is that while the services will provide improved public transport into the Polokwane CBD from these outlying areas, this long-distance service is limited in extent so as not to entrench the existing spatial dislocations. Instead, the service will focus on creating viable urban environments within Mankweng through improved access and connectivity locally.

All phases will include automated fare management and a Public Transport Management System. The Automated Fare Management enables Automated Fare Collection using a smart card system. The Public Transport Management System will include electronic monitoring of vehicles.

### **3 LEGAL BASIS AND REGULATORY FRAMEWORK**

The Fare Policy for the Leeto La Polokwane IRPTS has been written in accordance with the instructions and guidelines published by the Government in the National Transport Policy White Paper of 1996. This Fare Policy is based on the following legislation and regulations:

- The Constitution of South Africa, Act 108 of 1996 (e.g. provisions on assignment of functions).
- The National Road Traffic Act 93 of 1996 and NR Traffic Regulations, 2000: fitness of drivers and vehicles, rules of the road etc.
- Promotion of Administrative Justice Act 3 of 2000 (PAJA) – fair administrative processes.
- Promotion of Access to Info. Act 2 of 2000.
- Promotion of Equality and Prevention of Unfair Discrimination Act 4 of 2000.
- Municipal Systems Act 32 of 2000: e.g. on assignment of functions

- Municipal Finance Management Act no 56 of 2003
- Intergovernmental Relations Framework Act 13 of 2005.
- The Division of Revenue (DoRA) Acts 12 of 2009, 1 of 2010 and 6 of 2011 – provide for the Public Transport Operations Grant (PTOG) and PT Infrastructure and Systems Grant (PTIS).
- Protection of Personal Information Act, 2013
- Consumer Protection Act, 2008
- National Land Transport Act, 2009
- NLTA Regulations Relating to Integrated Fare Systems of 2011
- National Regulations on Automated Fare Collection

The Fare Policy must comply with all necessary legislation and regulations from a National, Provincial and Municipal perspective. We set out in this Report as Annexure “A”, the Fare Policy and the Fare Structure. The Fare Structure shall apply on the launch of the Leeto La Polokwane, and shall be reviewed according to detailed analysis which will include the take up of the Leeto La Polokwane and financial viability, amongst other issues.



**POLOKWANE**

**MUNICIPALITY**

**FARE POLICY FOR LEETO LA POLOKWANE**

Date of Approval by Council:

Date of Implementation



## **1 POLICY FRAMEWORK**

In setting out this fare policy, the following current national, provincial and local government policy frameworks for public transport were also taken into consideration:

- White Paper on National Transport Policy
- Provincial Transport Policy
- Polokwane Integrated Development Plan
- Polokwane Transport Policy
- Transport Needs Assessment
- National Land Transport Act (NLTA) of 2009
- NLTA Regulations Relating to Integrated Fare Systems of 2011
- Division of Revenue Act (DoRA) of 2014

In developing this Fare Policy we have taken into account the policy objectives set out in the said Policy Documents.

## **2 PURPOSE OF THE FARE POLICY**

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

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

This policy also provides the guiding principles for the establishment of a by-law, which amongst other aspects of the public transport system, would address the enforcement of the Fares Policy.

This Fare Policy is produced to guide the process which will result in Fare determination and collection for Leeto La Polokwane, which will be implemented and controlled through the use of the AFC System and the AFC Service Provider. The policy is therefore an overarching framework document or guiding document that must be referred to in all fare-related decision-making. In addition, all such decisions should also be made in accordance with the above-mentioned National, Provincial and Local Government enabling legislation (i.e., NLTA, MFMA, MSA etc.) and policy frameworks for public transport. This policy is consistent and compliant with the existing legislative and policy requirements.

### 3 SCOPE OF THE FARE POLICY

The Fare Policy will apply to all the public transport services administered by Polokwane Municipality. These may be services provided directly by the Municipality or services contracted by it. The scope includes the BRT Services planned for implementation in 2019, as well as any integrated road-based services that the Municipality may contract. The aim is also to enable Fare integration with other transport operators outside of the Municipality's control in the longer term.

This document sets out the main policies concerning the Leeto La Polokwane Fare System. A Fare System can be understood as having the following main components, each of which is dealt with in this document:

- Fare Policy Principles;
- Fare System Technology;
- Fare Structure;
- Fare Levels;
- Fare Types and Products;
- Access Control and Fare Evasion;
- Distribution Strategy;
- Data Requirements Policy; and
- Institutional Arrangements.

The Fare Policy is the main document among several that will describe the Fare System as a whole. It must however be read in conjunction with other governing documents such as the MFMA to avoid any possible conflict. The other documents that will be developed in due course are the following:

- **Concept of Operations:** A document describing the characteristics and principles of the proposed IRPTN system.
- **Fare System Business Rules:** Describes in detail all the procedures according to which the Automated Fare Collection System will operate, particularly those which govern the calculation of the Fares, the customer interface and the operation of the system.

- **Fare System Distribution Strategy**, setting out the network through which the Smartcards may be obtained and where value and products may be loaded onto them.
- **Annual Polokwane Public Transport Tariff Schedule**: Before the start of each municipal financial year, as part of the annual budget process, a report and schedule will be submitted to Council, after public comment has been sought, setting out the proposed Fares and charges for the public transport services administered by the Municipality.
- **A Fare Brochure** will be published and made available to passengers. This will provide factual information about the different Fares and products, how and where to obtain Smartcards and load value or Travel Packages, minimum balance requirements, card costs, bank load fees, a passenger's obligations (e.g. to tap in and out), the penalties that will be deducted from the card for non-compliance, refund policy and the appeal processes where passengers believe a mistake has been made. It will also cover procedures for staff and passengers to follow in the event of irregular events, for example, if a card is lost during the journey; the procedures of Fare deduction that are followed when the system is off-line, e.g. due to power failures or system malfunction; and so on. The issuing bank's terms and conditions of relevance to passengers will also be covered in the Brochure. The Brochure will also set out the Conditions of Carriage.
- By-law setting out Fare-related offences and penalties.

#### **4 FARE POLICY PRINCIPLES AND OBJECTIVES**

The guiding principles and considerations have been gathered from the legislative and policy environment as well as attempting to incorporate practical considerations. Drawing on the above policies and laws, the following objectives will be served by the Leeto la Polokwane's Fare Policy and Systems:

##### **4.1 Objectives of the Fare Policy**

The objectives for the Leeto La Polokwane Fare Policy are to achieve the following objectives:

- To set and structure Fares in such a way as to maximize ridership;
- To set Fares that are affordable to households in Polokwane;

- To treat all passengers fairly in the application of Fares;
- To generate adequate revenue to cover direct operating costs so that the Leeto La Polokwane remains sustainable for the economy of Polokwane, within the constraint of what passengers can afford and bearing in mind the low-density nature of Polokwane and the long travel distances that are apartheid legacy;
- To reduce travel times through streamlined Fare collection and pre-board payment;
- To incentivise off-peak travel as part of the objective to manage travel demand;
- To minimise the inconvenience of transfers through a single, seamless Fare from the start of the journey to the final destination; and
- To operate and manage Fare collection independently of the public transport operators.

#### **4.2 Objectives of the Fare System**

The Fare System will be designed and implemented in such a way as to:

- Set equitable (fair) Fares, i.e. the Fare paid must be related to the value of the public transport service purchased (in terms of factors such as distance travelled, comfort, safety, security and travel time).
- Make the Fare system understandable and convenient for passengers.
- Encourage passenger loyalty.
- Reduce the operating costs of fare collection and control through efficiencies.
- Enable the Leeto La Polokwane IRPTN and public transport to remain competitive with other modes of transport.
- Give priority to the prevention of Fare Evasion.

The **objectives** to obtain user acceptance should include the following:

- Understandable
- What is fair and equitable may not be understandable and practical to implement
- Transparent fare increases
  - Fare increases should be transparent and regular. In an inflationary environment, users accept price increases provided it is fair and justified. For example, a fare increase in an environment where the fuel price and/or an exchange rate decrease can be perceived as unjustified.
- Concessionary fares

- Concessionary fares should target specific user groups in such a way that it is easy to administer.
- A principle that can be considered is that i) it must minimize the possibility of fraudulent transactions and
  - ii) it should not cost more to administer than the income generated. The more cumbersome the concessionary fares, the easier it might be to be defrauded from the Authority's point of view.
- Incentivize regular use
  - Discounts on Multi Journey Tickets (MJT's). Weekly and monthly bundles are well-known products that reward loyal users, and it's been used by public transport operators (rail & bus).
- User Affordability
  - Fare should be affordable to the user.
  - Cross subsidization can be used as a tool to relieve the burden on some users.
  - Balance between user affordability and financial sustainability of the system must be the aim.

## 5 FINANCIAL SUSTAINABILITY

Financial sustainability refers to the relationship between total revenue and total cost that must be balanced annually within the budget. Total revenue refers to two main components: the subsidy budget and the fare revenue, the latter of which is directly dependent on the approved fare level, given a demand profile.

- This goal refers to the total revenue that should balance the defined expenditures. The total cost coverage comprises the fare structure (fare revenue) and the subsidy.
  - The cost coverage should be optimized which in turn will have a positive (decreasing) impact on the operational subsidy requirement.
  - The cost coverage can be maximized in 2 ways, namely to i) minimize the total operating cost of the vehicle operating company and ii) that the fare structure optimizes revenue collection.
- **Optimize Revenue Collection**

This goal refers to the role of the Planning Authority in optimizing revenue collection. There are four components to this goal, i.e.:

- The fare structure must be simplistic to the passenger
- Fare evasion must be minimized
- Revenue collection must be administrable to the Planning Authority and
- An integrated and interoperable fare payment system.

Apart from the affordability issue, the simplicity of the fare structure will go a long way in ensuring user acceptance with the added benefit that if it is perceived to be fair and understandable the users will be more inclined to pay for the service. The system should accurately process the transaction as users lose faith in the system if it is perceived to be inaccurate, unreliable and time-consuming.

The evasion of fares and pilferage should, if possible be eradicated as far as possible with the Authority taking a zero-tolerance approach to this. Fare evasion refers to the ability either intended or unintentional of the user to evade fares. The intentional fare evader makes a premeditated conscious decision to avoid fares and that can be viewed as a criminal offence as the user is stealing from the service. The unintentional fare evader is someone who undertakes a longer trip than was intended and then pays to travel to a certain zone but travels to a further zone.

Such unintentional actions could sometimes be attributed to a complicated fare structure. A closed tap-on, tap-off ticketing system of the BRT system will eliminate most of the potential fare evasion incidents.

## **6 PRICING PRINCIPLES**

The pricing principle refers to the process of determining an equitable fare at which a specific BRT service can be priced.

The pricing principles should be based on the five elements, in the following order:

- Benchmarking the cost of the vehicle operator in terms of industry norms
- Covering all the direct operating costs as per the DoRA conditions (June 2011)
- Pricing the system to cover total cost, over and above the bus operator costs
- Determine the portion of the cost that can be recovered from the fare concerning the subsidy requirements
- Benchmarking affordable fare levels given the socio-economic circumstances of the majority of the target market.

## 7 STRATEGIES

Fare strategies will be employed to give effect to the goals and objectives of the policy, and in this instance, the strategy employed can be found in the overall fare structure. The majority of the proposed strategies address more than one objective.

The fare regime described in this section must be unpacked during the next phase of the study in more detail and more importantly, be tested in the appropriate model (transportation model for impact on demand and elasticity and the financial model for impact on income from fares).

The results of the fare regime and by implication the strategy will be documented in a separate report that is to follow this Fare Policy document.

### 7.1 Fare type

There are essentially three main categories of fare structure, namely a flat fare a distance-base fare and a zonal fare:

- A flat fare structure means that any journey made on the system is charged at the same price, regardless of the distance of the journey.
- A distance-based fare structure means that journeys of different lengths are charged at different prices, according to distance travelled fare.
- Zonal fares, the fare is flat within the zone regardless of the distance travelled in that zone but increases as the passenger travels across zones.

### 7.2 Fare levels

The ***fare level*** refers to the amount of money charged to the passenger for using a public transport service.

From a purely financial point of view, the technical or economic fare would be the fare that allows payment of all costs and investments involved in the operation of a transport service, including a 'reasonable' profit to the operator. A crucial issue for consideration

here is which costs are classified as costs of operation. It can be argued that the capital cost of the fixed infrastructure should be excluded (roadway etc.). The current government directive in this respect is that the fare revenue should cover the direct operating cost of the Operator, excluding the capital cost of the bus.

A further issue that needs to be considered is that even if more than one operator is contracted to provide part of the BRT service, the fares nevertheless need to be held at the same level for comparable services throughout the system. However, the costs and financial responsibilities of each contracted operator are unlikely to be precisely the same. The passenger fare, on the other hand, paid by the passenger may be different from the technical or economic fare (for instance, it may be discounted). The fares charged to passengers constitute operating revenue (i.e. the majority of revenue) and may be supplemented by additional revenues from advertising and rental of commercial space, for example.

If the fare levels decided on by the Planning Authority generate insufficient revenue to cover the cost of operation, then additional funding will need to be found to cover the operating shortfall. This usually takes the form of an operational subsidy paid by the Planning Authority and/or funding support from the other government spheres (PTOG).

The estimation of fares is an iterative process where fares, other income and subsidies are calculated until a balance with sufficient political support is achieved. The following steps illustrate a typical process:

- Determine the current fare levels;
- Calculate the technical or economic fare;
- List the fare policy objectives and other criteria that need to be taken into account in setting the fare levels;
- Analyse the elasticity of passenger demand (EMME Transportation model);
- Set appropriate fare levels; and
- Model the fare levels and adjust as necessary (Fare module of the Financial model)

Fares may also be ***differentiated*** by several criteria:



- **By service:** a higher fare for a specific service may be motivated by the fact that this specific service offers a better quality or level of service, such as being faster, more frequent, better quality ride (seat capacity) and offering more safety.
- **By time or period:** different fares are charged depending on the demand during the period when the service is used. For example: peak services versus off-peak services, weekdays versus weekends, high season versus off-season services.
- **By use:** fares are related to the use of the services or to payments in advance - the more the system is used, the lower the trip price.
- Also, there can typically be three product types:
- **One trip ticket:** allows the passenger just one trip on the service or network. Its target user is the sporadic passenger and it is usually paid for in cash at the time of using the service. This one- or single-trip fares are usually higher per trip than other tickets.
- **Multiple trip ticket:** allows for a pre-paid set number of trips, such as 10 or 12 trips (weekly tickets), or 40-44 trips (monthly tickets).

It usually offers a reduced fare per trip as compared to a one-trip ticket and can be purchased from a number of vendors and/or ticket machines, thus lessening the time the passenger needs to spend on purchasing tickets. There are operational or logistical and some financial benefits to the operator in terms of cash flow from the advance fare collection of multiple trip tickets or AFC sales.

**Period ticket:** allows for the unlimited use of the service or transport system for identified users within a defined period, be it a week, a month or a year, for example.

The fare is usually discounted, and this type of ticket is an incentive for passenger loyalty. It is often offered to scholars or the elderly.

**Concessionary** fares can also be offered, typically for two main reasons:

- To increase passenger numbers or usage; and/or
- To improve social equity by allowing identified groups of people increased access to the transport network.

Typically, concessionary fares are based on a particular market segment. This includes fares based on age, such as discounts for preschool children, learners/students, and pensioners or those above a certain age. Concessionary fares for passengers with special needs are also common.

## **8 POLICY REVIEW AND UPDATING PROCESS**

The Fare Policy will be reviewed from time to time to accommodate changes in the Fare Policy as the Leeto La Polokwane public transport system once the system has been in operation long enough to identify challenges. Polokwane Municipality will update this Fare Policy once a year and publish the updated version together with the associated tariffs each year for public comment. If there are significant changes to the system or a new mode is incorporated into the Transport and Fare System the implications of these circumstances will be incorporated into annual updates of the policy.

## **9 CONCLUSIONS AND RECOMMENDATIONS**

The document provides for a purpose, vision, goal and objectives of the intended IPTN Fare Policy.

It indicates the strategy and a very high-level description of what each strategy entails. It is not the intention of this document to provide detailed strategies. This will be unpacked in detail and the financial implication of each strategy will be communicated to the decision-makers to ensure that the financial impact of any proposed Fare Policy is fully understood by the decision-makers.

It is recommended that FARE POLICY FOR THE IPTN: All phases must be approved in principle to support the detailed analysis of the impact of the different strategies (i.e. the proposed fare structure).

The final recommendations are summarised as follows:

1. The Fare Policy set out in this document be approved as the initial Fare Policy that will guide the Fare Structure for the Initial Period.
2. The Fare Structure Set out in Annexure “A” of this Fare Policy be adopted for the period commencing on the launch of the Leeto la Polokwane, and be reviewed as and when required, to ensure the sustainability of the system.



## **POLOKWANE MUNICIPALITY**

### **FARE STRUCTURE FOR LEETO LA POLOKWANE**

Date of Approval by Council:

Date of Implementation

## **1 FARE STRUCTURE**

The Leeto La Polokwane Fare Structure set out below is compatible with the Fares Policy objectives set out in the Fare Policy document and is to be applied to all contracted, road based public transport administered by Polokwane Municipality. Future adjustments to the Fare Structure must be developed and evaluated subject to the stated Fares Policy objectives.

The Fare Structure is described in terms of four basic elements:

- Fare Strategy
- Fare Technology
- Fare Levels
- Design Exceptions

For Polokwane Municipality the suggested method of Fare implementation is as follows:

- The Fare would be benchmarked against the fares charged by current mini-bus operators. A slight increase may however be applied as the Leeto La Polokwane is in principle offering more (from a passenger experience perspective) than a current mini-bus taxi or bus.
- The Polokwane system proceeds from the assumption that all passengers originating at a particular point would have the same destination. This implies that shorter trips would cost the same as the full assumed origin and destination for the majority of passengers.
- It is assumed that the loss of short trips will not have a significant effect on the ultimate level of Fares received, because the surveys undertaken during in 2016 and 2018 have indicated that the vast majority of passengers on any one route have essentially the same main origin and main destination.
- If assumed a Flat Fare of R 14.00 per trip is approved; a passenger leaving Seshego or the southern part of Moletjie in the morning, with a final destination of the CBD, would be charged R 14.00 for that trip, irrespective of where they first board (or leave) the bus, and a passenger leaving Flora Park and Westernburg in the morning, with a final destination of the CBD, would be charged R 8.50 for that trip.

- All buses would have to clearly identify what their final destination was, as that would indicate to all passengers what the applicable Fare for travelling on that bus was. As highlighted above, this would discourage short trips by the person who wishes to use the bus within Seshego alone, but with a limited bus fleet in the Interim Phase, all buses would in essence be limited stop / express buses, allowing limited transfer before reaching the CBD.
- In the evenings, for the commute back to their respective homes, clear identification of final destinations of a particular bus would be required in order to ensure passengers are aware of the applicable Fare for that particular route.

## **2 FARE TECHNOLOGY**

### **2.1 Cash versus smart card**

Currently, cash is the predominant payment method for mini-bus taxi users. Cash collection by transaction, whether on a bus or at a station, results in a delay in respect of the amount of time taken to board the bus and also carries the associated risk which arises whenever large amounts of cash are accumulated in a place which is not necessarily designed to be a cash holding facility (e.g. a bus).

National Treasury and National Department of Transport have selected Polokwane Municipality to be one of the cities that are piloting the use of an Account-Based Ticketing (ABT) System, as an inter-operable payment solution. This means that payment is transacted using a chip and pin card, which card holds the information (either an amount of cash in an Electronic Purse, alternatively a recognisable Transit Product (e.g. a monthly ticket) which has been purchased from an authorised vendor).

The ABT system recognises compatible debit and credit card payment cards, point-of-sale payment terminals and transaction processing networks. ABT uses cards which are known as smart cards, that contain embedded microprocessors that provide strong transaction security features and other applicable capabilities that are not possible with the traditional magnetic stripe cards. One of the key advantages is that these cards are essentially contactless, meaning that they do not need to be swiped to register the contents stored on the card, but rather the details are registered by coming into proximity with an acceptable reader. It should be noted that to load value, contact is required by inserting the card into a bank terminal and entering the PIN.

In Leeto La Polokwane, users should be able to buy travel cards from a wide range of locations. These can be specific vendors, possibly current retailers, banks or any other environment where the handing of cash is part of their current activities. This would encourage take-up of the service. Early engagement to ensure the support of potential retailers is essential to secure their buy-in to the system.

Based on the proposal for a flat Fare structure, travel cards would need to be validated on boarding a bus or entering a station. The commuter would generally apply for the return journey during the evening. For the return journey from the CBD, onboard validation is most feasible from an operational efficiency perspective due to space constraints. An audible or visual sign should be given to indicate whether the transaction has been successful. There could also be an additional warning provided if funds are running low as a way to prompt users to top up the card. To discourage users from being dishonest there may be penalties charged for non-payment of a Fare.

Apart from disallowing a passenger who has no funds available, onboard validation by an inspector can be useful to ensure compliance with the Fare rules. It would not be necessary for all buses to carry inspectors, but rather inspectors would be deployed on buses where theoretical Fare calculations are proving to be different to the actual collections.

Consideration may have to be given to electronic verification of passenger volumes. Turnstiles in buses are used elsewhere in the world but are extremely problematic for people with disabilities or people using baby pushchairs. Verification by electronic means (e.g. counters at the doors) is effective for passenger number verification and subsequent reconciliation.

The adaption of a product as a method of Fare collection rather than cash is recommended for the long-term sustainability and ease of use taking into account all the considerations outlined above. Due recognition should however be given to the cost of both implementation and ongoing operation and maintenance. Only the essential features should be activated for the Interim Phase.

The introduction of bank-based cards also results in extra Fare system costs. These include the cost of purchasing the Smartcard, and bank load fees each time value or a Fare product is loaded on the card (also referred to as top-up fees).

## **2.2 Concessions**

While the cost associated with the introduction of concessions cannot be calculated at this time, using the primary reason of wishing to encourage certain travel patterns, the following concessions/discounts should be considered.

### **Concession/ Discount Overview**

- **Uniform Fare Structure:**

Equal Fare for All: To avoid confusion and ensure fairness, all users will pay the same standard fare, except for those who qualify for specific discounts. This approach helps simplify the fare structure while still providing accessible transport options to those who need it the most.

Free Travel for Young Children:

Children Under 3 Travel Free: To support families, children who are under the age of 3 and do not occupy a separate seat will be allowed to travel free of charge, with one child per adult. This makes travel more affordable for young families while also accommodating the needs of parents or guardians.

- **Discounted Fares for Leisure Travel:**

After observing travel patterns and ensuring financial sustainability, the programme may introduce discounts on weekdays and weekends. This initiative would encourage people to use public transportation for leisure activities, further promoting the system as an affordable and convenient way to enjoy local amenities or events.

- **Peak Travel Discounts:**

Potential Discount for Peak Usage: Once sufficient data has been collected to understand travel habits, consideration may be given to offering discounts for peak travel times. This could help manage peak demand while incentivizing more sustainable travel behaviours. The goal would be to implement these discounts gradually, after analyzing the impact on both ridership and system viability.

- **Personalized Concession Cards:**

Targeted Eligibility: To ensure that only eligible individuals benefit from discounted fares, passengers will need to possess personalized concession cards. These cards will be specifically tailored to identify those who belong to designated groups, such as pensioners

or learners. By requiring this personalization, the system can accurately allocate discounts and ensure the programme meets its intended purpose.

- **Loyalty and Marketing Campaigns:**

**Incentives and Engagement:** In addition to offering discounts, the programme will include loyalty schemes and activation campaigns to engage users and encourage consistent usage of public transport. These campaigns may include targeted promotions, rewards for frequent travellers, and marketing efforts to raise awareness about the programme's benefits.

- **Target Groups for Discounted Fares:**

**Pensioners (65 and Above):** Elderly individuals often face financial constraints, and providing affordable transportation options enables them to remain independent, access healthcare, visit family, and participate in community activities.

**Learners (Under 20):** Students, particularly those attending primary or high school, often rely on public transportation to commute to school. Offering discounted fares to learners helps reduce financial burdens and ensures they can attend school and extracurricular activities without transportation being a barrier.

- **Long-Term Benefits:**

The concession programme not only benefits the eligible groups but also contributes to the City's broader sustainability goals by promoting the use of public transportation, which can reduce the environmental impact of private vehicles. A well-supported public transport system can decrease traffic congestion, reduce emissions, and lead to more sustainable urban development.

As the programme evolves, it will continuously gather passenger data to refine its offerings, ensuring that transportation remains affordable for those who need it most and that the system remains financially sustainable and adaptable to changing travel patterns. The combination of financial equity, targeted support, and long-term planning makes the concession programme a vital part of promoting an inclusive, sustainable, and efficient public transport system.

## **2.3 Purse and Product**



Provision will also be made for specific products, including the following Multi Journey Tickets (MJT):

- Weekly tickets
- Monthly tickets

Both the above allow a reasonable discount for the early purchase of access for 7 days (in the case of a weekly ticket) or 28 to 31 days (in the event of a monthly ticket).

## **2.4 Annual and Irregular Fare Increases**

Provision will be made for an annual escalation of the Fares charged. This increase should be set, as a minimum, at the level of the transport-related consumer price index (CPI).

As public transport fees have in some cases been allowed to fall below actual annual increases in transport-related expenditure, provision should also be made to increase the annual fees by more than the transport CPI. This will, to a certain extent, allow for the appraisal and inclusion of potential fuel increases during the following year, but in addition, will allow for the gradual increase in Fares to reflect the fact that the provision of public transport via Leeto La Polokwane delivers a standard and level of service that exceeds that of the mini-bus taxi and other bus services.

## **2.5 Initial Boarding Fares**

The proposal for a Flat Fare based on trips will allow for the determination of a Fare per route. In principle, the significant transfer point for the first phase of operation will be the main station in the CBD. In Leeto la Polokwane's case, the Fare is not based on a boarding Fare, and thus in principle, no provision needs to be made for transfers.

## **2.6 Single trip tickets**

Provision will be made for passengers who are not regular travelers and would not normally be in possession of a Smartcard. This would include visitors to Polokwane.

- The AFC solution will allow for the issue of single trip tickets, whether via refundable smart card, electronically on the bus, or via a paper ticket system.
- To discourage regular use of something which is designed to be irregular, the Fare for a single trip ticket will be priced higher than that of a regular user. The pricing will not be exorbitant, but none the less it may be different.

- The recommendation would be to price single trip tickets at more than a regular Fare.
- These tickets may also be used to accommodate special events for non-regular users of the system. An example of this might be international supporters being transported to and from the stadium, as part of their sports tour.

## **2.7 Penalties to be imposed**

The AFC system will not be required to actively calculate or impose penalties, as, in principle, entry to the system will not be allowed without sufficient funds or product being loaded on the card.

Penalties for Fare Evasion can only be levied in terms of legislation, and without being definitive in this regard now, Municipal By-Laws will likely have to be established to impose Fare Evasion Penalties.

Through the net contract, the onus to try and limit Fare Evasion is on the VOC. The VOC should ensure that as a minimum drivers are trained to record incidents of Fare Evasion. The use of roving inspectors using handheld validators will seek to limit incidents of Fare Evasion. The latter will be an AFC operator function.

## **2.8 Other matters for noting**

The hours of operation will be a function of passenger requirements, implemented using an operational plan, such a plan being limited by the available fleet of vehicles. The optimal hours of operation will be determined by that operational plan which delivers the highest possible recovery of direct costs.

## **3 FARE LEVELS AND DISCOUNTED FARES**

The Fare level is the amount of money charged for using a service. Fares that are too high for the target market will reduce and limit ridership, and in turn revenue. Very low fares will increase ridership but limit revenue. The objectives of the Municipality concerning Leeto La Polokwane are therefore important in determining where the Fare level should be pitched.

Factors that have been considered in setting Fare levels are:

- Insofar as the competing minibus-taxi services will be withdrawn from the IRPTN routes, Fares should be pitched at similar levels to those of the replaced services, as a matter of fairness.
- The Fares need to be affordable otherwise many objectives of the IRPTN are defeated, such as growing public transport ridership.
- The national grant conditions of the DORA funding for the IRPTN require that direct operating costs are covered by Fare Revenue, or by Fare Revenue plus the Municipality's resources. The extent to which the Municipality can subsidise the Fares is an important factor in setting Fares.
- Long-distance journeys caused by the legacy of apartheid settlement patterns require that the cost of such journeys be mitigated.

As such, the following factors have been taken into account in setting Fares for Leeto La Polokwane services:

- What the target market can afford to pay.
- The Fares of the competing services (bus and minibus-taxi) that may have been withdrawn from the routes.
- The quality of the service, and the direct operating cost of providing the service.
- Polokwane Municipality funding is available to cover that portion of the service cost that is not covered by Fare Revenue.
- The objective is to strongly support public transport and to attract new ridership.
- Additional Fare costs imposed by the SANRAL ABT cards on passengers and the Municipality, such as load fees, transaction charges, third-party vendor commissions, minimum balance requirements, and card purchase costs.
- Fairness to people travelling long distances due to apartheid settlement legacies through the setting of an affordable, capped, maximum Fare.

The proposed Fares for the Interim Phase are as set out in Annexure "A" attached hereto.

It is intended that Discounted Fares be made available as an option to all passengers buying Travel Packages, and also for off-peak travel by Standard Fare users once the system has been in operation long enough to identify travel patterns during the Interim Phase. One of Leeto la Polokwane's transport policies is to encourage off-peak trip-making as a travel demand management measure. Setting Fares lower in the off-peak will greatly aid this. Many passengers may be able to make their trip in the off-peak rather

than the peak, e.g. for shopping, visiting friends, administrative chores, etc. In the off-peak, there is considerable system capacity that can generate revenue exceeding the marginal cost. The off-peak could be defined as between 9:00 and 15:00 and after 18:00 on weekdays, and on weekends and public holidays.

Notwithstanding the above, implementation of the Discounted Fares during the Interim Phase might not be feasible as the system will need to operate long enough to identify travel patterns first. Discounted Fares may be considered in future, depending on various factors as identified in this document.

#### **4 SANRAL-ISSUED CARD FEES**

There are fees and costs related to the use of Smartcards, ie ABT, including a load fee payable to the bank when the value or Travel Packages are loaded, as well as the cost of the card medium itself. Cash load fees shall be for the traveller account, with the Municipality absorbing the cost of transit loads.

Regarding the cost of the card, it is intended that the card will be issued at no cost to the commuters acquiring their first Smartcard, in an area where the relevant services are being introduced and for a defined period, as long as the user pays for a minimum amount of (R20) value or a Travel Package to be loaded on their first card. This will be defined in the Fare System Business Rules. A registration system will be introduced requiring proof of identification and keeping records of first card recipients. Replacement cards will be provided for a fee that covers the cost of the card and associated administration.

Penalties for improper use of the system (e.g. not tapping in or out) will be necessary to make the system function properly. A requirement that passengers maintain a minimum balance (such as an amount equivalent to the maximum Fare) will also be necessary. If the minimum required balance is set at below the maximum possible Fare, and a journey exceeds the distance covered by the minimum balance, the amount owed will need to be deducted upon the next tap-in by the user. How these penalties and charges will be applied will be described in the Fare System Business Rules but will be very well communicated to passengers to avoid dissatisfaction.

To deal with all these issues, the marketing and communication around the AFC system in the Leeto La Polokwane will ensure that passengers are fully aware of the various charges and penalties, the minimum balance requirement, the advantages of buying

Travel Packages rather than loading small amounts into the Electronic Purse, and of the cost of the card if the first Smartcard has to be replaced. A Fare Brochure for passengers has been proposed earlier in the document to explain these issues, as well as give all the facts and options about what can be loaded on the Smartcard.

## **5 FARE TYPES AND TRAVEL PACKAGES**

The LLP CiPurse-issued Smartcards will have an Electronic Purse, into which cash can be loaded. This can be used for the pay-as-you-go Standard Fares. In addition, a range of Travel Packages may be defined by the Municipality which can be loaded on the card.

Travel Packages are integrally related to Fare Policy as their price will incentivise or discourage particular ways of using the system.

The Fare types and Travel Packages will be reviewed on an ongoing basis. For the Interim Phase, however, it is intended that the pay-as-you-go in the form of stored value in the Electronic Purse portion of the Smartcard be implemented. Standard Fares are charged if the purse is used.

Once the Interim Phase has been operating long enough to inform the ideal packages and feasibility of such packages (financial and the system's ability to effect changes without extensive costs), the Travel Package option based on points rather than cash value that gives a discount for bulk purchase as well as an additional discount for off-peak use may be implemented. However, this will not be restricted to a specific period or route. The package can be bought for a particular price that determines the number of points and thus the amount of travel. While the package will still attract load fees by the banking partner, these are absorbed in the package price, and because bulk purchases are spread over many trips and covered by the discount. The package will not restrict passengers to a particular origin and destination and so mimics the pay-as-you-go concept but at a discount.

A single and return ticket will also be available for passengers who do not wish to purchase an ABT Smartcard. This will be charged as a Flat Fare and the cheapest practical ticket or Payment Medium will be selected for this option so as not to make it unaffordable for the occasional user. The Fare will not be less than the Maximum Fare on the system.

Complimentary passes: The Municipality may apply Fare payment exemptions to certain people (e.g. people who need to travel on the system for inspection purposes, service delivery, security etc., or people receiving complimentary passes for marketing purposes).

The eligibility for these will be set out annually in the Tariff Report and also described in the Fare System Business Rules.

## **6 ACCESS CONTROL AND FARE EVASION**

Fare Evasion is a factor in all public transport systems and needs to be minimised as far as possible.

In the proposed Fare System, passengers will be required to begin any journey by presenting the card or payment device to a validator (Smartcard reader) at a Station Fare Gate (if available), or in the bus when boarding. The buses will have AFC validator machines where the card must be tapped to record entry on a bus. Concerning the future Leeto La Polokwane phases to come, stations may have Station Fare Gates, however, this will be subject to affordability and necessity.

The Fare gates at the BRT station entry and exit points will provide very effective barriers to Fare Evasion on the trunk buses. Fare Evasion is easier at kerb-side bus stops where passengers board feeder or complementary buses as there is not a physical gate as such. Effective measures will be implemented to address this, which may include on-bus camera detection of Fare Evaders (if financially and practically feasible) and roving Fare inspectors with portable ticket validators to check that passengers have tagged in.

Section 90(1)(k) of the NLTA states that a person is guilty of an offence if, where the person is conveyed as a passenger in the course of public transport, he or she fails to pay the Fare due for the journey when payment is requested by the driver or conductor.

The bylaws will be amended if necessary to introduce penalties for Fare Evasion that are sufficient to deter passengers from evading payment, including enabling criminal prosecution and fines. The responsibilities of the bus companies and their drivers regarding managing Fare Evasion at kerb-side entry and exit on the buses will be set out in their contracts with the Contracting Authority.

## **7 BUSINESS RULES**

The strategic considerations and applicable legislation can be met, alternatively adhered to, by the introduction of an ABT-compliant smart card (or travel card). This collection of Fares will be managed by an Automated Fare Collection System, comprising both hardware and software elements. These elements should include sufficient inbuilt flexibility to manage potential change in the future.

The recommended Fare Structure is a Flat Fare system, which by using routes as its base, will allow different (albeit flat) Fares to be charged for different routes.

The key business rules that need to be accommodated are summarised as follows:

- Fare medium is an ABT-compliant smart card providing purse and product functionality.
- Provision must be made for at least two products, namely the weekly and the monthly product. Once the system matures, and when other Phases are implemented, and subject to the financial feasibility and no implementation complexity to the system, consideration may be given to a point-based third product, alternatively “pay-as-you-go” with frequent user discount.
- A single-trip solution is required, which may be paper-based.
- All Fares are validated on board a vehicle. In future phases, Fares may be capable of being validated at a station in the CBD, where in-station validation would have been installed. In the station, validation would require a closed station to limit potential Fare Evasion.
- There is no requirement for a tap-out process at the end of the journey.
- Audible/visual warnings for no-cash or product, alternatively low cash or product are requested.
- A system to provide a passenger count would assist with the identification of Fare Evasion patterns, such that these areas can be the focus of verification by inspectors.
- Hand-held validators will be required by inspectors, should the introduction of inspectors not materially adversely affect operational costs.
- Different Fares need to be chargeable on weekdays, Saturdays, Sundays and public holidays.
- Transfer provision is not required for the first implementation stage, but may be required in later years as more stages are implemented.
- All equipment should be capable of upgrading without significant infrastructure alteration, to accommodate potential changes in the future.

## **8 CHANGE PROCESS**

Annual adjustments shall be made to Fare levels considering system cost recovery and affordability. Projected increases in vehicle operating cost rates, in terms of the escalation provisions in the contracts with Vehicle Operating Companies, will be used as the basis for increases in tariffs which can be adjusted by Council decisions in terms of affordability. If adjusted downwards from the levels set out in Annexure “A”, alternative sources of funding must have been secured.

Fares may be adjusted upwards of the projected VOC annual escalation if it is found that the level of comparable Fares for other road-based public transport applicable to the relevant year is higher than for contracted road-based public transport services after the increase calculated using the VOC escalation, and/or if adjustment is required for sustainability of the system. This is to offset sub-economic Fares as per the VOC contract, where applicable. The analysis of comparable Fares will therefore not be possible until new Fares for these services have been announced for a particular year. The analysis of these Fares and the outcome thereof will need to be incorporated, if required, into the new associated tariffs for a particular financial year taking cognisance of the due budget approval processes.

Adjustments to or changes in Fare levels during a particular financial year may be made by Leeto La Polokwane based on the pre-approved Fare levels. When making adjustments to Fares during a particular financial year, the Municipality will consider significant changes in fuel prices.

Amendment to Fare levels will be done after consultation with the VOC. The VOC understands and accepts that the determination of Fare levels is the prerogative of the Municipality.

## **9 DATA REQUIREMENTS POLICY**

An important advantage of the AFC system is the information it can generate. Data can be collected and analysed about how passengers use the system and used in planning and monitoring so that the services can be improved. The national regulations on AFC systems require public transport data to be collected through the AFC system concurrently with the payment or redemption transactions, and for the data to be owned by the relevant government body. They require that data be collected in a database from which can be extracted suitable data for planning, monitoring, subsidy management and related



operational purposes and must include data per transaction on location, Fare and passenger.

Minimum data and information outputs will be the subject of the AFC tender documentation. In meeting the requirements of the national regulations, the minimum information to be generated by the AFC system includes the following, but this will be defined in detail in the system specification:

- Total number of Smartcards issued, per TVM or other distribution channels, and cancelled.
- Total number of passenger tap-ins per bus stop and station over the day (10-minute intervals).
- Trip length information, by time of day and by point of tap-in.
- Origin-destination information, by time of day.
- Take-up of different Fare products and concessionary Fares.
- Downtime of the central system and each component of the AFC system.

## **10 POLICY IMPLEMENTATION PLAN**

An implementation plan has been developed for this fare policy to ensure that a systematic approach is taken to the introduction of the policy and, in turn, to secure effective working practices. The implementation plan is outlined in Appendix B.

## **11 CONCLUSION AND RECOMMENDATIONS**

This Fare Structure is presented for Council approval.

### **It is recommended that:**

A Flat Fare structure be implemented for the Leeto La Polokwane system for an interim period, which is benchmarked against the current fares charged by the taxi industry. According to the launch, the Municipality will monitor the financial implications of the Flat Fare, and undertake further work to have a cost-efficient system that takes into account the purchasing capacity of the users.

## **ANNEXURE "A" TO THE FARE STRUCTURE – FARE REGIME**

All trips will be based on a Flat Fare

A passenger leaving Seshego or the southern part of Moletjie at any time, with a final destination of the CBD, would be charged R 14.00 for that trip, irrespective of where they first board (or leave) the bus.

A passenger leaving Flora Park and Westerberg at any time, with a final destination of the CBD, would be charged R 8.50 for that trip.

The same Fare shall apply with respect to return trips.

The first issue for the ABT card will be free with a minimum top-up of R20 and R60 would be charged for replacement of lost or damaged card.

<b>Description</b>	<b>Price</b>
Seshego to CBD	R 14
Flora Park to CBD	R 8,50
Westerberg to CBD	R 8,50
ABT Card	Free with a minimum of Top of R20
Replacement of ABT Card	R 60



**DRAFT  
FUNDING & RESERVES  
POLICY**

**2025/2026**

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## **FUNDING AND RESERVES POLICY**

### **1. INTRODUCTION AND OBJECTIVE**

The Council sets as objective a long term financially sustainable municipality with acceptable levels of service delivery to the community.

This policy aims to set standards and guidelines towards ensuring financial viability over both the short and long term and includes funding as well as reserves requirements.

### **2. SECTION A : FUNDING POLICY**

#### **2.1 LEGISLATIVE REQUIREMENTS**

In terms of Sections 18 and 19 of the Municipal Finance Management Act (Act No. 56 of 2003) (MFMA), an annual budget may only be funded from:

- ☐ Realistically anticipated revenues to be collected;
- ☐ Cash backed accumulated funds from previous years' surpluses not committed for other purposes, and
- ☐ Borrowed funds, but only for capital projects

Furthermore, spending on a capital project may only be commenced once the funding sources have been considered, are available and have not been committed for other purposes.

The requirements of the MFMA are clear in that the budget must be cashfunded, i.e. cash receipts inclusive of prior cash surpluses must equal or be more than cash paid.

In determining whether the budget is actually cash funded and in addition ensuring long term financial sustainability, the municipality will use analytical processes, including those specified by National Treasury from time to time.

#### **2.2 STANDARD OF CARE**

Each functionary in the budgeting and accounting process must do so with judgment and care with the primary objective of ensuring that the objectives of this policy are achieved.

#### **2.3 STATEMENT OF INTENT**

The municipality will not pass a budget which is not cash-funded or where any of the indicators as listed in this document are negative, unless acceptable reasons can be provided for non-compliance and provided that the requirements of the MFMA must at all times be adhered to.

## **2.4 CASH MANAGEMENT**

Cash must be managed in terms of the municipality's Cash Management and Investment Policy.

## **2.5 LIABILITY MANAGEMENT**

Debt must be managed in terms of the municipality's Borrowing Policy, together with any requirements in this policy.

## **2.6 FUNDING THE OPERATING BUDGET**

### **2.6.1 INTRODUCTION**

The Municipality's objective is that the user of municipal resources must pay for such usage in the period in which it will occur.

The municipality recognises the plight of the poor, and in line with national and provincial objectives, commits itself to subsidising services to the poor. This may necessitate cross-subsidisation in some tariffs to be calculated in the budget process.

### **2.6.2 GENERAL PRINCIPLE WHEN COMPILING THE OPERATING BUDGET**

The following specific principles apply when compiling the budget:

- (a) The budget must be cash-funded, i.e. revenue and expenditure projections must be realistic and the provision for impairment of receivables must be calculated on proven recovery rates;
- (b) Growth parameters must be realistic and be based on historic patterns adjusted for current reliable information;
- (c) Tariff adjustments must be fair, taking into consideration general inflation indicators as well as the geographic region's ability to pay;
- (d) Revenue from Government Grants and Subsidies must be in accordance with the amounts promulgated in the Division of Revenue Act, proven provincial transfers and any possible transfers to or from other municipalities.

For the purpose of the Cash flow budget any National or Provincial grants that have been re-appropriated for roll-over purposes must be excluded from the calculation and be included in changes in Cash and Cash Equivalents and Payables.

Within the budget grants recognised as revenue must equal the total expected expenditure from grants inclusive of capital expenditure and VAT, as per directives given in various MFMA Circulars.

(e) Projected revenue from service charges must be reflected as net (i.e. all billing less revenue foregone, including free basic services).

(f) Projected revenue from property rates must include all rates to be levied.

For the purpose of the Cash Flow Budget all rebates and discounts must be deducted from the projected revenue.

(g) Only charges in fair values related to cash may be included in the Cash Flow Budget. Changes to unamortized discount must be included in the Operating Budget.

(h) Employee related costs include contributions to non-current and current employee benefits. It is acknowledged that the non-current benefits requirements are well above the initial cash capabilities of the municipality. It is therefore determined that provision for the short term portion of employee benefits, as well as an operating surplus calculated at 5% of the prior year balance of the long-term benefits, be included in the operating budget to build sufficient cash for these requirements. The cash portion of the employee benefits must be accounted for in an 'Employer Benefits Reserve'.

(i) Depreciation must be fully budgeted for in the operating budget.

(j) Contributions to provisions (non-current and current) do not form part of the cash flow. It is necessary to provide for an increase in cash resources in order to comply with the conditions of the provision at the time when it is needed.

## **2.7 FUNDING THE CAPITAL BUDGET**

### **2.7.1 INTRODUCTION**

The Municipality's objective is to maintain, through proper maintenance and replacement measures, existing levels of service and to improve and implement services which are neglected or non-existent.

In order to achieve this objective the municipality must annually, within financial means, budget for the replacement of redundant assets as well as new assets.

### **2.7.2 FUNDING SOURCES FOR CAPITAL EXPENDITURE**

The capital budget can be funded by way of own cash, grants, public contributions as well as external loans.

## **Cash**

The capital budget or portions thereof may also be funded from surplus cash. The allocations of the funding sources from own contributions will be determined during the budget process.

## **Grants (Including Public Contributions)**

Grants for capital expenditure have become a common practice, especially in order to extend service delivery to previously disadvantaged areas. While such grants are welcomed, care should also be taken that unusual grant funding do not place an unreasonable burden on the residents for future maintenance costs which may be higher than their ability to pay.

The accounting officer will annually evaluate the long term effect of unusual capital grants on future tariffs, and if deemed necessary, report on such to Council.

Depreciation charges on assets financed from grants and donations must not have a negative effect on tariffs charged to the users of such assets. The Accounting Officer will put such accounting measures in place as to comply with this requirement as far as possible.

## **External Loans**

The Municipality may only raise loans in accordance with its Borrowing Policy.

The Accounting Officer must also put such accounting measures in place to ensure that no unspent portions of loans raised must be included in the cash surplus for the year.

## **2.8 FUNDING COMPLIANCE MEASUREMENT**

### **2.8.1 INTRODUCTION**

The Municipality must ensure that the annual budget or any subsequent adjustments budget complies with the requirements of the MFMA and this policy. For this purpose a set of indicators must be used as part of the budget process and be submitted with the budget. These indicators include all the indicators as recommended by National Treasury as well as any additional indicators detailed in this policy.

If any of the indicators are negative during the compilation or approval process of the budget, the budget may not be approved until all the indicators provide a positive return, unless those negative indicators can be reasonably explained and any future budget projections address the turn-around of these indicators to within acceptable levels.

### **2.8.2 CASH AND CASH EQUIVALENTS AND INVESTMENTS**



A positive Cash and Cash Equivalents position should be maintained throughout the year.

### **2.8.3 CASH PLUS INVESTMENTS LESS APPLICATION OF FUNDS**

The overall cash position of the municipality must be sufficient to include:

- unspent conditional grants; o unspent conditional public contributions;
- unspent borrowings; o VAT due to SARS; o secured investments;
- the cash portion of statutory funds such as the Housing Development Fund; o other wording capital requirements; and
- the cash position must be sufficient to back reserves as approved by the municipality and those portions of provisions as indicated elsewhere in this policy.

## **INDICATORS**

### **2.8.4 MONTHLY AVERAGE PAYMENT COVERED BY CASH AND CASH EQUIVALENTS ('CASH COVERAGE')**

This indicator shows the level of risk should the municipality experience financial stress.

### **2.8.5 SURPLUS / DEFICIT EXCLUDING DEPRECIATION OFFSETS**

It is probable that the operating budget including depreciation charges on assets funded by grants and public contributions, as well as on revalued assets, will result in a deficit.

As determined elsewhere in this policy it is not the intention that residents be burdened with tariff increases to provide for such depreciation charges. In order to ensure a 'balanced' budget, the cash position must be determined.

Should a budget result in a deficit cash position, the budget will be deemed unfunded and must be revised.

### **2.8.6 PROPERTY RATES / SERVICE CHARGE REVENUE PERCENTAGE INCREASE LESS MACRO INFLATION TARGET**

The intention of this indicator is to ensure that tariff increases are in line with macro-economic targets, but also to ensure that revenue increases for the expected growth in the geographic area are realistically calculated.

### **2.8.7 CASH COLLECTION % RATE**

The object of the indicator is to establish whether the projected cash to be collected is realistic and complies with section 18 of the MFMA.

The collection rate for calculating the provision for impairment of receivables must be based on past and present experience. Past experience refers to the collection rates of the prior years and present experience refers to the collection rate of the current financial year as from 01 July.

It is not permissible to project a collection rate higher than the current rate. Any improvement in collection rates during the budget year may be appropriated in an Adjustments Budget.

### **2.8.8 DEBT IMPAIRMENT EXPENSE AS A PERCENTAGE OF BILLABLE REVENUE**

This indicator provides information as to whether the contribution to the provision for impairment of receivables is adequate. In theory it should be equal to the difference between 100% and the cash collection rate, but other factors such as past performance can have an influence on it. Any difference must be motivated in the budget report.

Reconvened

### **2.8.9 BORROWING AS A PERCENTAGE OF CAPITAL EXPENDITURE (EXCLUDING GRANTS AND CONTRIBUTIONS)**

This indicator provides information as to compliance with the MFMA in determining borrowing needs. The Accounting Officer must ensure compliance with the Municipality's Liability Management.

### **2.8.10 GRANT REVENUE AS A PERCENTAGE OF GRANTS AVAILABLE**

The percentage attained should never be less than 100% and the recognition of expected unspent grants at the current year-end as revenue in the next financial year must be substantiated in a report.

### **2.8.11 CONSUMER DEBTORS CHANGE (CURRENT AND NON-CURRENT)**

The object of the indicator is to determine whether budgeted reductions in outstanding debtors are realistic. Any unacceptably high increase in either current or non-current debtors' balances should be investigated and reported.

### **2.8.12 REPAIRS AND MAINTENANCE EXPENDITURE LEVEL**

Property Plant and Equipment should be maintained properly at all times in order to ensure sustainable service delivery. The budget should allocate sufficient resources to maintain assets and care should be exercised not to allow a declining maintenance program in order to fund other less important expenditure requirements. Similarly, if the maintenance requirements become excessive, it could indicate that a capital renewal strategy should be implemented or reviewed.

### **2.8.13 ASSET RENEWAL / REHABILITATION EXPENDITURE LEVEL**

This indicator supports further the indicator for repairs and maintenance. The Accounting Officer must, as part of the capital budget, indicate whether each project is a new asset or a replacement / renewal asset in order to determine whether the renewal program is sufficient or needs revision.

## **3. SECTION B: RESERVES POLICY**

### **3.1 INTRODUCTION**

Fund accounting historically formed the major component of municipal finance in the IMFO standards.

After the change to General Recognised Accounting Practices (GRAP), fund accounting is no longer allowed.

The municipality, however, recognises the importance of providing to the municipality itself, as well as its creditors, financiers, staff, and general public a measure of protection for future losses, as well as providing the necessary cash resources for future capital replacements and other current and non-current liabilities.

This policy therefore aims to provide for a measure of protection by creating certain reserves.

### **3.2 LEGAL REQUIREMENTS**

There are no specific legal requirements for the creation of reserves, except for the Housing Development Fund. The GRAP Standards themselves do not provide for reserves.

### **3.3 TYPES OF RESERVES**

Reserves can be classified into two main categories being 'cash funded reserves' and 'non-cash funded reserves'.

#### **3.3.1 CASH FUNDED RESERVES**

In order to provide for sufficient cash resources for future expenditure, the municipality hereby approves the establishment of the following reserves:

**(a) Employee benefits reserve**

The aim of this reserve is to ensure sufficient cash resources are available for the future payment of employee benefits. The contributions to the reserve must be made in accordance with the directives set in this Funding Policy.

**(b) Non-current provisions reserve**

The aim of this reserve is to ensure sufficient cash resources are available for the future payment of non-current provisions. The contributions to the reserve must be made in accordance with the directives set in this Funding Policy.

**(c) Other statutory reserves**

It may be necessary to create reserves prescribed by law, such as the Housing Development Fund. The Accounting Officer must create such reserves according to the directives in the relevant laws.

**3.3.2 NON-CASH FUNDED RESERVES**

On occasion it is necessary to create non-cash funded reserves. The Accounting Officer must create any reserves prescribed by the accounting standards, such as the Revaluation Reserve, if required.

**3.4 ACCOUNTING FOR RESERVES**

**3.4.1 REVALUATION RESERVE**

The accounting for the Revaluation Reserve must be done in accordance with the requirements of GRAP 17.

**3.4.2 OTHER RESERVES**

The accounting for all other reserves must be processed through the Statement of Financial Performance. The required transfer to or from the reserves must be processed in the Statement of Net Assets to or from the accumulated surplus. It is a condition of GRAP and this policy that no transactions may be directly appropriated against these reserves.

**4. SECTION C: REVIEW OF THE POLICY**

This policy shall be implemented on 1st July 2025 and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.



**DRAFT**

**INDIGENT AND SOCIAL SUPPORT  
POLICY**

**2025/2026**

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## PREAMBLE

**Whereas** section 152 of the Constitution of the Republic of South Africa requires the Local government to ensure the provision of services in a sustainable manner, and whereas section 97 of the Municipal Systems Act prescribes that such policy must provide for 'provision for Indigent debtors that is consistent with its rates and tariff policies and any national policy on indigents'.

**Now therefore** the Municipal Council of the Municipality of Polokwane adopts the Indigent Policy as set out in this document.

## 1. LEGISLATIVE FRAMEWORK

- Constitution of the Republic of South Africa
- Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998)
- Municipal Systems Act Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000)
- Municipal Finance Management Act 56 of 2003
- Local Government: Municipal Property Rates Act 6 of 2004
- Protection of Personal Information Act 4 of 2013
- Promotion of Administrative Justice Act 3 of 2000

## 2. DEFINITIONS

For the purpose of this policy, unless the context indicates otherwise, any word or expression to which a meaning has been attached in the Act shall bear the same meaning and means:

<b>Authorized representative</b>	The person or instance legally appointed by the Council to act or to fulfil a duty on its behalf.
<b>Basic service</b>	The amount or level of any municipal service that is necessary to ensure human dignity and a reasonable quality of life and which, if not provided, could endanger public health or safety of the environment. For the purpose of this Policy basic services will be restricted to electricity, refuse, sewerage, water and any other rebates or exemptions as approved by Council.
<b>Chief Financial Officer</b>	An officer of the municipality appointed as the Head of the Budget and Treasury Directorate and includes any person acting in such position
<b>Council or Municipal Council</b>	A municipal council referred to in section 18 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) and for purposes of this policy, the municipal council of the Municipality of Polokwane.

<b>Customer</b>	Any occupier of any property to which the Municipality has agreed to supply services or already supplies services to, or if there is no occupier, then the owner of the property.
<b>Defaulter</b>	A person who owes money in respect of a municipal account after the due date for payment has expired.
<b>Household</b>	A Property and all its occupants.
<b>Interest</b>	A levy with the same legal priority as service fees and calculated on all amounts in arrears at a standard rate as approved by Council.
<b>Municipal account</b>	The proper and formal notification by means of a statement of account, to persons liable for monies levied and indicating the net accumulated balance of the account, specifying charges levied by the Municipality.
<b>The Act</b>	The Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) as amended from time to time.
<b>Indigent</b>	A poor / needy household unable to make monetary contribution towards basic services and qualifies in accordance to this policy.
<b>Indigent Levy</b>	A fixed charge payable by qualifying Indigent households levied on a monthly basis.
<b>Subsidy</b>	The financial relief granted to qualifying indigent households
<b>Pensioner</b>	refers to a person who is 60 years of age and older in receipt of a total monthly income from all sources (including the income of the spouse of the owner) not exceeding an amount to be determined by the Council annually;



### **3. INTRODUCTION**

The Indigent Support Policy is a legal imperative, a tool designed to ensure that persons and households classified as indigent have access to basic services as defined in the Constitution of the Republic of South Africa, Act No 108 of 1996. The policy is a result of increasing number of destitute households

This policy therefore is a tool of intervention to

alleviate the plight and to encourage indigent households to live within affordable consumption

levels. The Indigent Support Policy is aimed at ensuring that the municipality fulfil its constitutional obligation contained in the Bill of Rights.

### **4. OBJECTIVES**

The objectives of this Policy are to:-

- Provide a framework within which the Municipality can exercise its executive and legislative authority with regard to the implementation of financial aid to indigent and poor households in respect of their municipal account;
- Determine the criteria for qualification of Indigent households;
- Ensure that the criteria is applied correctly and fairly to all applicants;
- To ensure and maintain access to basic services and/or benefits for all identified and deserving poor households

### **5. PRINCIPLES**

- The administrative integrity of the Municipality must be maintained at all costs. Council is responsible for the adoption of the policy, while it is the responsibility of the Municipal Manager to ensure the execution of this policy;
- Applicants must complete an official application form, which is to be submitted together with the supporting documents as specified in this policy, where applicable;
- The municipality may at its own discretion convert all conventional meters to prepaid services.

### **6. CRITERIA FOR INDIGENT HOUSEHOLDS**

To qualify as 'Indigent household, a household must comply with the following criteria:-

- The total household income may not exceed the sum of two times the amount of state funded social grants plus two child grants currently as determined by the National Treasury of Republic of South Africa from time to time.
- The applicant must be a permanent resident of the property.

- The applicant must be a South African citizen.
- The applicant who owns more than one property will only be granted Indigent assistance on the property of primary occupation. Polokwane Municipality reserves the right to reverse indigent benefits of an additional property should there be evidence that the applicant has applied for indigent assistance on additional properties.
- The applicant may not necessarily be the owner of the property but could also be the occupier including a child headed family.
- The Municipality reserves the right to consolidate separate accounts of one property in instances where the owner of the property is deceased.
- The property should be used for residential purposes.

## 7. CRITERIA FOR PENSIONERS

The aim of this rebate is to alleviate the burden on pensioners who have fixed income and limited resources. Pensioners may receive a reduction and a rebate of an amount as determined by Council during the annual budget.

Subject to the criteria set out in below:

Pensioners may be granted a rebate on their primary property, **effective** from the date they qualify, **within the applicable financial year**.

The applicant must meet the following criteria:

- (a) he or she must produce a valid South African bar coded identity document;
- (b) where couples are married in community of property and the property is registered in both their names, the age of the eldest will be the qualifying factor;
- (c) not be in receipt of an indigent assessment rate rebate;
- (d) A rebate will only be granted in respect of a property on which only one dwelling is erected and such dwelling be occupied by the applicant and his/her dependants.
- (e) **The total combined household income from all sources must not exceed the amount specified in the tariff structure.**

## 8. SUBSIDY

The subsidies below will be funded from the Equitable share contribution received from National Treasury. The subsidies will only be granted to qualifying households to the extent that the above-mentioned funds are available for allocation.

- a) The qualifying Indigent households may receive the following subsidy per month.

- 100% rebate of the basic charges for electricity per month
- 100% rebate of the availability charge for sewerage per month
- 100% rebates on sewer connection charge per month.
- 100% rebate of the basic charge for refuse removal per month
- 100% rebate of refuse charge per month
- 100% rebate on property rates
- 100-kilowatt hour electricity consumption subsidy per month (cumulative on Pre-paid)
- 50-kilowatt hour on Eskom supply Areas
- 6 kilolitres Water consumption subsidy per month (cumulative on Pre-paid)

b) Other Rural Benefits/subsidy

- Basic water
- Other alternative energy
- Basic refuse removal
- Basic sanitation

c) Pensioner Subsidy

80% rebate on property rates

d) Exemption may be granted for connection or deposit fees to qualifying indigents or poor household subject to approval by the Chief Financial Officer or Delegate.

## 9. APPLICATION FOR A SUBSIDY

Only the owner or occupier of the property may apply for the subsidy.

The following documents must be submitted with the application form:-

- Certified copy of the applicant's South African Identity Document.
- Proof of income of the household (e.g. a letter from employer/ salary advice/ proof of pension/ bank statement)
- Three (3) Months latest bank statement
- Any other proof or confirmation/ evidencing the qualification as indigent
- Letter of Authority in case of deceased person's estate from the magistrate or Master of the High Court where necessary
- Marriage certificate for married applicants
- Sworn affidavits that gross household income is less than the threshold set by council and that the information supplied is true and all income is declared;

- The applicant must complete the sworn statement that forms part of the application form; and
- Should the applicant be unable to apply in person, due to medical reasons, his / her application may be certified by a Commissioner of Oaths, or a community worker.
- Motivation from ward councillor where necessary.

## **10. AWARENESS CAMPAIGNS AND PUBLICATION OF NAMES OF QUALIFYING APPLICANTS**

### **a) AWARENESS CAMPAIGNS**

The municipality whenever necessary may inform the residents about indigent subsidies through available platforms.

### **b) PUBLICATION OF NAMES OF QUALIFYING APPLICANTS**

The Municipality may publish or make available the register of the applicants receiving subsidies in terms of this policy for inspection and objection within the legislative framework.

## **11. FALSE INFORMATION**

A person who provides false information will be disqualified and be denied further participation in the subsidy scheme. In addition, the beneficiary will be held liable for the payment of any incorrect subsidies already granted and legal action, civil or criminal may be instituted against the guilty party/parties.

## **12. INFORMATION AUDIT/ VERIFICATION**

The Municipality reserves the right to send officials and / or representatives of the Municipality to the applicant address at any reasonable time, with the aim of carrying out a local verification of the accuracy of the information provided by the applicant(s) and to collect more information. The applicant must provide access to the auditor in line with section 101 of the Municipal System Act 32 of 2000.

Such audit will be conducted on a continuous basis as and when is required.

### **a) Verification Site Visit**

The Municipality may utilise the services of a service provider to perform an on-site verification.

### **b) Verification external scan**

An external scan may be conducted with Unemployment Insurance Fund, South African Revenue Service, Department of Social Development, Retail and Credit Bureau amongst others to confirm the credibility of the applicant to qualify as an indigent

- c) Municipality may cancel the application or suspend subsidy after 3 unsuccessful attempts of site verification

### **13. DURATION OF SUBSIDY**

The duration of the indigent subsidy will be from date of the approval until such time that the status changes or as may be reviewed from time to time

The municipality may require the indigent beneficiary to renew their indigent status periodically as and when required.

All application will be finalized within 60 business days from the date of application provided that all the requirement as outlined in policy are met and the customer is available for verification

### **14. TERMINATION OF INDIGENT SUBSIDY**

Municipality may terminate the indigent subsidy

- a) If the municipality obtains information that indicates that the circumstances of the beneficiary has changed to such an extent that he / she no longer qualifies for the subsidy, the Municipality reserves the right to suspend the subsidy and recover the subsidy provided to a period not exceeding 24 months or earlier
- b) Upon change of ownership of the property
- c) When the household no longer meet the criteria as outlined in the policy

### **15. AMOUNT IN ARREARS**

Beneficiaries with municipal accounts in arrears at the time of the application (approval) for a subsidy, may have such arrear amounts written off upon approval.

An indigent debt will be written off from time to time as recommended by Council

### **16. REPORTING AND REGISTER**

The register may contain the name of the applicant, the name of the registered owner of the property, the identity number of the applicant, the contact details, the suburb, stand number, sub-division, street address, ward number and application date.

This Indigent register will be updated on monthly basis as and when applications are approved.

On monthly basis the manager revenue may report to council on the number of qualified indigents, newly approved applications and amount of subsidy provided.

### **17. DISPUTE RESOLUTION AND APPEALS**

**a) Dispute**

Applicant may lodge a dispute by completing the prescribed form with the supporting documents to the indigent office.

**b) Appeal**

The applicant may lodge a formal appeal in terms of section 62 of Municipal System Act 32 of 2000 if not satisfied with the outcome of the dispute.

**18. INDIGENT LEVY**

An Indigent levy will be charged to the account of all approved indigents in accordance with the approved schedule of tariffs.

**19. SHORT TITLE**

This policy shall be called the Indigent and social support Policy of the Polokwane Municipality.

**20. IMPLEMENTATION AND REVIEW OF POLICY**

This policy shall be implemented on **1<sup>st</sup> July 2025** and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.



**DRAFT**

**INVENTORY MANAGEMENT POLICY**

**2025/2026**

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## 1. INVENTORY

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.

## 2. Objectives of Inventory Management Policy

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

## 3. Inventory Management

- ❖ Inventory Management provides for an effective system in order for the setting of inventory levels, placing of requisition for order, receiving and distribution of goods, inventory management, expediting orders, vendor performances, maintenance and contract management.

## 4. Status Quo of the System used to record Inventory movement.

- ❖ There is only one centralized **stores** whereby all stock items are **categorised** according to sections, e.g. cleaning materials, protective clothing, stationery, refreshments, electrical, water & sanitation, plumbing & building materials, etc.

## 5. Access to Stores

- ❖ The central stores should be operated as a closed store, whereby suppliers and end-user department are excluded from the stores area except on a specially approved and escorted basis.

## 6. Procedures and Internal control measures.

### 5.1 Stock Levels

- The following should be determined to maintain optimum stock levels and set the following stores re-order levels for each inventory item:
- Slow moving or obsolete stock
- Re-order Level;
- Maximum Level;
- Minimum Level; and
- Emergency Level.

## **5.2 Stock Level Maintenance:**

- ❖ Monitoring and maintaining of stock levels and creation of stock requisitions to always ensure the availability of stock:
- The stock controller or delegated official every week to print out a report of stock items outside the minimum and maximum levels.
- The report informs the stock controller of the items that reached minimum for re-ordering.
- The stock controller or delegated official will then do physical verification and then electronically generate requisitions on the system to enable the Chief Buyer/SCM practitioners to invite quotations for the acquisition of stock materials or alternatively to utilise the long-term contract awarded.

## **7. Review of stock levels**

- ❖ To manage the stores operations effectively, Strategic Business units should continually review their stock holding based on the information such as number of stock issues, levels of service achieved, total value of stock held and stock turnover.
- ❖ Once yearly, the stock level reviews are conducted with Strategic Business Units to maintain accurate minimum, maximum, and re-order levels and to always ensure the availability of stock/materials for the end-users to reach their set goals or targets.
- ❖ Redundant and obsolete stock should be identified and cleared regularly by the strategic business units.

## **8. Purchase requisition for stock items**

- ❖ All purchase requisition for stock replenishment must be approved by the Assistant Manager: Logistics or delegated official before the acquisition.

## **9. Expediting of orders**

- ❖ The Buyer will be required to monitor and expedite outstanding purchased orders.
- ❖ If the delivery conditions reflected on the purchase order from are not complied with, it should be followed up with the supplier immediately.
- ❖ The Buyer should send the reminder correspondences to the suppliers based on the reminder levels that are set in the purchased order and such correspondence entails amongst:

- Reminder to the supplier of the pending delivery, delivery period, quality and quantity
  - Promises made by the supplier
  - The impact of failure to deliver on time
- ❖ The Buyer must report to the stock controller about the outstanding orders that were not delivered as per agreed delivery dates with the supplier on weekly bases.
  - ❖ The stock controller / Buyer based on the information at hand and analysis thereof refer the report of the non performing suppliers to the contract management section for action to be taken or to the Assistant manager logistics.

## **10. Receiving and issuing of stock materials**

### **10.1 Receiving of stock**

- ❖ All orders placed, but still to be delivered are kept in a file cupboard in the receiving section, must be updated daily with new orders placed.
- ❖ Follow –ups should be done on all orders issued and the comments should be recorded on the order register.
- ❖ All the orders issued should be delivered within 14 days' failure to do so the service provider should be reported to contract management so that the order will be cancelled and the second lowest be called to deliver the goods.
- ❖ Stock items which could not be delivered within 14 days because of the manufacturing process their orders will be treated as an exceptional.
- ❖ All the invoices received for the stock items should be recorded in the invoice register for monitoring purposes.
- ❖ When any item is received at Municipal stores the following procedure must be followed:
  - An official order must exist on the financial system for the indicated delivery and the items to be delivered must correspond with the items on the official order.
  - The delivery note, original tax invoice and statement must accompany the delivery.
  - The receiving storekeeper should do the verification and inspection of what was received against what was ordered – order number, price, quantity and specification correspond to the same information on the delivery note, original tax invoice and statement, and if not all of the above-mentioned is not in place, the items are not allowed to be accepted.
  - During the verification and inspection damaged stock if found, will then communicate with the service provider for return of the items for credit or replacement and a copy of all relevant documentations are attached for reference.
  - After signing of the delivery note, original tax invoice and statement, the responsible official must make sure that the bin location as appearing on the order for each product must be written on the cartoon(s) containing the relevant item for shelving or packing.
  - The receiving storekeeper after receiving of a signed delivery note or invoice, he/she then update the stock received on the system.
  - After updating of the stock, the receiving storekeeper or delegated official should verify the receipt on the system and shelf before they prepare orders, invoices and delivery notes for

approval and must be forwarded to the creditors to effect payments, and do filing for record keeping.

- No stock should be received without an official purchased order unless on exceptional cases and must be communicated to the Stock Controller, Assistant Manager: Logistics and the Buyer.
- All the stock items received immediately after inspection, verification and capturing of orders are packed onto the shelves according to the bin location and must be correctly numbered as per stock item numbers or stock catalogue code.

## **10.2 Issuing of stock**

### **9.1.1 System Requisition**

- ❖ No issuing of store items or commencement of the process may take place without properly captured online requisition.
- ❖ Online processing of requisitions is done by the Strategic Business Units official's delegated responsibility for creation of the requisitions and the requisition number is allocated by the system.
- ❖ The SBU Manager or an official delegated the authority will then approve the requisition and after approval the items requested are allocated for collection.
- ❖ The official responsible for collection of materials will then submit a requisition number to the issuing section for collection.
- ❖ Online requisition should be collected within 48 hours, failure to do so, the requisition will be cancelled on the third day.
- ❖ The stock items should be issued on FIFO basis.
- ❖ Online issuing of requisitions is done daily by the issuing section and printout of the requisition which has an issue, vote number, description and quantity.
- ❖ When issuing, the official responsible will then check the correctness of the quantity of the items requested, the description as per request and the official issues and receives the materials, must sign the requisition.
- ❖ The signed requisitions after issuing are filed for record keeping and audit purposes.

### **9.1.2 Offline Requisitions**

- ❖ During standby, power failure, system problem and when the network is down manual requesting of stock should be done manually and immediately when the system is up and running, the issuing official must capture all manual requisitions to update the stock on the system.
- ❖ All offline requisitions should be captured within 48 hours after the system is up and running.
- ❖ All offline requisitions should be numbered and recorded on the register of offline requests.
- ❖ The copies of the online requisitions must be attached to the manual requisitions.
- ❖ At the end of each working day the Stock controller or delegated official must check the manual requisition file to ensure that all manual issues have been processed or captured timely and maintain proper record keeping system for inventory.

## **11. Coding of Stock Items**

- ❖ All stock items are to be classified in terms of a unique identifying item number and description.

## **12. Damaged Goods**

- ❖ All damaged goods should not be received from the suppliers must be returned to the supplier for credit or replacement.
- ❖ Damaged goods which are notified during the daily or quarterly stock take should be recorded in the damaged goods register and be reported.

### **13. Stores and warehousing management**

- ❖ Quarterly stock count and Annual stock taking/counting are conducted to ensure that discrepancies between the physical and the stock figure reflected on the system are reconciled immediately and corrected timely.
- ❖ Inventory count will be conducted on a quarterly and annual basis to maintain effective and efficient inventory management system. The stock take will take place on the last day the quarter and last month the financial year.
- ❖ Stock items which do not form part of the inventory will only be included in the inventory list upon the approval of a formal memorandum by the Director.
- ❖ The inventory will be recognised at cost or net realisable value.
- ❖ The Office of the Auditor General and internal audit forms part of annual stock taking.

#### **12.1 Procedure for stock taking**

- (a) The stock controller together with the senior storekeeper confirms that the following are in place at the stores before the start of the count:
- before counting of a specific area commences, the stock controller of the stores must ensure that all internal requisitions, return to store, standby requisitions and orders (receipt) have been processed on the financial system. this is to ensure that the correct quantities are counted and verified against the financial system list printed for counting.
  - if any of the outstanding purchased orders had been delivered before the stock take, the goods receipt must be processed before the stock take process commences.
  - if any of the outstanding purchased orders had been delivered before the stock take cannot be captured on the system for some reason, copies of the invoices must be recorded and attached on the physical inventory document next to the item to be reconciled together with the counted stock.
  - if any of the outstanding purchased orders are delivered during the stock take, must be placed in a designated area and be marked. no receipts are permitted to be captured on the system during stock take.
  - in case where stores do have items not kept as stock but are kept for sbu, s, these items must be in a designated area clearly marked.
  - all redundant and obsolete stock that has been removed from bins stores and is stored in a designated area in the store together with a list identifying all items in a location to be marked for obsolete and redundant stock, if this items had been deleted from the inventory lists (financial system) but not yet taken to the scrap yard at disposal area. all items where possible must be in boxes and sealed with the signatures of the officials who counted obsolete and redundant items and must be clearly marked in the area. where items are still in the bins must be clearly marked as the bins, the bins must be clearly marked as obsolete /redundant stock.

- in cases where items already had been identified as obsolete and redundant stock, but not been removed from the registers (financial system), these items must remain in their bin locations and be counted as part of the annual stock take.
  - all items must be in correct bins and that the description on the corresponds with the items in the bins.
- (b) the stock controller responsible for the stores will ensure the following are in place before the official stock take:
- that there is enough manpower (officials) for the stock take consisting of two officials per team.
  - that the logistics management of stores to notify all heads of sections and council's external auditors of the stock take date.
  - black pens and stickers for stock counts (no pencil figures will be accepted) to be issued to each stock counter team before counting.
  - if there is any possibility of overtime, the stock controller must ensure authorization for overtime is approved before the stock take.
- (c) during the stock take the following procedures must be adhered to and the stock controller will be responsible for all processes.
- Counting teams be listed and sign an attendance register and each team will consist of two officials.
  - Each counting team will receive a count list printed from financial system on the day the stock take commences for the section they are responsible for that is numbered against the officials' names on the list. E.g. Section 01 must be numbered on the list as 1 against the first team – List 2, the second team - List 3 etc.
  - All counting teams must start simultaneously with the first count.
  - All quantities counted must be written in the space provided next to the item on the financial system list in ball point pen.
  - Each page counted must be signed by both officials responsible for counting on the list as well as the date of the count.
  - The Stock controller will do spot check counts and will write the figures in red pen on the list in his /her possession and sign against each count. The Stock controller will check his counts against the counted items by the teams as control to ensure correct counts. The Stock controller must on a continuous basis ensure that all procedures and processes set out in this procedure are strictly adhered to and where deviations are identified to be rectified immediately.
  - The Stock controller will be responsible for the stock take and must continually be aware of all problems during the count.
  - If the stock count takes place over a few days all stock count lists will be kept by the Stock controller at the end of each counting day.
- (d) During /after the first count had been done, the Stock controller must ensure a discrepancy list are generated for second count and the recount must be done by different counting team that did the first count of the specific section location.
- (e) After the second count the figures must again be compared with the first count and the differences report.

- (f) If the second count corresponds with the system, then the second count is accepted as correct.
  - If the second count differs from the system but correspond with the first count, the counted figures are accepted as correct and indicated as surplus or shortage.
  - If the second count and the first count differ from the system, the items must be indicated on a new count list for a third count.
- (g) If the third count must be done, the stock controller with the senior storekeeper and storekeeper will do it. The third count must be done according to the same procedure as stated above.
- (h) The third count will again be compared with the differences report and the first two counts.
  - If the third count corresponds with the system, the count is accepted as correct.
  - If the third count corresponds with either of the first two counts, the corresponding figures counted will be accepted as correct and the difference between the counted figure and the system figure must be shown as a surplus or a shortage.
  - If the third count differences still occurs the item must be investigated further to identify the problem until a proper solution for the continuous discrepancies are found.
- (i) The final list of all counts (1, 2 and 3) of all surpluses and shortages must be signed by the Senior storekeeper, Storekeeper of the stores and Auditors as confirmation of all parties involved that the figures counted are correct and is the final figures counted, be handed to Chief Financial Officer.
  - The final list of surpluses and shortages will not be left in the possession of any party involved in the count for further investigations.
  - The Senior Storekeeper and Storekeeper Can ask for copies of the list direct after the final count.
  - The Stock Controller will after finalizing of the count, take all counting lists, all differences reports, attendance registers with the final stock take list and file all documentation in the file.
- (j) After the stock take a report of such surpluses and shortages has to be generated and be submitted to council for adjustment of the surpluses and shortages or for further steps to be taken, if necessary and/ or authorise stock as redundant or obsolete.

#### **14. Safeguarding of Inventory**

- ❖ Inventory shall at all times be safeguarded and kept in a secured area.
- ❖ Only authorised official will have access to stores and no person other than logistics personnel or any person designated by the Chief Financial Officer, may have control over the administration of inventory.
- ❖ All the inventory items shall be adequately insured against loss and damage.
- ❖ All theft on inventory items shall be reported to the South African Police Services and Insurance Company.

#### **15. Vendor Performance Management**

- ❖ Unsatisfactory performance shall be communicated by the Buyer to suppliers in writing compelling the supplier to perform according to the order or the SLA and thus to rectify or to restrain from unacceptable actions.
- ❖ Directives regarding action in such cases should appear in the general conditions.
- ❖ If the supplier continue with non- performance the Buyer should refer the matter to contract management section for them to terminate the contract or order.

#### **16. Reporting**

- ❖ Stock controller or delegated official should provide a monthly report, which must include information relating to:
  - Monthly reconciliation
- ❖ every quarter, provide a report on stock taking conducted for the quarter, which must include Surpluses, shortages, damaged and stolen items.

#### **16. IMPLEMENTATION AND REVIEW OF POLICY**

This policy shall be implemented on 1st July 2025 and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.





**DRAFT**  
**LEAVE POLICY**  
**2025/2026**

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## **1. PURPOSE:**

The purpose of the policy is to regulate leave matters of employees of the Municipality of Polokwane (the Municipality).

## **2. OBJECTIVES OF THE POLICY:**

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

## **3. SCOPE OF THE POLICY:**

This Leave Policy will apply to all Employees regulated under the South African Local Government Bargaining Council.

Leave for the Municipal Manager and Managers reporting directly to the Municipal Manager as contemplated in terms of Section 56 and 57 of the Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) as amended shall be regulated by Government Gazette No 37245 - Local Government: Municipal Systems Act, 2000 (Act 32 of 2000): Local Government: regulations on Appointment and conditions of employment of Senior Managers.

## **4. DEFINITIONS:**

<b>“Annual leave cycle”</b>	means the period of twelve (12) month’s employment with the same employer immediately following an employee’s commencement of employment or following the completion of that employee’s existing leave cycle.
<b>“BCEA”</b>	Basic Conditions of Employment Act, 1997 (Act 75 of 1997) as amended from time to time.
<b>“Calendar Year”</b>	starts on 1 <sup>st</sup> January and ends on 31 <sup>st</sup> December annually.
<b>“Employee”</b>	any person, who works for Polokwane Municipality and who receives any remuneration and any other person who in any manner assists in carrying on or conducting the business of the employer excluding an independent contractor.
<b>“Employer”</b>	refers to Polokwane Municipality
<b>“Leave”</b>	is considered as time off / away from the workplace where the employee is not able to avail him/herself to executing duties and tasks as normally done by the employee.

<b>“Leave year”</b>	refers to a period of continuous service of 12 months and such leave year normally should start on the date of the appointment of the employee. (See also elaboration on “year of service” further down.)
<b>“Medical practitioner”</b>	means a medical practitioner, dentist or traditional healer registered in terms of legislation.
<b>““Year of service”</b>	is the period of 12 months’ continuous service from the date of appointment to the next date of appointment, and this date may be extended with any periods of absence of 20 working days or longer in any leave year.
<b>“SALGBC”</b>	means the South African Local Government Bargaining Council;
<b>“Special leave”</b>	means leave in addition to normal leave
<b>“the Municipality”</b>	refers to Polokwane Municipality
<b>“Working day”</b>	means any day on which an employee is normally required to work according to the service requirement applicable to the employee’s post and as agreed to in the SALGBC

## **5. LEGISLATIVE FRAMEWORK**

The obligation on an Employer to grant leave is regulated by, amongst others:

- Labour Relations Act, 1995 (Act 66 of 1995) as amended from time to time
- Basic Conditions of Employment Act, 1997 (Act 75 of 1997) as amended from time to time:
  - Chapter Three (3) (Sections 19 – 27) of the Basic Conditions of Employment Act, Act 75 of 1997 (as amended) [Where the BCEA is considered a minimum act, and collective agreements can resolve on matters that are more favorable than the BCEA, but never less favorable than the BCEA.]

- Local Government: Municipal Systems Act, 2000 (Act 32 of 2000) as amended from time to time
- National and Divisional Collective Agreements, as amended from time to time, concluded in the South African Local Government Bargaining Council (SALGBC)
- Employment Contracts in terms of Proclamation R.805 dated 01 August 2006, as amended from time to time, of the Municipal Manager and Directors directly accountable to the Municipal Manager
- Municipality's System of Delegations, as amended from time to time
- Any other legislation that directly or by implication regulates leave.

## **6. TYPES OF LEAVE COVERED BY THE LEAVE POLICY:**

The Leave Policy will regulate:

- Annual Leave
- Sick Leave
- Family Responsibility Leave
- Maternity, Adoption and Leave
- Parental Leave
- Special leave for injury on duty cases and occupational diseases
- Sick leave without pay
- Special Leave
- Leave for purposes of time off in lieu of overtime
- Additional leave for Long Service Recognition
- Leave without pay/Unpaid Leave

The Leave Policy does *not* regulate:

- Time off / leave to attend to Organisational Rights Matters
- Time off / leave to attend to Seminars / Conferences / Meetings or similar matters.

## **7. PRINCIPLES:**

### **7.1. Granting and Cancellation of Leave of Absence:**

- 7.1.1. Leave of absence shall be subjected to the Municipality's approval in terms of its Systems of Delegation.
- 7.1.2. The BCEA (s20) (2) rules that an employer "must grant an employee at least 21 consecutive days' annual leave on full remuneration in respect of each leave cycle." It is therefore a right to each employee to be allocated leave. However, there are more forms of leave than only annual leave, and collective agreements and other policies will regulate additional forms of leave. The amount of leave granted in the municipal sphere is also more than what the act prescribes and can include (but is not limited to) types of leave as mentioned above; it also includes Additional Sick Leave or Long Service Recognition Leave.

- 7.1.3. Notwithstanding the provisions of any law, SALGBC agreement or policy of the Municipality, the Municipality may at any time cancel, postpone or interrupt leave of absence, other than sick leave, which has been granted to an employee should it be deemed necessary in the Municipality's interest to do so, and such an employee shall be compensated by the Municipality for irrecoverable expenses or commitments incurred by him / her / before he / she had been notified of the cancellation, postponement or interruption.
- 7.1.4. Should an employee whose leave of absence is interrupted travel in order to resume duty, the Municipality shall pay his / her expenses for the forward and return journey and he / she be regarded as being on duty while travelling.
- 7.1.5. Cancellation, postponement or interruption of leave of absence shall be confirmed in writing.
- 7.1.6. Should the Municipality refuse an employee's application for leave of absence, or cancel, postpone or interrupt such leave register and the employee shall be credited with such leave over and above the maximum determined in terms of the provision of any law, SALGBC agreement or policy of the Municipality and be permitted to take it within 12(twelve) months after refusal, cancellation, postponement or interruption.
- 7.1.7. An employee shall not go off duty or absent him / herself from duty without prior permission unless he / she is prevailed by sudden illness or owing to other circumstances acceptable to the Municipality from remaining on duty or reporting for duty.
- 7.1.8. Except in the case of sick leave, the period from the date on which an application for leave is received until the date on which the leave begins shall not be shorter than the period of leave applied for, provided that a shorter period may under exceptional circumstances be allowed by the Municipal Manager or relevant Director / Manager.
- 7.1.9. When an employee applies for any form of special leave, the employee must attach documentary proof for the reason that the leave is applied for.
- 7.1.10. All types of leave which require supporting documentation will be converted to annual leave and/or unpaid leave in instances where such proof is not timeously submitted by an employee.
- 7.1.11. Approvers are expected to approve leave applications timeously, leave not approved timeously will be escalated to Human Resources after 5 days whereby the ESS Administrator will approve on their behalf.
- 7.1.12. If an approver has reason not to approve an employee's leave application, they must decline/disapprove the application timeously and not leave it hanging in the inbox as the ESS Administrator will approve it after the 5-day escalation; this action is taken in an endeavor to have accurate leave balances at the end of every month.

**7.2. Granting of other types of leave as per Chapter Three of the BCEA:**

- Sick Leave (s22)

- Maternity Leave (s25)
- Family Responsibility Leave (s27)

### **7.3. Leave Registers:**

- 7.3.1. Leave is a liability for Municipalities, and therefore proper management of leave will ensure that any risks / liabilities for both the employer and employees are reduced to a minimum or prevented.
- 7.3.2. All leave granted, taken, encashed, forfeited and all actions around leave of an employee shall be recorded in the official leave register (*electronic format - ESS or manual- employee leave files*) of the employer and such leave register shall be under the control of the Manager: Human Resources.
- 7.3.3. An employee is entitled to inspect his/her leave record at all reasonable times during office hours (GG 16047, Par16.1)
- 7.3.4. All leave must be applied for in a format or way of application as approved by the employer, employees are expected to use the designated electronic self-service system for leave applications (ESS).

### **7.4. Leave counting for purposes of leave allocation:**

- 7.4.1. Absence on unpaid leave that amounts to 20 working days or more in any year of service shall not be regarded as service for purposes of leave allocation [and salary increment(s)]. (Extract from previous Collective Agreement, GG16047, 28/10/1994).
- 7.4.2. The impact of the above is that 20 working days or more unpaid leave [which amounts to one working month] will extend any allocation period for leave liability with the equal amount of days for which unpaid leave was granted in a year of service.

### **7.5. Application for Leave:**

- 7.5.1. An employee shall apply for leave in the format required by the employer (*electronic medium and on hard copy only in instances where there are technical problems with the Employee Self Service System*).
- 7.5.2. The employer shall not unreasonably withhold approval / granting of leave.
- 7.5.3. All forms of leave will be applied for in advance, and in exceptional cases (*sick leave and other crisis situations*), sick leave may be completed as soon as is practical during or after the period of absence.
- 7.5.4. Leave will be applied for specific periods – no open ended leave applications may be considered.

## **8. ANNUAL LEAVE:**

- 8.1. An employer shall grant an employee the following annual leave:
  - Twenty-four (24) working days for (5) day worker, provided that the leave for an employee that works less than a 5-day week shall be calculated on a pro rata basis; and



- Twenty-seven (27) working days for a six (6) day worker
- 8.2. An employer should ensure that the employee has sufficient leave days available to cover the days of leave which are applied for.
- 8.3. An employer must grant annual leave not later than six months after the end of the annual leave cycle.
- 8.4. An employee is required to take annual leave as follows:
- A five-(5) day worker shall take a minimum of sixteen (16) working days leave; and
  - A six (6) day worker shall take a minimum of nineteen (19) working days leave.
- 8.5. If an employee to whom annual leave has been granted is certified hospital or bed bound by a registered medical practitioner or dentist, or a traditional healer registered with a recognized professional council in terms of legislation due to illness after his vacation leave has commenced, that part of the vacation leave during which he/she was thus certified hospital or bed bound shall be converted into sick leave on submission of the prescribed certificate by such medical practitioner or dentist, or registered with a recognized professional council in terms of legislation.
- 8.6. If due to illness, an employee is unable to take vacation leave already deducted he/she shall be credited with an equal number of vacation leave days.
- 8.7. An employee must take annual leave not later than six months after the end of the annual leave cycle.
- 8.8. Employees have a right to take annual vacation leave, but the employer also has the right to indicate if the taking of leave may impact on operations. A reasonable compromise should be reached where leave should be taken in times that suit both the employee and the employer.
- 8.9. If (due to operational reasons) an employee cannot take vacation leave, then the vacation leave can be extended for a further 4 months.
- 8.10. Annual leave shall only be accumulated to a maximum of forty-eight (48) working days.
- 8.11. Any leave in excess of forty-eight (48) working days may be encashed should the employee be unable to take such leave, despite applying and because the employer refused to grant him such leave, as a result of the employer's operational requirements. If despite being afforded an opportunity to take leave, an employee fails, refuses or neglects to take the remaining leave due to him during this period, such leave shall fall away.
- 8.12. Inclusive of its conditions as contained in the Main Collective Agreement and employee should be entitled to encash ten (10) days leave per financial year.
- 8.13. Within six months of the leave cycle, an employee may not have more than 48 days' annual leave to his credit.

8.14. In the event of the termination of service, an employee shall be paid his leave entitlement in terms of this agreement, calculated in terms of the relevant provisions of the Basic Conditions of Employment Act 75 of 1997 as amended.

**9. SICK LEAVE:**

9.1. With effect from the new sick leave cycle, an employer shall grant an employee eighty (80) days' sick leave in a three (3) year leave cycle, provided that in respect of new appointments an employee may not take more than 30 days' sick leave in the first year of employment.

9.2. Sick leave shall be granted only in connection with an employee's absence from duty owing to illness, indisposition or injury.

9.3. In the case of nervous disorders, insomnia, debility or a similar less well-defined illness or indisposition, sick leave shall only be granted only if the municipality is satisfied that the employee's state of health:

- renders him/her unfit for work; and
- does not arise from his/her failure to make use of vacation leave.

9.4. The employee shall be required to submit a medical certificate from a registered medical practitioner or any other person who is certified to diagnose and treat patients and who is registered with a professions council established by an Act of Parliament, if more than two (2) consecutive days are taken as sick leave, provided that the employer may request a sick leave certificate for every day of sick leave where there is evidence of abuse of sick leave.

9.5. An employee must at all times endeavor to attach medical certificates to sick leave applications with specific reference to sick leave for periods longer than two working days.

9.6. Sick leave on full pay and/or half pay in respect of which the afore mentioned certificate has not been submitted, may be granted for a maximum of twelve (12) working days during any calendar year of service and in respect of any further absence, vacation leave and/or leave without pay shall be granted.

9.7. If an employee must be absent from work for a longer period, a pro-forma certificate should be obtained from the doctor (e.g. before an operation / medical procedure) which will indicate the period of absence *even before* the sick leave is taken.

9.8. Leave applications shall also be completed and doctor's notes attached, even if an employee is using vacation or unpaid leave for purposes of sick leave (e.g. when sick leave has been depleted.)

9.9. When vacation or unpaid leave is used for purposes of sick leave, then this must be done with the employee's knowledge.

9.10. The employer is not required to pay an employee if an employee is absent on more than two occasions during an eight-week period, and on request by the employer, does not produce a medical certificate stating that the employee was

unable to work for the duration of the employee's absence on account of sickness or injury.

- 9.11. Polokwane municipality may at any time require an employee to submit himself/herself to an examination by a registered medical practitioner or dentist appointed by the employer and the cost of such examination shall be borne by the municipality.
- 9.12. The employer may, on the recommendation of a registered medical practitioner or dentist, or a traditional healer registered with a recognized professional council in terms of legislation, compel an employee who, in the Employer's opinion, is so indisposed that he/she cannot perform his/her duties properly, to take sick leave.
- 9.13. An Employee is entitled to additional sick leave as provided for in the Collective Agreement on Conditions of Service for the Limpopo Division; provided that the maximum period of sick leave to which an employee is entitled has been granted to him/her and owing to reasons of health he/she is not able to resume duty.
- 9.14. Sick leave shall not be granted to employees whose ill health has been caused by illegal activities.
- 9.15. An employee may not during any period of sick leave approved in terms of these conditions, resume service without the approval of a registered medical practitioner.
- 9.16. An employee who is absent from work due to illness must take all reasonable steps to notify the employer, director, manager or supervisor as soon as possible.

#### **10. FAMILY RESPONSIBILITY LEAVE:**

- 10.1. Family Responsibility leave applies to an employee who has been in employment with an employer for longer than four (4) months.
- 10.2. An employer, upon receipt of reasonable proof, shall grant an employee during each annual leave cycle at the request of an employee, a total of five (5) working days paid leave, which the employee is entitled to take, either when:
  - 10.2.1. The employee's child is born;
  - 10.2.2. The employee's child is sick;
  - 10.2.3. The employee's spouse or life partner is sick;
  - 10.2.4. In the event of death of:
    - 10.2.4.1. The employee's spouse or life partner; or
    - 10.2.4.2. The employee's parent, adoptive parent, parents-in-law, Grandparent, child, adopted child, grand child or sibling.

#### **11. MATERNITY, ADOPTION AND SURROGACY LEAVE:**

- 11.1. An employee including an employee adopting a child under three (3) months, shall be entitled to receive three (3) months paid maternity or adoption leave with no limit to the number of confinements or adoptions. This leave provision shall also apply to an employee whose child is still-born.
- 11.2. When a child from zero (0) to four (4) years is adopted, adoption leave will be granted to an adopting employee. An employee is entitled to receive three (3) months paid adoption leave after the legal adoption procedure.
- 11.3. When a child older than four (4) years is adopted, adoption leave will be granted to an adopting employee. An employee is entitled to receive three (3) weeks paid adoption leave after the legal adoption procedure.
- 11.4. In case of Surrogacy a partner that, as per the Surrogacy Agreement, has been assigned to perform the role of the birthmother (receiving parent) shall be entitled to paid maternity leave of three (3) months.
- 11.5. In events referred to in 11.2, 11.3, and 11.4 above, the child's birth certificate and adoption order or Surrogacy Agreement must be submitted to the Employer.
- 11.6. When a female employee applies for maternity leave, a doctor's note will be attached to the application indicating the expected date of delivery.
- 11.7. An employee who goes off from duty for maternity leave will complete all documentation before the start of the maternity leave.
- 11.8. Maternity leave may commence four (4) weeks before confinement.
- 11.9. Once Maternity leave has commenced an employee may not return back to work within before the expected date of delivery and six weeks after the date of delivery, unless the employee so applies in writing and her application is supported by a doctor who certifies that she is in good health and may return to work.
- 11.10. To qualify for paid Maternity/Adoption/Surrogacy leave, an employee must have one (1) year's continuous service with the employer.
- 11.11. An employee who does not qualify for paid maternity leave must apply for unpaid Maternity leave and then claim benefits from the Department of Labour (Unemployment Insurance Fund / UIF). The payment of benefits will be determined by the Department of Labour (and not by the employer.)
- 11.12. A copy of the legal adoption approval forms should be attached to the application for leave for purposes of adoption.

## **12. PARENTAL LEAVE**

- 12.1. An employee who is a parent of a child, is entitled to at least ten consecutive days' parental leave.
- 12.2. An employee may commence parental leave on –

- 12.2.1. The day that the child is born; or
- 12.2.2. The date –
  - (i) That the adoption order is granted; or
  - (ii) That a child is placed in the care of a prospective adoptive parent by a competent court, pending the finalization of an adoption order in respect of that child, whichever date occurs first.
- 12.3. An employee must inform an employer in writing, unless the employee is unable to do so, of the date on which the employee intends to –
  - 12.3.1. Commence parental leave
  - 12.3.2. Return to work after parental leave
- 12.4. Notification in terms of subsection (12.3) must be given –
  - 12.4.1. At least one month before the –
    - (i) Employee's child is expected to be born; or
    - (ii) Date referred in subsection (12.2.2.); or
  - 12.4.2. If it is not reasonably practicable, as soon as it is reasonably practicable.
- 12.5. The payment of parental benefits will be determined by the Minister, subject to the provisions of the Unemployment Insurance Act, 2001(Act No 63 of 2001).
- 12.6. This type of leave will be classified as Unpaid Leave for purposes of Leave Administration in the municipality; as the benefits can be claimed from the Department of Labour (Unemployment Insurance Fund / UIF); the payment of benefits will be determined by the Department of Labour (and not by the Municipality.)
- 12.7. An employee is not entitled to benefits unless he or she was in employment, whether as a contributor or not, for at least 13 weeks before the date of application for parental benefits.

### **13. SPECIAL LEAVE FOR INJURY ON DUTY CASES AND OCCUPATIONAL DISEASES:**

- 13.1. An employee who is absent from duty due to an injury arising out of his/her duties and occurring in the course thereof or owing to an illness contracted in the course of and as a result of his/her, shall be granted special leave on full pay for the period during which he/she is to perform his/her duties.
- 13.2. If the case falls within the ambit of the Compensation for Occupational Injuries and Diseases Act, 1993(Act 130 of 1993), the amount payable to him/her in terms of an Act by means of periodic payments of his/her monthly earnings, shall be paid over to the municipality, provided that the Employer has already advanced the amount to the employee.
- 13.3. Special sick leave may only be granted, if the Employer was notified of an accident or disease as required in terms of sections 38 and 68 of the Compensation for Occupational Injuries and Diseases (Act 130 of 1993) and that a satisfactory medical certificate from a registered medical practitioner is submitted to the Employer.
- 13.4. "Remuneration" as applicable in this paragraph (clause 10 of this policy) includes all forms of remuneration as envisaged in the Compensation of Occupational Injuries Act (Act 130 of 1993) and subject to all provisions of the Act.

- 13.5. Special sick leave may only be granted if the injury on duty has been approved by the Compensation Commissioner (Act 130 of 1993) in respect of 13.1. and 13.2. above.
- 13.6. If the period of special sick leave in terms of clause 13.3. above exceeds 365 calendar days the employer may take any decision it deems appropriate in line with "ill health" and/or incapacity provisions of the Labour Relations Act.

#### **14. SICK LEAVE WITHOUT PAY**

- 14.1. An employee to whom the maximum period of full and half pay sick leave has been granted, may be granted sick leave without pay for not more than 250 working days in any cycle if the employer is satisfied that such an employee is not permanently incapacitated to resume his/her duties: provided where sick leave without pay exceeds 40 consecutive days, the employee must be examined by a registered medical practitioner appointed by the employer. The cost of such examination shall be borne by Polokwane Municipality.

#### **15. SPECIAL LEAVE:**

When an employee applies for leave for study purposes, the employee must attach documentary proof for the reason that the leave is applied for.

##### **15.1. Study Leave:**

- 15.1.1. Where an employee applies for leave for exam purposes, an exam roster in the name of the employee should be attached to the application (not a copy of the general notice which was displayed at the tertiary institution – the general notice where the employee's individual name does not appear, does not prove that the employee has examination approval. The exam roster should explicitly mention the name of the employee.)
- 15.1.2. Study leave shall be granted to an employee on the basis of one (1) paid study leave for each day that an employee writes an examination plus two (2) days per paper for preparation for the examination in order to qualify for a formal qualification.

##### **15.2. Leave of absence for obligatory training courses**

- 15.2.1. The fields of study must be relevant to the Local Government undertaking in accordance with the municipality's policy.
- 15.2.2. An employee attending a work-related training or training course shall be deemed to be on duty.

##### **15.3. Additional leave for Post Graduate Studies:**

- 15.3.1. Special leave for a dissertation or thesis will be granted with full pay to a maximum of five (5) working days leave per qualification or for research.

##### **15.4. Attending of classes during office hours:**

- 15.4.1. An employee who studies part-time or by means of correspondence in a field applicable to the employer and who, as a result of his/her studies, is required

to be absent from his/her place of work, will be granted vacation leave and special leave on a 50:50 basis for the time he/she is released from duty, subject to the exigencies of the service.

15.4.2. If he/she does not have leave to his/her credit, unpaid leave will be granted.

**15.5. Leave for Writing Tests**

15.5.1. The Municipality acknowledges that during the duration of obtaining a qualification employees are expected to write tests, in the middle of study terms, therefore Study leave shall be granted to an employee on the basis of one (1) paid study leave for each day that an employee writes a test.

15.5.2. Where an employee applies for leave for test purposes, a Timetable in the name of the employee should be attached to the application (not a copy of the general notice which was displayed at the tertiary institution – the general notice where the employee's individual name does not appear, does not prove that the employee has been scheduled to write a test. The Test Timetable should explicitly mention the name of the employee.)

**15.6. Leave for attending Graduation Ceremonies**

15.6.1. The Municipality also acknowledges that upon completion of a qualification employees are invited to graduation ceremonies, therefore Study leave shall be granted to an employee on the basis of one (1) paid special leave for each day that an employee attends a graduation ceremony.

15.6.2. Where an employee applies for leave to attend a graduation ceremony, an invitation in the name of the employee should be attached to the application (not a copy of the general notice which was displayed at the tertiary institution – the general notice where the employee's individual name does not appear, does not prove that the employee has been scheduled to attend a graduation ceremony. The invitation should explicitly mention the name of the employee.)

**15.7. To attend a court of tribunal**

15.7.1. On receipt of written subpoena, notice of set down or any similar notice an employee who is subpoenaed/called to attend a Court of Law or a Tribunal or any other similar forum as a witness shall be granted paid special leave that day.

15.7.2. In executing the provision of the above named clause subpoenaed employees shall inform their line Managers a day before to leave their work stations.

15.7.3. Any employee who is arrested and appears in court as a result of charges laid by his Employer and who is later acquitted shall be granted paid leave for the period of incarceration.

15.7.4. An employee who is incarcerated but not convicted for a period of twelve(12) months shall be granted unpaid leave in his/her position for the said period.

**15.8. Sports, arts and culture events**

An employee who is selected by recognized amateur or professional sports, art and culture association, which association may qualify for special leave provided that such association be recognized by NOCSA or the Council of Sport of South Africa and the Council for Art and Culture.



**15.9. Quarantine and isolation under medical instructions**

Where a registered Medical Practitioner has placed an employee under quarantine/ in isolation in terms of the Public Health Act, 1977 (Act 63 of 1977) or any Regulations in force there under, such an employee shall be granted paid special leave, provided that the medical certificate has been submitted.

**15.10. Application for Special Leave**

15.10.1. Operational requirements must be taken into consideration

15.10.2. Supporting documents must be provided with the application

15.10.3. Application for special leave, must be approved by the Municipal Manager or his delegate and shall be considered in a bona fide manner; and shall not be unreasonably refused.

**16. SPECIAL LEAVE FOR ADHOC INSTANCES:**

Special leave with full pay may be granted to an employee when the employee:

- 16.1. After the Council has given permission the employee may become a member of the reserve police, performs police duties in terms of Sec 48 of the South African Police Act, 1995 (Act 68 of 1995).
- 16.2. Partake in a bonafide sport activity at provincial and higher level in which case the special leave will not exceed three (3) working days per event and these three (3) days may include travelling time.
- 16.3. Special leave on full pay will be granted to an employee who has been arrested or has to appear in court on a criminal charge and is later acquitted or has the charges withdrawn.
- 16.4. Gives evidence in a court case after a subpoena and/or summons has been served on him/her.

**17. LEAVE FOR PURPOSES OF TIME OFF IN LIEU OF OVERTIME**

- 17.1. Leave for purposes of time off in lieu of overtime may be granted where an employee worked overtime without any compensation, provided that such overtime is authorised in terms of the Municipality's System of Delegation.
- 17.2. Overtime worked as provided for in paragraph 17.1 shall be captured on an overtime schedule, specifying the date, hours of overtime worked, and hours taken, which schedule must be signed by the employee and his/her supervisor.
- 17.3. Application for leave for purposes of time off in lieu of overtime shall be submitted as provided for in paragraph 7.5. Such applications must be accompanied by the schedule referred to in paragraph 17.2.



- 17.4. Where an employee is allocated special leave as payment for overtime worked, then the special leave should be allocated to the employee after converting the hours to overtime values in line with the Municipality's Overtime Policy.
- 17.5. Leave in lieu of overtime cannot be encashed and shall be forfeited if not taken within the calendar year which the employee became entitled to the leave, it shall be forfeited on the last day of such calendar year.

## **18. ADDITIONAL LEAVE FOR LONG SERVICE RECOGNITION**

- 18.1. An employee who was appointed after 1 July 1986 shall qualify for the following additional leave as recognition for long service at the same employer, which shall be only on the date on which the various periods of continuous service have been completed;

After:

**5 years of service – 5 working days**  
**10 years of service – 15 working days**  
**15 years of service – 25 working days**  
**20 years of service – 35 working days**  
**25 years of service – 35 working days**  
**30 years of service – 35 working days**  
**35 years of service – 35 working days**  
**40 years of service – 35 working days**  
**45 years of service – 35 working days**

- 18.2. An employee who was appointed before 1<sup>st</sup> of July 1986 shall qualify for long service recognition on an individual "contractual to holder" principle on the 5% bonus scheme as was applicable up to 1<sup>st</sup> July 1986.
- 18.3. The long service recognition leave may be wholly or partially converted to payment on the date on which the employee qualifies for it or at any stage thereafter subject to budget provisions.
- 18.4. When an employee terminates services, long service recognition leave balance does not form part of the overhead maximum of 48 days leave that may be paid out as per the Main Agreement.
- 18.5. Long Service recognition will be pro-rated for employees on termination of service.

## **19. LEAVE WITHOUT PAY/UNPAID LEAVE**

Leave without pay as approved by the Municipal Manager or his delegate, which approval shall not be unreasonably withheld, shall be subject to the following conditions:

- 19.1. Leave without pay shall be granted when all available vacation and/or sick leave has been exhausted. Leave without pay shall also be granted if an employee took leave without his/her Manager's approval even if the employee has accumulated leave days available.

- 19.2. For the period of leave without pay the Employer shall continue to make Employer's contribution only to the employee's Group life insurance scheme, pension and medical aid fund provided that the employee shall be liable for his own contributions to the said funds, as well as payments in terms of a Collective Agreement.
- 19.3. An employee may apply for unpaid leave on the same format that other types of leave are applied for; the reasons for the unpaid leave must be provided on the application.
- 19.4. Unpaid leave more than 20 working days in a leave cycle extends the allocation date for new leave accruals; [Example: Where an employee is appointed on 1<sup>st</sup> of February, but the employee was absent without payment for the period middle April to middle May for a period of 20 working days, then the employee's date of allocation will be moved to March annually. The service year in this instance will thus run from beginning February to end February the next year, which may sound like a 13-month employment period, but it is not as the employee was absent without pay for one month.]
- 19.5. Unpaid leave must be captured on an employee's leave record and must also be informed to the payroll to ensure that the necessary adjustments to salary payment(s) are made.

## **20. UNAUTHORISED ABSENCE FROM DUTY**

- 20.1. Unauthorised absence from duty shall, without prejudice to the rights of the employer with regard to disciplinary measures against an employee, be deemed to be special leave without payment, unless the Municipality decides otherwise.

## **21. RESUMPTION OF DUTY BEFORE LEAVE HAS EXPIRED**

- 21.1. Except with the Municipality's approval in terms of delegated authority, an employee shall not resume duties before the leave granted to him/her has expired.

## **22. LEAVE OF ABSENCE GRANTED IN EXCESS**

- 22.1. When more paid leave of absence that has been granted to an employee inadvertently but in good faith, and been taken by him / her, the leave granted in excess may be deducted from leave which may accrue to him / her or the value thereof may be claimed from him / her, whichever the employee may prefer.

## **23. TERMINATION OF PERMANENT SERVICE AND RE-EMPLOYMENT**

- 23.1. If a permanent employee whose service is terminated for any reason whatsoever is re-employed, such re-employment shall for leave purposes be regarded as a new appointment.

#### **24. IMPLEMENTATION OF THE POLICY**

This policy will be implemented and effective once approved by Council.

#### **25. COMMUNICATION**

This policy will be communicated to all Municipal employees using the full range of communication methods available to the municipality.

#### **26. POLICY REVIEW**

This policy will be reviewed annually and revised as necessary.

#### **27. PENALTIES**

Non-compliance to any of the stipulations contained in this policy will be regarded as misconduct, which will be dealt with in terms of the Disciplinary Code.

#### **28. IMPLEMENTATION AND REVIEW OF POLICY**

This policy shall be implemented on 1<sup>st</sup> July 2025 and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.



**DRAFT**

**ORGANISATIONAL AND SENIOR**

**MANAGERS PERFORMANCE**

**MANAGEMENT POLICY**

**2025/2026**

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## GLOSSARY OF TERMS

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

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



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

## **SECTION A: ORGANIZATIONAL PERFORMANCE**

### **1. INTRODUCTION**

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

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

### **2. THE LEGISLATIVE FRAMEWORK FOR PERFORMANCE MANAGEMENT**

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

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

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

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

### **3. PERFORMANCE MANAGEMENT AND MEASURES AT VARIOUS LEVELS**

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

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

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

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

#### **4. OBJECTIVES OF THE PERFORMANCE MANAGEMENT SYSTEM**

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

In doing so, it should fulfill the following functions:

- ***Facilitate increased accountability***

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

- ***Facilitate learning and improvement***

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

- ***Provide early warning signals***

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

- ***Facilitate decision-making***

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

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

## **5. PRINCIPLES GOVERNING THE PMS OF POLOKWANE MUNICIPALITY**

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

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

## **6. PREFERRED PERFORMANCE MANAGEMENT MODEL FOR POLOKWANE MUNICIPALITY**

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

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

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

## **7. THE PROCESS OF MANAGING PERFORMANCE**

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



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

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

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



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

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

### ***Performance Planning***

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

### ***Performance Monitoring***

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

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

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

### ***Performance Measurement***

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

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

### ***Performance Analysis***

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

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

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

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

### ***Performance Reporting and Review***

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

### ***In-year Performance Reporting and Review***

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

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

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

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

### ***Annual Performance Reporting and Review***

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

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

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

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

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

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

### ***Summary of Various Performance Reporting Requirements***

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

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

## 8. THE AUDITING OF PERFORMANCE MEASURES

### *The role of Internal Audit In -terms of Performance Management*

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

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

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

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

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

- **Functionality**

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

- **Compliance**

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

- **Reliability**

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



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

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

#### **Audit and Performance Audit Committee**

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

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

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

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

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

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

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

### **Performance Investigations**

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

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

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

## **9. GENERAL ISSUES RELATING TO PERFORMANCE MANAGEMENT**

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

### ***Annual Review of the Performance Management System***

One of the functions of the audit and performance audit committee is to on at least an annual basis, review the PMS of the Municipality. It is envisaged that after the full cycle of the annual review and reporting is complete and the audit and performance audit committee has met as required; the Internal Audit unit will compile a comprehensive assessment/review report on whether the Municipality's PMS meets the system objectives and principles as set out in this Policy and whether the system complies with the Systems Act, PMS Regulations and the MFMA. This report then needs to be considered by the audit and performance audit committee and any recommendations on amendments or improvements to be made to the PMS, submitted to Council for consideration.

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

### ***Integrating PMS with the Council's Existing Management Cycle***

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

### ***Institutional Arrangements***

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

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

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

## **10. STANDARD OPERATING PROCEDURE (SOP)**

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

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

## **11. TECHNICAL INDICATOR DESCRIPTION MANUAL**

Polokwane Municipality must develop the Technical Indicator Description Manual for each indicator that appears in the institutional/municipal scored as captured in the Top-Layer Service Delivery and Implementation Plan. The purpose of the Technical Indicator Description Manual is to explain how the collection, calculation and interpretation of the data of each indicator is to be done. The Technical Indicator Description Manual must be aligned to the Top-Layer SDBIP and

must have same indicator reference number and should reflect the financial year that the indicators are applicable to be measured.

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

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

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

## **13. CONCLUSION**

In conclusion it must be emphasized that there are no definitive solutions to managing municipal performance. The process of implementing a performance management system must be seen as

a learning process, where the Municipality must continuously improve the way the system works to fulfill the objectives of the system and address the emerging challenges from a constantly changing environment.

## **SECTION B: INDIVIDUAL PERFORMANCE OF SENIOR MANAGERS**

### **14. PREAMBLE**

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

The Organizational and **Individual** Performance Management Policy is applicable to all **senior management** employees of Polokwane **Municipality**. The legislative environment requires the filtering down of the Performance Management System to employee levels lower than the Municipal Manager and Managers directly accountable to the Municipal Manager.

The Organizational and **Individual** Performance Management Policy integrates various legislative and also unique Municipal Management requirements, inclusive of:

- ❖ Labour Relations Act, No 66 of 1995.
- ❖ The Constitution, Act No 108 of 1996.
- ❖ White Paper on New Employment Policy in the Public Sector, 1997.
- ❖ Local Government: Municipal Structures Act No 117 of 1998.
- ❖ Local Government: Municipal Systems Act 32 of 2000; Local Government: Municipal Systems Amendment Act 2003 and Local Government Municipal Systems Amendment Bill, 2010.
- ❖ Municipal Planning and Performance Management Regulations and Guidelines, Notice 7146 of 2001.

- ❖ Local Government: Municipal Finance Management Act No 53 of 2003 and MFMA Regulation 493 of 2007.
- ❖ Local Government: Municipal Performance Regulations for Municipal Managers and Managers directly accountable to Municipal Managers, Regulation 805 of 2006.
- ❖ Government Wide Monitoring and Evaluation Framework.
- ❖ 12 Outcomes of Government with specific emphasis on Outcome 8 and 9.
- ❖ Performance and Delivery Agreements.

## **15. PURPOSE OF SENIOR MANAGEMENT PMS POLICY**

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

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

## **16. THE EXPECTED OUTCOME OF THE POLICY**

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

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

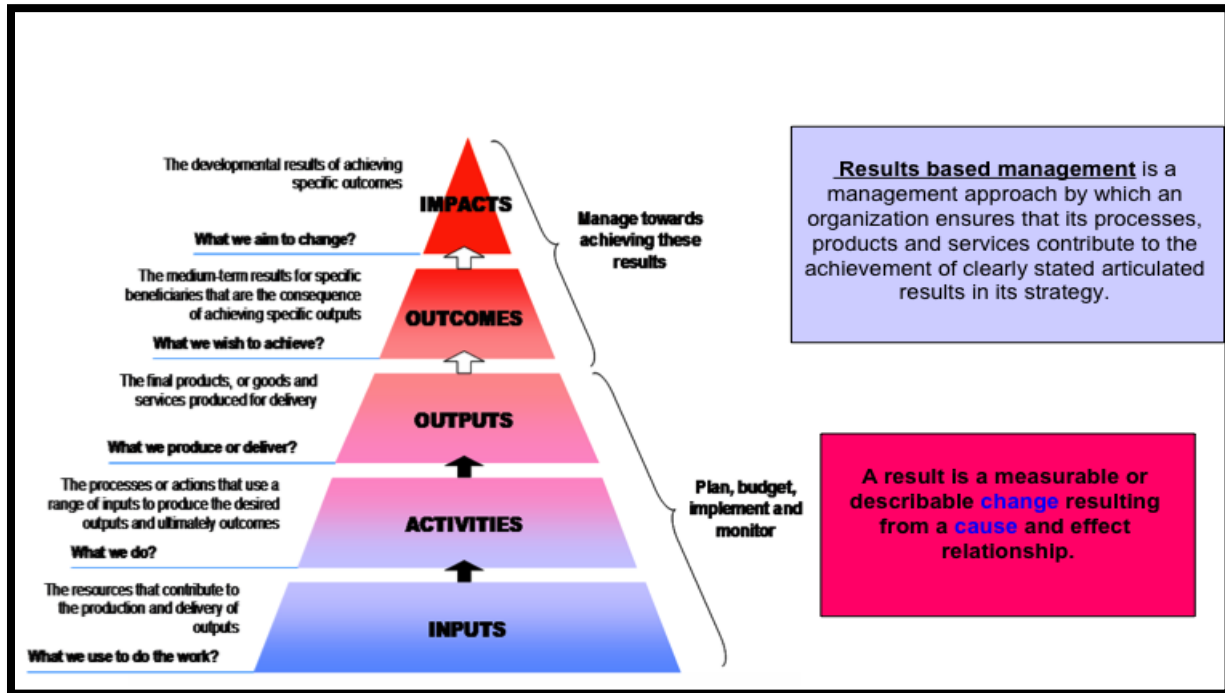
With the above in mind the Policy focuses on describing in broad terms:

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

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

***Figure 1: The Logic Model***





## 17. SCOPE OF APPLICATION

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

- ✓ Employees referred to in the Municipal Systems Act as Section 57 Employees i.e. the Municipal Manager and the managers reporting directly to the Municipal Manager;

## 18. OBLIGATIONS OF THE EMPLOYER

The employer shall:

- ✓ Create an enabling environment to facilitate effective performance by the employee.
- ✓ Provide access to skills development and capacity building opportunities.
- ✓ Work collaboratively with the Employee to solve problems and generate solutions to common problems that may impact on the performance of the employee.

- ✓ On the request of the employee delegate such powers reasonably required by the Employee to enable him/her to meet the performance objectives and targets established in terms of this agreement.

## **19. DEFINITION OF EMPLOYEE PERFORMANCE MANAGEMENT**

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

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

## **20. OBJECTIVES OF THE ORGANISATIONAL AND **INDIVIDUAL** PERFORMANCE MANAGEMENT SYSTEM**

The overall objective of implementing and sustaining effective employee performance management is to build human capital at strategic and operational levels throughout the Municipality. To achieve this objective an Organizational and **Individual** Performance Management System is implemented to provide administrative simplicity, maintain mutual respect

between managers and employees, and add value to day-to-day communication about performance and development issues.

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

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

## 21. KEY ROLE-PLAYERS IN **SENIOR MANAGERS PERFORMANCE**

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

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

Role Player	Role
<b>Executive Mayor</b>	The Executive Mayor may assign the management of performance (organizational and employee) to the Municipal Manager. The Mayor is responsible for dispute resolution regarding performance management matters

Role Player	Role
	(nature of performance agreement and performance evaluation) of the Municipal Manager and Managers directly accountable to the Municipal Manager.
<b>Municipal Manager</b>	<p>It is the responsibility of the Municipal Manager to ensure the effective and efficient design, development and implementation of an Organizational and Employee Performance Management System. The Municipal Manager will accept overall accountability for service delivery of the agreed performance indicators as stipulated in the IDP and SDBIP of the organization, and will be accountable to the Executive Mayor at agreed intervals.</p> <p>In addition, the Municipal Manager is responsible for ensuring proper monitoring, assessment and review of the Organizational and Employee Performance Management System. The Municipal Manager will delegate responsibility and accountability to Directors and Managers.</p>
<b>Directors/Senior Managers</b>	<ul style="list-style-type: none"> <li>✓ Taking responsibility for the standard of his/her own performance by improving output quality</li> <li>✓ Developing and implementing action plans so that set objectives can be achieved</li> <li>✓ Asking their manager for information, help or advice to assist them in meeting set targets</li> <li>✓ Making suggestions on how they can improve their performance</li> </ul>
<b>Human Resources</b>	The Human Resource Department is responsible for providing secretariat services during the individual performance assessments of senior managers.
<b>Strategic Planning, Monitoring &amp; Evaluation</b>	<p>The Strategic Planning, Monitoring &amp; Evaluation oversees and provides guidance on the development and implementation of the Municipal Organizational and Employee Performance Management System of senior managers.</p> <p>Strategic Planning, Monitoring &amp; Evaluation is the custodian of Performance Management on behalf of Senior Management and has to work closely with the Human Resources Unit.</p>
<b>Assessment/Evaluation</b>	Assessment/Evaluation panels are involved in the assessment of employees' performance. Section 27(4)(d) of Regulation 805 provides details on the

Role Player	Role
<b>Panel and Moderator</b>	Assessment/Evaluation panels to conduct the assessment of the Municipal Manager and Managers directly accountable to the Municipal Manager.
<b>Internal Audit</b>	<p>Internal Audit is responsible for conducting an independent evaluation of performance assessments. To this effect Internal Audit members must sit in the assessments as an observing member to validate the information included in employee Portfolio of Evidence (PoE).</p> <p>The Internal Audit is responsible for reviewing performance evidence and quality assurance. They should also actively participate in the final review sessions and approval of incentives with the Performance Audit and Remuneration Committee.</p>
<b>Audit and Performance Audit Committee</b>	Provide Independent audit on legal compliance. Audit of municipal performance and communicate directly with the Council, Municipal Manager as well as internal and external auditors
<b>Municipal Public Accounts Committee (MPAC)</b>	The role is to provide oversight over the activities of Council as the Municipal Council is vested with both legislative and executive authority. Oversight and accountability helps to ensure that the executive implements programmes and plans in a way consistent with policy, legislation and the dictates of the Constitution.

**Table 2: *Individual Performance Management Phases***

Phases	Explanation
<b>Planning/Review:</b>	It encompasses the compilation of Performance Agreements inclusive of Performance and Personal Development Plans.

Phases	Explanation
	<p>Employee Performance Plans inclusive of the Performance Scorecard should relate back to Municipal goals (Ultimate Outcomes) and objectives (Intermediate Outcomes). These planning documents should be used to design the Performance Plan (Performance Scorecard) of Municipal employees. For each individual employee their individual Performance Plans are informed by the priorities and targets set for their managers and their own tasks and accountabilities. This process allows for cascading strategies down to the level of each individual Employee Performance Plan.</p>
<p><b>Monitoring and Assessment:</b></p>	<p>This phase relates to the assessment of performance and periodic review of progress to achieve set targets. Employee performance monitoring encompasses a continuous review of the levels and standards of activities performed by an employee.</p> <p>The process of assessment is used to measure performance via data through scoring to determine if targets were met. Performance is therefore assessed against the achievement or non-achievement of targets. Assessment of performance requires employees and managers to look at inputs (resources, financial perspective), activities/processes (functions, service standards perspective), outputs (results, service delivery perspective) and outcomes (impact, customer satisfaction, and growth, quality of life) to determine the impact that an employee made towards the achievement of Municipal service delivery.</p> <p>During the assessment process an overall rating is calculated by using the applicable assessment-rating calculator. The rating is used to determine future actions, i.e. under-performance may result in additional coaching/training or disciplinary action, whilst exemplary performance may result in incentives as a reward for excellence.</p>
<p><b>Reporting and Coaching:</b></p>	<p>Reporting on findings of the assessment process occurs in this phase. Based on findings, a coaching and/or disciplinary action plan is to be</p>

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

## 22. PLANNING AND REVIEW

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

The process of planning relates to the establishment of performance contracts, performance agreements and performance plans to be used to measure the performance of individual

employees. These documents should be linked to the Organizational, Departmental and Business Units Scorecards, IDP, SDBIP and LSDBIP of the Municipality based on the employee level.

### **23. PERFORMANCE CONTRACTS**

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

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

- ✓ The signing of a separate Performance Agreement within sixty (60) calendar days after assumption of duty and annually within one month after the commencement of the new financial year.
- ✓ The submission of original or certified copies of academic and professional qualifications and proof of previous employment.
- ✓ The signing of the code of conduct as stipulated in Schedule 2 of the Municipal Systems Act.
- ✓ The disclosure of all financial interest on the date of assumption of duty and annually within one month after commencement of the financial year (June).

### **24. PERFORMANCE AGREEMENTS**

Applicable to the Municipal Manager and Managers directly accountable to the Municipal Manager, Chapter 3 of Regulation 805 provides specific detail on the Performance Agreements for Municipal Managers and Managers directly accountable to Municipal Managers. In addition, the Municipal Systems Act (MSA), Section 57 (1)(b) and (2)(a) states that Performance



Agreements of the applicable managers are concluded annually and within one month after the beginning of the new financial year.

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

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

Every **senior manager** should know what exactly constitutes a 100% (fully effective) performance, clearly specifying quantifiable measures. In order to measure performance, it is important that baselines be allocated to KPAs and KPIs in the scorecard. Baselines are previous measurements of achievements against KPAs or KPIs and provide an opportunity to track whether employee performance has improved over time.

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

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

The Municipal Manager and Managers directly accountable to the Municipal Manager, evidence should be confirmed by **internal audit**. In terms of other employees, a set of standards must be compiled, that submitted evidence should comply with.

Such standards may include that evidence:

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

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

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

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

<b>Core competency requirements for Municipal Manager and Managers Directly Accountable to the Municipal Manager</b>
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<b>Core Managerial and Occupational Competencies:</b>	<b>Indicate Choice</b>	<b>Weight</b>
Core Managerial Competencies:		
Strategic Capabilities and Leadership		
Programme and Project Management		
Financial Management	Compulsory	
Change Management		
Knowledge Management		
Service Delivery Innovation		
Problem Solving and Analysis		
People Management and Empowerment	Compulsory	
Client Orientation and Customer Focus	Compulsory	
Communication		
Living the Values of the Municipality		
<b>Core Occupational Competencies:</b>		
Competence in Self -Management		
Interpretation of and implementation within the legislative and national policy frameworks		
Knowledge of developmental local government		
Knowledge of Performance Management and Reporting		
Knowledge of global and South African specific political, social and economic contexts		
Competence in policy conceptualisation, analysis and implementation		
Knowledge of more than one functional municipal field/ discipline		
Skills in mediation		
Skills in Governance		
Competence as required by other national line sector departments		

Exceptional and dynamic creativity to improve the functioning of the municipality		
Total		100%

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

- ✓ Client Orientation and Customer Focus

## 25. People Management and Empowerment Financial Management **PERSONAL DEVELOPMENT PLANS**

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

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

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

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

An example of a Personal Development Plan is provided.

**Table 5: Personal Development Plan**

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

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

## **26. MID-YEAR REVIEW**

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

Any amendments must be reflected on the amended Performance Plan. **Senior Managers** will be assessed during the third and fourth quarter on the amended Plan. Records of the amended scorecards must be signed off.

## **27. PERFORMANCE MONITORING AND ASSESSMENT**

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

## **28. DATA MANAGEMENT AND PORTFOLIO OF EVIDENCE DEVELOPMENT**

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

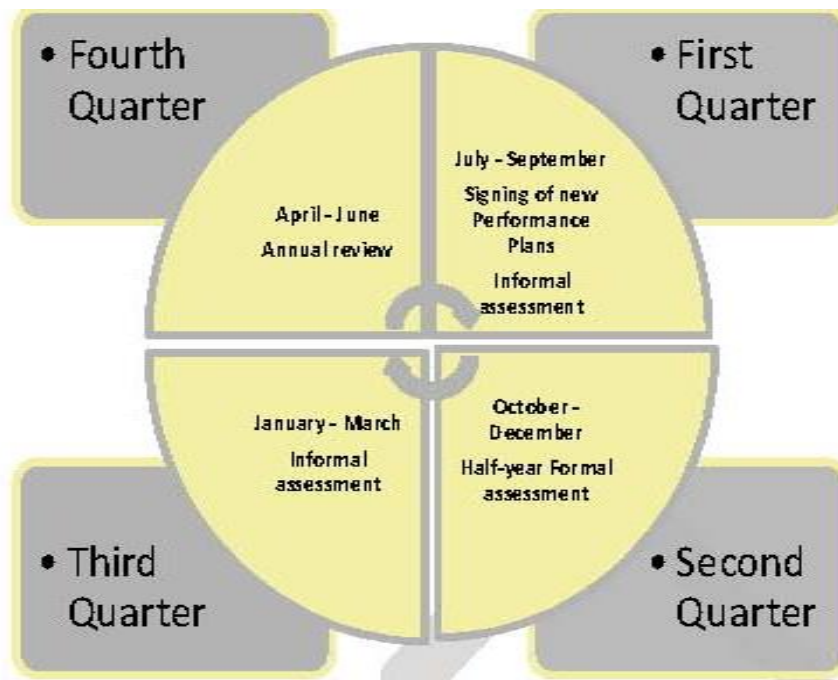
- ✓ Determine the data to be collected for each performance element, the source of the data and whether to collect all the data or just a sample (already clearly defined in the Performance Plan of each employee);
- ✓ Determine when to collect the data (frequency); and
- ✓ Review existing data and create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

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

## **29. SCHEDULE PERFORMANCE ASSESSMENTS**

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

***Figure 2: Performance Schedules***



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

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

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

### **30. PERFORMANCE ASSESSMENTS**

Assessment is the measurement of data through a scoring process to determine if targets were met. Performance is assessed against the achievement or non-achievement of targets. Assessment involves assessing whether targets and standards have been met. Performance



assessment must give a true reflection of the achievement of results as outlined in the Performance Plan.

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

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

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

**Table 6: Rating Indications**

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

For the purposes of assessing the performance of the Municipal Manager and Managers directly accountable to the Municipal Manager an assessment process is to be implemented. An

Assessment/Evaluation Panel consisting of the following people should assess the performance of the Municipal Manager:

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

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

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

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

### **31. REPORTING AND COACHING**

Reports on **individual performance assessments** are to be compiled and submitted to the Municipal Manager, Executive Mayor, **Audit and Performance Audit Committee and Council**.

- **Reporting**

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

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

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

### **32. MANAGE POOR PERFORMANCE**

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

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

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

### **33. EVALUATION AND REWARD**

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

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

**Table 7: Assessment Bonus Sliding Scale**

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

The objectives of an incentive scheme are to:

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

### **34. APPEALS AND DISPUTES**

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

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

- ✓ In the case of the Municipal Manager, the MEC for Local Government in the Province within thirty (30) days of receipt of a formal dispute from the employee, or any other person designated by the MEC.
- ✓ In the case of Managers directly accountable to the Municipal Manager, a member of the Municipal Council, provided that such member was not part of the Assessment/Evaluation panel provided for in sub-regulation 27(4)(e), within thirty (30) days of receipt of a formal dispute from the employee; whose decision shall be final and binding on both parties.

### **35. EXIT/TERMINATION/CANCELLATION CLAUSE**

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

The employment contract may be terminated:

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

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

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

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

### **36. THE PERFORMANCE AUDIT AND REMUNERATION COMMITTEE**

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

The results of the formal year-end review are to be audited to ensure that all evidence is authorized and relevant, and to make recommendations on the improvement of the system. The audit is conducted internally by the Performance Audit and Remuneration Committee.

### **37. PRINCIPLES OF GOOD ASSESSMENT**

The following principles should apply to ensure successful assessment:

- ✓ Create a supportive environment by stating clearly the purpose of the discussion
- ✓ Discuss key areas of responsibility and give examples of specific results – allow the employee first input, based on the self-appraisal
- ✓ Discuss what could have been done better; identify concerns and listen to the employee's explanations

- ✓ Ask the employee for help in resolving problems; focus on future performance and be sure the employee takes responsibility for improvement
- ✓ Make sure that the employee has an understanding of future expectations regarding performance
- ✓ Give positive recognition for performance that reinforces the strategic goals (ultimate outcomes) and objectives (intermediate outcomes) of the Municipality
- ✓ Discuss the employee's interests and potential new responsibilities and roles in achieving new objectives while maintaining on-going responsibilities
- ✓ Conclude on a positive note, emphasizing the benefits of the dialogue

### **38. IMPLEMENTATION AND REVIEW OF POLICY**

This policy shall be implemented on 1<sup>st</sup> July 2025 and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.



**DRAFT                      PETTY                      CASH**  
**PROCEDURE MANUAL**  
**2025/2026**



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## **1 Introduction and background**

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.

## **2 Adoption of Petty cash Policy and Procedure Manual**

The Municipality must formally adopt a petty cash policy which shall be consistent with the Act and its regulations.

The effective date of this policy and procedure manual, or any amendments thereto, shall be the date of its adoption by Council.

## **3 Purpose**

The purpose is to ensure the cost-effective and efficient use of petty cash funds while maintaining the required level of control in the process.

## **4 Scope and Application**

The policy is applicable to all officials and councillors of this municipality. This policy must still be read in conjunction with other relevant policies and petty cash purchases should still adhere to the conditions of these other policies.

## **5 Objectives**

The objectives of the policy are –

- 5.1 to ensure compliance with the relevant legal and statutory requirements relating to petty cash management
- 5.2 It governs the small miscellaneous purchases payments herein called minor expenditure when immediate settlement is required or when this method of payment is more cost-effective.

## **6 General permission and restrictions**

The conditions for the procurement of goods and services by means of petty cash purchases, include the following:

- 6.1 The maximum number of petty cash purchases or the maximum amounts for each Director shall be R10 000 per month (this shall be excluding petty cash needed for project visits);
- 6.2 Petty cash float shall be up to a maximum amount of R50,000 per disbursement; the municipality Bank will issue petty cash cards for each Director and managed by the nominated official.
- 6.3 Goods and services may only be procured by way of petty cash purchases, up to a maximum transaction value of R2 000 (VAT included);
- 6.4 The use of petty cash should be strictly confined to an individual cash purchases of up to the maximum of R2 000;
- 6.5 The expenditure with regard to petty cash shall not be deliberately split into more than one transaction to avoid the said limit;
- 6.6 Authorisation by Manager or Director on the procurement of goods to a maximum of R 2 000 may be made by means of petty cash purchases;
- 6.7 All petty cash purchases should be budgeted for and segment enquiry attached to each transaction;
- 6.8 All petty cash requests shall have a segment enquiry duly signed to indicate the vote number, and the available budget. The segment enquiry to be submitted to ensure availability of funds before any expenditure is incurred;
- 6.9 There must be only one official, or supervisor delegated by the CFO responsible for a petty cash fund at any given time. Only these two persons should be allowed access to the cash in this fund;
- 6.10 All purchase requirements utilizing petty cash shall be approved by the relevant Director on the petty cash expenditure voucher within the petty cash book;
- 6.11 An official to whom a petty cash advance is issued, is personally responsible and any loss or shortage in respect of that advance may be recovered from that individual in any form including deducting the full amount from the individual salary;
- 6.12 A Petty cash advance voucher in the petty cash book will be required before issuing an advance indicating the amount requested and the reason for the purchase, items to be purchased and authorized by the Director or Manager in charge of a certain vote or line item;
- 6.13 A Petty cash expenditure voucher in the petty cash book will be required to finalize the procurement indicating the amount and items purchased, the vote number to be paid from and authorization by the Director or Manager in charge of a certain vote or line item;
- 6.14 All expenditures must be properly filled out in the petty cash expenditure book within the petty cash book. The supporting documents attached shall be original invoices or receipts.

## **7 Petty cash payments prohibited**

- 7.1 Petty cash advances must not be used to provide change, to give salary advances to employees or to cash cheques.
- 7.2 No personal use from these funds is allowed. It shall be deemed as an offense to use Petty Cash for private matters even if the intention is to repay.
- 7.3 Petty cash shall not pay for instalment invoices such as rental or equipment or open orders even if the amount falls within the limit specified.
- 7.4 No payment will be made for lost receipts or invoice.
- 7.5 SBUs are not allowed to have more than **15 (15)** petty cash purchases per month.

*Petty cash shall **NOT** be used for:*

- Refreshments such as Energy drinks (e.g. Red Bull)
- Fuel costs
- Toll gate slips
- Travel or any other allowance claims
- Salaries and Wages

## **8 Petty cash reporting**

- 8.1 Regular reporting mechanisms shall be in place in order to assess the performance of the petty cash and to ensure that the petty cash processes comply with policy objectives, guidelines, applicable laws and regulations.
- 8.2 The report should have all details of the transaction, the vote which was used the date the amount and the description of the purchases.
- 8.3 Monthly reconciliation reports from each Director to the chief financial officer, including –
  - a) The total amount of petty cash purchases for that month; and
  - b) Receipts and appropriate documents for each purchase

## **9 Deviations from the policy**

Any deviations from the policy must be approved in writing by the Accounting Officer.

## **10 Review of policy**

This policy on petty cash will be reviewed as and when amendments are required. Any changes to the petty cash policy must be adopted by Council and be consistent with the Act and any National Treasury regulations.

## **11 Effective date**

The effective date of this policy, or any amendments thereto, shall be the date of its adoption by Council.

## **12 Definitions**

- 12.1 **Act** means the Local Government Municipal Finance Management Act, (Act No.56 of 2003)
- 12.2 **GL** means General ledger
- 12.3 **NT** means National Treasury



**DRAFT**

## **PROPERTY RATES POLICY**

**2025/2026**

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## **1. PREAMBLE**

**WHEREAS** section 229 of the Constitution of the Republic of South Africa empowers municipalities to levy property rates, subject to national legislation;

**AND WHEREAS** section 2 of the Local Government: Municipal Property Rates Act No. 6 of 2004 is the national legislation that empowers a municipality to levy a rate on property in its area;

**AND WHEREAS** in terms of section 3(1) of the Local Government: Municipal Property Rates Act No. 6 of 2004 the council of a municipality must adopt a rates policy consistent with the Act on the levying of rates on rateable property in the municipality;

**AND WHEREAS** section 3(2) of the Local Government: Municipal Property Rates Act No. 6 of 2004 prescribes what issues are to be addressed in the rates policy;

**AND WHEREAS** any exemptions, rebates or reductions provided for in the Rates Policy must, in terms of section 3(5) of the Local Government: Municipal Property Rates Act No. 6 of 2004, comply and be implemented in accordance with a prescribed national framework;

**NOW THEREFORE** the Council of the Polokwane Municipality has adopted the Policy as set out hereunder: -

## **2. DEFINITIONS**



For the purpose of this Policy any word or expression to which a meaning has been assigned in the Act, shall bear that same meaning in this Policy, and unless the context indicates otherwise:

<b>“Act”</b>	means the Local Government: Municipal Property Rates Act, No. 6 of 2004 (Act No. 6 of 2004) as amended;
<b>“Agricultural property”</b>	means a property that is used primarily for agricultural purposes but, without derogating from section 9, excludes any portion thereof that is used commercially for the hospitality of guests, and excludes the use of a property for the purpose of eco-tourism or for the trading in or hunting of game includes the remainder of town. Farm properties and agricultural holdings smaller than 5 hectare may be categorised as residential.
<b>“Annually”</b>	means once every financial year;
<b>“Bona fide farmer”</b>	means a farmer who is carrying on farming operations where his/her actions as well as his/her intentions are genuine intentions to develop land as a farming proposition.
<b>“Business and commercial”</b>	means the activity of trade in goods or services and includes any office or other accommodation on the same erf, the use of which is incidental to such business, with the exclusion of the business of mining, agriculture, farming, or inter alia, any other business consisting of cultivation of soils, the gathering in of crops or the rearing of livestock or consisting of the propagation and harvesting of fish or other aquatic organisms.
<b>“Category”</b>	(a) in relation to property, means a category of properties determined in terms of Section 8 of the Act ; and (b) In relation to owners of properties, means a category of owners determined in terms of Section 15(2) of the Act.
<b>“Child-headed household”</b>	means a household where the main caregiver of the said household is younger than 18 years of age. Child-headed household means a household headed by a child as defined in the section 28(3) of the Constitution.
<b>“Exemption”</b>	in relation to the payment of a rate, means an exemption granted by a Municipality in terms of Section 15 of the Act;
<b>“Illegal use”</b>	means a use that is inconsistent with or in contravention with the permitted use of the property.
<b>“Industrial”</b>	means a branch of trade or manufacturing, production assembling or processing of finished or partially finished products from raw materials or fabricated part, on so large scale that capital and labour are significantly

	involved. This may include grain silos, factories and any office or other accommodation on the same property, the use of which is incidental to the use of such property.
<b>“Indigent”</b>	means an indigent person referred to in the Indigent Support Policy of the Polokwane Municipal Council
<b>“Multiple purposes”</b>	in relation to a property, means the use of a property for more than one purpose, subject to section 9 of the Act.
<b>“Municipal properties”</b>	means those properties of which the municipality is the registered owner.
<b>“Mining”</b>	means any operation or activity for the purpose of extracting any mineral on, in or under the earth, water or any residue deposit, whether by underground or open working or otherwise and includes any operation or activity incidental thereto; as defined in the Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002);
<b>“Owner”</b>	<p>(a) in relation to a property referred to in paragraph (a) of the definition of “<i>property</i>”, means a person in whose name ownership of the property is registered;</p> <p>(b) in relation to a right to in paragraph (b) of the definition of “<i>property</i>”, means a person in whose name the right is registered;</p> <p>(bA) in relation to a time sharing interest contemplated in the Property Time-sharing Control Act, 1983 (Act No. 75 of 1983), means the management association contemplated in the regulations made in terms of section 12 of the Property Time-sharing Control Act, 1983, and published in Government Notice R327 of 24 February 1984;</p> <p>(bB) <i>in relation to a share block company</i>, the share block company as defined in the Share Block Control Act, 1980 (Act No. 59 of 1980);</p> <p>(bC) in relation to buildings, other immovable structures and infrastructure referred to in section 17(1)(f), means the holder of the mining right or the mining permit;</p> <p>(c) in relation to a land tenure right referred to in paragraph (c) of the definition of “<i>property</i>”, means a person in whose name the right is registered or to whom it was granted in terms of legislation; or</p> <p>(d) in relation to public service infrastructure referred to in paragraph (d) of the definition of “<i>property</i>”, means the organ of state which owns or controls that public service infrastructure as envisaged in the definition of “<i>publicly controlled</i>”:</p>

	<p>Provided that a person mentioned below may for the purposes of this Act be regarded by a municipality as the owner of a property in the following cases:</p> <ul style="list-style-type: none"> <li>(i) a trustee, in the case of a property in a trust excluding state trust land;</li> <li>(ii) an executor or administrator, in the case of a property in a deceased estate;</li> <li>(iii) a trustee or liquidator, in the case of a property in an insolvent estate or in liquidation;</li> <li>(iv) a judicial manager, in the case of a property in the estate of a person under judicial management;</li> <li>(v) a curator, in the case of a property in the estate of a person under curatorship;</li> <li>(vi) a person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude;</li> <li>(vii) a lessee, in the case of a property that is registered in the name of a municipality and is leased by it;</li> <li>(viiA) a lessee, in the case of property to which a land tenure right applies and which is leased by the holder of such right; or</li> <li>(viii) a buyer, in the case of a property that was sold by a municipality and of which possession was given to the buyer pending registration of ownership in the name of the buyer;</li> </ul>
<b>“Permitted Use”</b>	<p>Means the limited purposes for which the property may be used in terms of:</p> <ul style="list-style-type: none"> <li>(a) any restrictions imposed by - <ul style="list-style-type: none"> <li>I. A condition of title.</li> <li>II. A provision of the Polokwane applicable Town Planning or land use scheme as amended from time to time.</li> <li>III. Any legislation applicable to any specific property or properties.</li> </ul> </li> <li>(b) any alleviation of any such restrictions;</li> </ul>
<b>“person”</b>	includes an organ of state;
<b>“Pensioner”</b>	refers to a person who is at least 60 years of age and is in receipt of a total monthly income from all sources (including the income of the spouse of the owner) not exceeding an amount to be determined by the Council;

<b>“Primary Property”</b>	means the primary residential property where a person has his or her permanent principal home to which he or she returns or intends to return.
<b>“Property”</b>	means: <ul style="list-style-type: none"> <li>(a) immovable property registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person;</li> <li>(b) a right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property;</li> <li>(c) a land tenure right registered in the name of a person or granted to a person in terms of legislation; or</li> <li>(d) public service infrastructure</li> </ul>
<b>“Public benefit organisation”</b>	means property owned by public benefit organisations and used for any specific public benefit activity listed in item 1 (welfare and humanitarian), item 2 (health care), and item 3 (education and development) of part 1 of the Income Tax Act
<b>“Private open space”</b>	means land that is owned and used for practising of sport, play- or leisure facilities or used as a botanical garden, private park, cemetery or nature area or roads.
<b>“Publicly controlled”</b>	means owned by or otherwise under the control of an organ of state, including: <ul style="list-style-type: none"> <li>(a) a public entity listed in the Public Finance Management Act 1999 (Act No 1 of 1999);</li> <li>(b) a municipality; or</li> <li>(c) a municipal entity as defined in the Municipal Systems Act 32 of 2000</li> </ul>
<b>“Public service infrastructure”</b>	means publicly controlled infrastructure of the following kinds: <ul style="list-style-type: none"> <li>(a) national, provincial or other public roads on which goods, services or labour move across a municipal boundary;</li> <li>(b) water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer scheme serving the public;</li> <li>(c) power stations, power substations or power lines forming part of an electricity scheme serving the public;</li> <li>(d) gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels;</li> <li>(e) railway lines forming part of a national railway system;</li> </ul>

	<p>(f) communication towers, masts, exchanges or lines forming part of a communications system serving the public;</p> <p>(g) runways aprons and the air traffic control unit at national or provincial airports; including the vacant land know as the obstacle free zone surrounding these, which must be vacant for the air navigation purposes;</p> <p>(h) breakwaters, sea wall, channels, basins, quay walls, jetties, roads, railway or infrastructure used for the provision of water, lights, power, sewerage or similar services of ports, or navigational aids comprising of lighthouses, radio navigational aids, buoys, beacons or any other device or system used to assist the safe and efficient navigation of vessels;</p> <p>(i) any other public controlled infrastructure as may be prescribed; or</p> <p>(j) a right registered against immovable property in connection with infrastructure mentioned in paragraphs (a) to (i);</p>
<b>“public service purposes”,</b>	<p>in relation to the use of a property, means property owned and used by an organ of state as-</p> <p>(a) Hospitals and clinics;</p> <p>(b) schools, pre-schools, early childhood development centres or further education and training colleges;</p> <p>(c) national and provincial libraries and archives;</p> <p>(d) police stations;</p> <p>(e) correctional facilities; or</p> <p>(f) courts of law,</p> <p>but excludes property contemplated in the definition of "public service infrastructure";</p>
<b>“Place of Worship”</b>	<p>means property used primarily for the purposes of congregation, excluding a structure that is primarily used for educational instruction in which secular or religious education is the primary instructive medium: Provided that the property is: -</p> <p>(a) registered in the name of a religious community;</p> <p>(b) registered in the name of a trust established for the sole benefit of a religious community; or</p> <p>(c) subject to land tenure right</p>
<b>“Rate”</b>	<p>means a municipal rate on property envisaged in Section 229(1)(a) of the Constitution;</p>
<b>“Rateable property”</b>	<p>means property on which a municipality may in terms of Section 2 of the Act levy a rate, excluding property fully excluded from the levying of rates in terms of Section 17 of the Act;</p>
<b>“Ratio”</b>	<p>in relation to section 19 of the Act, means the relationship between the cent amount in the rand applicable to residential properties and different categories of non-residential properties: Provided that the two relevant</p>

	cent amounts in the Rand are inclusive of any relief measures that amount to rebates of general application to all properties within a property category;
<b><i>“Rebate”</i></b>	in relation to a rate payable on a property, means a discount granted in terms of Section 15 of the Act on the amount of the rate payable on the property;
<b><i>“Reduction”</i></b>	in relation to a rate payable on a property, means the lowering in terms of Section 15 of the Act of the amount for which the property was valued and the rating of the property at that lower amount;
<b><i>“Residential property”</i></b>	means a property included in a valuation roll in terms of section 48(2)(b) as residential in respect of which the primary use or permitted use is for residential purposes without derogating from section 9 of the Act;
<b><i>“Organ of State”</i></b>	means an organ of state as defined in section 239 of the Constitution.

### 3. BACKGROUND

#### 3.1 INTRODUCTION

The Local Government Municipal Property Rates Act (Act no 6 of 2004) as amended from time to time requires a municipality to develop and adopt a rates policy consistent with the Act on the levying of rates on rateable property in the Municipality.

Property rates are the most reliable source of revenue for the Municipality. Services financed from rates include installation and maintenance of streets, roads, sidewalks, lighting, and storm water drainage facilities, building and operating clinics, parks, recreational facilities and cemeteries. Property rates revenue is also used to fund municipal administration such as computer equipment, stationery, and costs of Governance, such as Council and community meetings, which facilitate community participation on issues of Integrated Development Plans (IDPs) and municipal budgets.

The Council has resolved, in compliance with the provision of the Act, to impose a rate and as a consequence, this rates policy has been developed within the parameters of the applicable legislation relating to property rates.

### **3.2 GUIDING PRINCIPLES**

The following principles will ensure that the Municipality treats persons liable for rates equitably in terms of the Act:

- (a) Ratepayers with similar properties will pay similar levels of rates
- (b) The ability of ratepayers to pay their rates will be taken into account by the Council in dealing with the indigent's ratepayers. The municipality will provide relief measures through exemptions, reduction and rebates.
- (c) The determination of the tariffs and the levying of rates must allow the Council to promote local, social and economic development.

### **3.3 STRATEGIC FOCUS**

In determining the rates, exemptions, rebates and reductions, the Council may consider the following:

- (a) the impact of rates on the community,
- (b) the impact of rates on business
- (c) the Integrated Development Plan (IDP) of Council

- (d) the impact of rates on the Local Economic Development (LED) strategy of the Council
- (e) when determining the rates on properties the following aspects must be taken into account namely:
  - (i) the effects of rates on the poor, including appropriate measures in order to alleviate the rates burden on them; and
  - (ii) the effect of reaching the objectives set out in paragraph 2.4 of this policy.
- (f) in developing or amending this policy, the Council commits itself to a process of community participation as envisaged in section 4 of the Act and chapter 4 of the Municipal Systems Act, 2000 (Act No 32 of 2000) (MSA). In addition to the requirements laid down in the MSA, the Council will engage interested parties and structures, such as ratepayer organisations, directly in the process of community participation. In addition, use will be made of established community consultation structures, such as Ward committees, to ensure thorough participation with regard to the afore-mentioned process.

### **3.4 OBJECTIVES OF THE POLICY**

The key objectives of the policy are to:

- (a) ensure that all owners of rateable properties are informed about their liability to pay assessment rates;
- (b) specify relief measures for ratepayers who may qualify for relief or partial relief in respect of the payment of rates through exemptions, reductions and rebates contemplated in section 8 of this policy and section 15 of the Act;
- (c) set out the criteria to be applied by the Council if it increases rates and levies differential rates on different categories of property;
- (d) provide for categories of public benefit organisations, approved in terms of Section 30(1) of the Income Tax Act, 1962 (Act no 58 of 1962) as amended, which ratepayers are eligible for exemptions, reductions and rebates and therefore may apply to the Council for relief from rates;
- (e) recognise the state, organs of state and owners of public service infrastructure as property owners;
- (f) encourage the development of property;
- (g) Ensure that all persons liable for rates are treated equitably as required by the Act.
- (h) determine the level of increases in rates

## **4. ANNUAL OPERATING BUDGET AND POLICY REVIEW**



The Council must annually consider the levying of rates and determine the rate in the rand during the budget process when it is tabled in the council in terms of section 16 of the Municipal Finance Management Act and if necessary, amend its rates policy. Any amendments to the rates policy must take into account public comments and inputs.

In determining the level of increases in the rates, the criteria to be applied include the following:

- (a) The inflation rate as indicated by the consumer price index;
- (b) Take into consideration the medium term budget growth factors as determined by National Treasury guidelines.

## **5. LEVYING OF RATES**

Rate to be levied on all rateable properties in line with this Policy

### **5.1 RATE TO BE LEVIED ON ALL RATEABLE PROPERTIES**

Properties owned by the City of Polokwane will not be levied rates in terms of Section 7(2)(a)(1) of the Act; except for the where:

- Where Council owned property is leased to a third party and the lease agreement provides for the levying of property rates; or
- Where Council owned land is sold to a third and the deed of sale provides for the levying of property rates.

### **5.2 PERIOD FOR WHICH RATES MAY BE LEVIED**

In terms of Section 12 of the Act,

- (a) When levying rates, a municipality must levy the rate for a financial year and the rate lapses at the end of the financial year for which it was levied.
- (b) The rates levied for a financial year may not be increased during the financial year only as provided for in Section 28(6) of the Municipal Finance Management Act.

### **5.3 THE EFFECTIVE DATE OF THE RATES POLICY:**

This rates policy takes effect from 1 July 2024 and subject to review on an annual basis.

## **6. DIFFERENT CATEGORIES OF PROPERTIES**

**6.1** Subject to section 19 of the Act, in terms of the criteria set out in this rates policy, levy different rates for different categories of rateable property, as determined in section 8 subsection (2) and (3) of the MPRA, the categories were determined according to the following criteria: -

- 5.1.1 actual use of the property;
- 5.1.2 permitted use of the property;
- 5.1.3 a combination of 5.1.1 and 5.1.2

In order to create certainty and to ensure consistency, the criteria listed above shall be applied in the following manner:

- Polokwane municipality considered the actual use on the compilation of the valuation roll.
- if, for whatever reason, the actual use of a property cannot be determined in terms of subparagraph (5.1.1), the permitted use thereof shall then be determined in order to appropriately categorise such property.
- Properties used for multiple purposes shall be categorised and rated in a manner provided in section 9 (2) of the Act and the combination of actual and permitted use will be considered.

**6.2** The Council has determined the following categories of property in line with section 8(2) of the Act for purposes of rating:

- (1) residential properties
- (2) industrial properties
- (3) business and commercial properties
- (4) agricultural properties;
- (5) properties owned by an organ of state and used for public service purposes;
- (6) municipal properties
- (7) public service infrastructure;
- (8) mining
- (9) private open space
- (10) multiple purposes;
- (11) places of worship
- (12) properties owned by public benefit organizations and used for specified public benefits activities
- (13) non-permitted use

**6.3** The Council has determined the following ratios relevant to each category to the rate on residential properties:

Rating Category	Ratio
Residential Property	1
Industrial Properties	2

Business and Commercial	2
Agricultural Properties	0.25
Properties owned by organ of state and used for public service purposes	2
Municipal Properties	0
Public Service Infrastructure	0.25
Mining	2
Private open space	1
Properties owned by public benefit organisations and used for specified public benefits activities.	0.25
Places of worship	0
Non-permitted use/ Illegal land use/	8

## **7. CATEGORIES OF OWNERS OF PROPERTY AND CATEGORIES OF PROPERTIES FOR PURPOSES OF EXEMPTIONS, REDUCTIONS AND REBATES.**

The Council has determined the following categories of owners of property or categories of properties in terms of section 15 of the Act.

- (a) Residential
- (b) Indigent Owners and Child Headed Households
- (c) Pensioners
- (d) Owners of Business or Industrial Property with high market values

### **7.1 RESIDENTIAL**

In addition to the impermissible rate on the first R15 000 of the market value of residential in terms of section 17(1)(h) of the Act a further reduction may be granted by Council during the annual budget as per Tariff Schedule.

## 7.2 INDIGENT OWNERS AND CHILD HEADED HOUSEHOLDS

The Council has adopted an Indigent Support Policy that provides for the alleviation of the rates burden on the low-income sectors of the community within the Municipality. Indigent owners and child headed households are exempted from payment of rates.

## 7.3 PENSIONERS

The aim of this rebate is to alleviate the burden on pensioners who have fixed income and limited resources. Pensioners may receive a reduction and a rebate of an amount as determined by Council during the annual budget.

Subject to the criteria set out in below:

Pensioners may be granted a rebate on their primary property, **effective** from the date they qualify, **within the applicable financial year**.

The applicant must meet the following criteria:

- (a) he or she must produce a valid South African bar coded identity document;
- (b) where couples are married in community of property and the property is registered in both their names, the age of the eldest will be the qualifying factor;
- (c) not be in receipt of an indigent assessment rate rebate;
- (d) A rebate will only be granted in respect of a property on which only one dwelling is erected and such dwelling be occupied by the applicant and his/her dependants.
- (e) **The total combined household income from all sources must not exceed the amount specified in the tariff structure.**

## 7.4 OWNERS OF BUSINESS OR INDUSTRIAL PROPERTY WITH HIGH MARKET VALUES

Properties used for business or industrial purposes whose improved market value is R50 000 000 and above may receive rebates as approved by Council from time to time currently as follows.

Market Value R 50 000 000 – R 99 999 999	2% rebate
Market Value R 100 000 000 – R 499 999 999	5% rebate
Market Value R 500 000 000 and above	10% rebate

### REQUIREMENTS FOR EXEMPTIONS, REDUCTIONS AND REBATES

General requirements:

An application for rebates, exemptions and reductions on the prescribed application form should reach the office of the Chief Financial Officer during the financial year, or when invitation is done

by the municipality for registration or renewal. A once-off application must be submitted with the implementation of every new valuation roll. The applicant applies only once for the reduction and it remains valid for the duration of the valuation roll. The municipality may at its own discretion request the applicants to renew applications.

Confirm the aforementioned details by means of a sworn affidavit.

Rebates granted in error or due to false or incorrect information supplied by the applicant, will be reversed immediately from the date of inception of the rebate.

Should any incorrect information be furnished in the application form property rates will be levied at the normal tariff.

Exemptions may be subject to the following conditions:

- (a) Application must be made in writing in the prescribed format and will be valid for duration of validity period of valuation roll;
- (b) Applicants must produce a tax exemption certificate issued by the South African Revenue Services (SARS) as contemplated in Part 1 of the Ninth Schedule of the Income Tax Act, 1962 (Act 58 of 1962);
- (c) The Municipal Manager or his/her nominee must approve all applications;
- (d) The Council retains the right to refuse exemptions if the details supplied in the application form are incomplete, incorrect or false;
- (e) If during the currency of any financial year, any such land or building is used for any purpose other than the purpose so exempted, the Council shall impose rates thereon or on such portion so used, at a rate proportionate to the period of such use.

The rebate will lapse:

- (a) On alienation of the property; or
- (b) If any such land or building is used for any purpose other than the purpose so exempted;  
On expiry of validity period of valuation roll

## **8. SPECIAL RATING AREAS**

8.1 The Council may by resolution establish special rating areas and levy an additional rate on property in that area for the purpose of raising funds for improving or upgrading that area.

8.2 Any exclusion, exemption, reduction or rebate granted in terms of this policy does not affect the additional rate payable by the owner in a Special Rating Area.

## **9. LIABILITY FOR RATES:**

### **9.1 PROPERTY RATES PAYABLE BY OWNERS**

- (a) Rates levied on a property must be paid for by the owner of the property.
- (b) Joint owners are jointly and severally liable for payment of rates on the property.
- (c) The municipality will deliver monthly accounts to the latest address on the municipality's record, however Rates payers remains liable for the payment of the rates whether or not an account has been received and if the account was not received the onus shall be on the rate payer concerned should make necessary enquiries with the municipality.
- (d) Rates raised as a charge based on administrative error can be corrected to a maximum of five years, limited to two years of the previous valuation roll.

### **9.2 SECTION 78 APPLICATIONS**

An application fee is **required** to review the **property valuation** in terms of section 78 of the Act.

### **9.3 METHOD AND TIME OF PAYMENT:**

Council shall recover an annual levy payable:

- (a) On a monthly basis in twelve (12) equal instalments on or before the due date as determined by council; or
- (b) Single or one (1) annual amount, as may be agreed to with the owner of the property on or before the due date as determined by council
- (c) From the owner as a whole on the billing date (No prorata in the case of transfer of property and the registration date).
- (d) Interest on arrear rates shall be charged at the rate determined by council from time to time.

### **9.4 PAYMENT AND RECOVERY OF RATES:**

Payment and recovery of rates shall be in accordance with Council's Credit Control and Debt Collection policy, section 28 and 29 of the Act and relevant By-laws.

### **9.5 FREQUENCY OF VALUATIONS**

The Municipality will every five years prepare a new valuation roll by means of a general valuation of all rateable property within the Municipality.

At least one supplementary valuation roll will be prepared during a financial year as required by the Act.

## **10. SHORT TITLE**

This policy shall be called the Property Rates Policy of the Polokwane Municipality for the financial year 2025/2026.

## **11. DATE OF IMPLEMENTATION**

This policy shall be implemented on 1<sup>st</sup> July 2025 and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.



**DRAFT**

**SUPPLY CHAIN**

**MANAGEMENT POLICY**

**2025/2026**



## **PART A**

### **This Policy consists of Three parts:**

**Part A** is the **Supply Chain Management Policy**, adopted in terms of section 111 of the Local Government: Municipal Finance Management Act, No. 56 of 2003 and the Municipal Supply Chain Management Regulations, Notice 868 of 30 May 2005.

**Part B** is the **Preferential Procurement Policy**, adopted in terms of section 2 of the Preferential Procurement Policy Framework Act, No. 5 of 2000 and the Preferential Procurement Regulations, 2022.

And

**Part C** is the **Model Policy for Infrastructure Management**, adopted in terms of section 168 of the Municipal Finance Management Act, No. 56 of 2003 in support of Regulation 3(2) of the MFMA Supply Chain Management Regulations.

**POLOKWANE MUNICIPALITY**  
**SUPPLY CHAIN MANAGEMENT POLICY – PART A**

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**PART A**

**MUNICIPAL SUPPLY CHAIN MANAGEMENT POLICY**  
**LOCAL GOVERNMENT: MUNICIPAL FINANCE MANAGEMENT ACT, 2003**

The Council of the Polokwane Municipality resolved on ..... in terms of section 111 of the Local Government: Municipal Finance Management Act (no. 56 of 2003) to adopt the following as the Supply Chain Management Policy of the municipality:

**POLOKWANE MUNICIPALITY**  
**SUPPLY CHAIN MANAGEMENT POLICY – PART A**

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**SUPPLY CHAIN MANAGEMENT POLICY – PART A**

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**POLOKWANE MUNICIPALITY**  
**SUPPLY CHAIN MANAGEMENT POLICY – PART A**

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## 1. Definitions

In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) has the same meaning as in the Act, and –

<b><i>Accounting Officer</i></b>	means a person appointed by the Municipality in terms of Section 82 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) and who is the head of administration and also the Municipal Manager for the Municipality.
<b><i>Act” or “MFMA</i></b>	means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);
<b><i>Days</i></b>	means any day of the week except Saturday, Sunday and public holidays as determined in the Public Holidays Act, 1994 (Act No. 36 of 1994)
<b><i>CFO</i></b>	means Chief Financial Officer of the Municipality.
<b><i>CIDB</i></b>	means Construction Industry Development Board.
<b><i>Close Family Member</i></b>	means (a) Spouse or partner (b) Parent (c) Children
<b><i>Closing Date</i></b>	means the time and day specified in the bid documents and/or advertisement for the receipt of bids.
<b><i>Competitive Bidding Process</i></b>	means a competitive bidding process referred to in clause 12 (1) (f) of this Policy.
<b><i>Competitive Bid</i></b>	means A bid in terms of a competitive bidding process.
<b><i>Contract</i></b>	means the agreement that results from the acceptance of a bid by the Municipality.
<b><i>Disability</i></b>	means a permanent impairment of a physical, intellectual, or sensory function, which results in restricted or lack of ability to perform an activity in a normal manner.
<b><i>Delegation</i></b>	means in relation to a duty, includes an instruction or a request to perform or assist in performing the duty.
<b><i>Emergency</i></b>	means an unforeseeable and sudden event with harmful or potentially harmful consequences for the municipality which requires urgent action.

<b>Emerging Enterprise</b>	means an enterprise owned, managed, and controlled by previously disadvantaged persons overcoming business impediments arising from apartheid.
<b>Final Award</b>	means the final decision on which bid or quote to accept.
<b>Financial Interest</b>	means where a municipal staff member is a close family member of a person who is the owner, partner, shareholder, member, manager, or board director of a tendering enterprise.
<b>Formal Written Price Quotation</b>	means quotations referred to in clause 12 (1) (d) & (e) of this Policy.
<b>Highest Acceptable Tender</b>	means a tender submission that meets all requirements and evaluation criteria while offering the highest price in a procurement process.
<b>Historically Disadvantaged Individual (HDI)</b>	means a South African Citizen who was disadvantaged by apartheid policies, including those who had no voting rights before 1983 or 1993, females, and people with disabilities. Those who obtained citizenship after the Interim Constitution do not qualify.
<b>IDP</b>	means Integrated Development Plan.
<b>In the Service of the State</b>	<p>means to be –</p> <ul style="list-style-type: none"> <li>a) a member of – <ul style="list-style-type: none"> <li>i) any municipal council;</li> <li>ii) any provincial legislature; or</li> <li>iii) the National Assembly or the National Council of Provinces;</li> </ul> </li> <li>b) a member of the board of directors of any municipal entity;</li> <li>c) an official of any municipality or municipal entity;</li> <li>d) an official of any national or provincial department, national or provincial public entity or institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999);</li> <li>e) a member of the accounting authority of any national or provincial public entity; or</li> <li>f) an employee of Parliament or a provincial legislature;</li> </ul>
<b>Long-Term Contract</b>	means a contract with a duration exceeding three years.
<b>Lowest Acceptable Tender</b>	means a tender that complies with all specifications and conditions and has the lowest price compared to other tenders.
<b>List of Accredited Prospective Providers</b>	means the list of accredited prospective providers which the Polokwane Municipality must keep in terms of clause 14 of this policy.

***Micro-Enterprise***

means a very small business, often involving only the owner, some family members and at the most one or two paid employees. They usually lack `formality` in terms of business licenses, value-added tax (VAT) registration, formal business premises, operating permits, and accounting procedures. Most of them have a limited capital base and only rudimentary technical or business skills among their operators. However, many micro-enterprises advance into viable small businesses. Earning levels of microenterprises differ widely, depending on the sector, the growth phase of the business and access to relevant support.

***Municipality***

means the Polokwane Municipality.

***Notice Boards***

means the official notice boards at the municipal offices and libraries.

means any other legislation applicable to municipal supply chain management, including –

- a) the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);
- b) the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003);
- c) the Construction Industry Development Board Act, 2000 (Act No.38 of 2000);
- d) the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);

***Other Applicable Legislation***

- e) the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000);
- f) the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998);
- g) the Prevention and Combating of Corrupt Activities Act, 2000 (Act No. 12 of 2004);
- h) the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003): Municipal Supply Chain Management Regulations;
- i) the Preferential Procurement Regulations, 2022.

***Policy***

means the Supply Chain Management Policy of the Polokwane Municipality.

***Quotation***

means a stated price that a supplier expects to receive for the provision of specified services, works, or goods.



<b><i>Regulations</i></b>	means the Local Government: Municipal Finance Management Act, 2003, Municipal Supply Chain Management Regulations published by Government Notice 868 of 30 May 2005.
<b><i>SDBIP</i></b>	means Service Delivery and Budget Implementation Plan.
<b><i>Single Provider</i></b>	means a sole supplier, meaning the only provider of certain goods or services in South Africa, with no competition.
<b><i>“Policy”</i></b>	means the Supply Chain Management Policy of the Polokwane Municipality;
<b><i>“quotation”</i></b>	means a stated price that a supplier expects to receive For the provision of specified services, works or goods;
<b><i>“Regulations”</i></b>	means the Local Government: Municipal Finance Management Act, 2003, Municipal Supply Chain management Regulations published by Government Notice 868 of 30 May 2005;
<b><i>“SDBIP”</i></b>	means Service Delivery and Budget Implementation Plan;
<b><i>“single provider”</i></b>	Sole supplier- One and Only (Alone of its kind) Supplier (Oxford Dictionary). If such goods or services are produced or available from a single provider only. There is no competition and only one provider exists in South Africa (for example, sole distribution rights);
<b><i>Specific goals</i></b>	Means specific goals as contemplated in section 2(1)(d) of the Act which may include contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination based on race, gender and disability including the implementation of programmes of the Reconstruction and Development Programme as published in Government Gazette No. 16085 dated 23 November 1994
<b><i>Tender for income-generating contracts</i></b>	Means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions

<b><i>practitioners</i></b>	Include the Chief Financial Officer, Deputy Chief Financial Officer, the Supply Chain Manager, and SCM Officials.
<b><i>“survivalist enterprise”</i></b>	means a business set up by people unable to find a paid job or get into an economic sector of their choice. Income generated from these activities usually falls far short of even a minimum income standard, with little capital invested, virtually no skills training in the particular field and only limited opportunities for growth into a viable business. This category is characterized by poverty and the attempt to survive.
<b><i>“tender”</i></b>	means a ‘bid’ or a ‘quotation’ about a “Tender Box”;
<b><i>“tender box”</i></b>	means the specified tender box at the offices of Polokwane Municipality.
<b><i>“Treasury guidelines”</i></b>	means any guidelines on supply chain management Issued by the Minister in terms of section 168 of the Act, including – <ul style="list-style-type: none"> <li>a) National Treasury, MFMA Circular No. 34, Municipal Finance Management Act No. 56 of 2003, Reporting of awards above R 100 000</li> <li>b) National Treasury, MFMA Circular No. 46, Municipal Finance Management Act No. 56 of 2003, Checking the prohibition status of recommended bidders.</li> <li>c) National Treasury, MFMA Circular No. 50, Municipal Finance Management Act No. 56 of 2003, Preparation of the municipal audit file (Stores &amp; Consumables)</li> <li>d) National Treasury, MFMA Circular No. 52, Municipal Finance Management Act No. 56 of 2003, Prohibition of restricted practices</li> <li>e) National Treasury, MFMA Circular No. 53, Municipal Finance Management Act No. 56 of 2003, Amended guidelines in respect of bids that include functionality as a criterion for evaluation</li> <li>f) National Treasury, MFMA Circular No. 56, Municipal Finance Management Act No. 56 of 2003, Database of restricted suppliers and training on the revised Preferential Procurement Regulations, 2011</li> </ul>
<b><i>“validity period”</i></b>	means the period for which a bid is to remain valid and binding as stipulated in the relevant tender document.
<b><i>“written quotations”</i></b>	means quotations referred to in clause 12(1)(c) of this Policy.

- 1.1. Words importing the singular shall include the plural and *vice versa* and words importing the masculine gender shall include females and words importing persons shall include companies, closed corporations, and firms, unless the context indicates otherwise.
- 1.2. All amounts / limits stated in this document shall be deemed to be inclusive of Value Added Tax (VAT).

## CHAPTER 1: IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY

### 2. Supply Chain Management Policy

- 1) All officials and other role players in the Supply Chain management system of the **Polokwane Municipality** must implement this Policy in a way that –
  - a) gives effect to –
    - i) section 217 of the Constitution; and
    - ii) Part 1 of Chapter 11 and other applicable provisions of the Act;
    - iii) Regulations pertaining to Supply Chain Management.
  - b) gives effect to the principles contained in **Annexure A**.
  - c) complies with –
    - i) the Regulations; and
    - ii) any minimum norms and standards that may be prescribed in terms of section 168 of the Act;
  - d) is consistent with other applicable legislation;
  - e) does not undermine the objective for uniformity in Supply Chain Management Systems between organs of state in all spheres; and
  - f) is consistent with national economic policy concerning the promotion of investments and doing business with the public sector;
  - g) applies the highest ethical standards; and
  - h) promotes local economic development.
- 2) This Policy applies when the Municipality –
  - a) procures goods or services;
  - b) disposes of goods no longer needed;
  - c) selects contractors to provide assistance in the provision of municipal services including circumstances where Chapter 8 of the Municipal Systems Act applies.
- 3) This Policy, except where provided otherwise, does not apply in respect of:
  - a) the procurement of goods and services contemplated in section 110(2) of the Act, including –
    - i) water from the Department of Water Affairs or a public entity, another municipality or a municipal entity; and
    - ii) electricity from Eskom or another public entity, another municipality or a municipal entity.
  - b) the unskilled labour component of the Municipality's LLPP (Local Labour Promotion Projects);
  - c) the acquisition of services of attorneys and advocates subject that the acquisition of such services to be dealt with in terms of Delegations 4.2.52, 5.1.1.35.1 and

- 5.1.1.35.3 of the Municipality's Delegation of Powers and Duties, as amended from time to time and any Bargaining Council Agreements on Disciplinary Procedures;
- d) the payment of accommodation and air travel for official purposes subject that same be dealt with in terms of the Municipality's Travelling and Subsistence allowance/cost Policy, as amended from time to time, as well as Delegations 4.1.1, 5.1.1.1 and 5.1.1.17 of the Municipality's Delegation of Powers and Duties, as amended from time to time;
  - e) any contract relating to the publication of notices and advertisements by the municipality.

### **3. Adoption, Amendment and Implementation of the Supply Chain Management Policy**

- 1) The accounting officer must –
  - a) at least annually review the implementation of this **Policy**; and
  - b) when the accounting officer considers it necessary, submit proposals for the amendment of this Policy to Council.
- 2) If the accounting officer submits proposed amendments to Council that differs from the model policy issued by the National Treasury, the accounting officer must –
  - a) ensure that such proposed amendments comply with the Regulations; and
  - b) report any deviation from the model policy to the National Treasury and the provincial treasury.
- 3) When amending this supply chain management policy the need for uniformity in supply chain practices, procedures and forms between organs of state in all spheres, particularly to promote accessibility of supply chain management systems for small businesses must be taken into account.
- 4) The accounting officer must in terms of section 62(1)(f)(iv) of the Act, take all reasonable steps to ensure that the municipality implements the supply chain management policy.

### **4. Delegation of supply chain management powers and duties**

- 1) Council hereby delegates all powers and duties to the accounting officer which are necessary to enable the accounting officer –
  - a) to discharge the supply chain management responsibilities conferred on accounting officers in terms of –
    - i) Chapter 8 or 10 of the Act; and
    - ii) this Policy;
  - b) to maximize administrative and operational efficiency in the implementation of this Policy;

- c) to enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this Policy; and
  - d) to comply with his or her responsibilities in terms of section 115 and other applicable provisions of the Act.
- 2) Section 79 of the Act applies to the sub delegation of powers and duties delegated to the accounting officer in terms of sub-clause (1).
  - 3) The accounting officer may not sub-delegate any supply chain management powers or duties to a person who is not an official of the Municipality or to a committee which is not exclusively composed of officials of the Municipality.
  - 4) This clause may not be read as permitting an official to whom the power to make final awards has been delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in clause 26 of this Policy.

## 5. Sub-delegations

- 1) The accounting officer may in terms of section 79 of the Act sub-delegate any supply chain management powers and duties, including those delegated to the accounting officer in terms of this Policy., but any such sub-delegation must be consistent with sub-clause (2) of this clause and clause 4 of this Policy.
- 2) The power to make a final award –
  - a) above R300 000 (VAT included) may **not be sub-delegated** by the **accounting officer**;
  - b) above R30 000 (VAT included), but not exceeding **R300 000 (VAT included)**, must be sub-delegated to the deputy chief financial officer ;  
Delegations include the authority to approve the following:-
    1. Bid Specification Reports and Adverts
    2. Appointment Letters
  - c) Above R30 000 but not exceeding R300 000 must be sub-delegated to **the Deputy Chief Financial Officer** as per Council's delegations, pertaining to the procurement of goods and services.  
Delegations include the authority to approve the following:-
    1. Bid Specification Reports and Adverts
    2. Appointment Letters
  - d) Above R2 000 but not exceeding R30 000 must be sub-delegated to **the Head of Supply chain Management (Manager SCM)** as per financial delegations pertaining to the procurement of goods and services.
  - e) Procurement not exceeding R2 000 must be sub-delegated to **the Manager Expenditure** as per financial delegations through petty cash.

- f) Price negotiations must be delegated to the CFO as a chairperson of Bid adjudication committee.
- 4) An official or bid adjudication committee to which the power to make final awards has been sub-delegated in accordance with sub-clause (2) must **within ten (10)** day of the end of each month submit to the official referred to in sub-clause 4(a) written report containing particulars of each final award made by such official or committee during that month, including–
    - a) the amount of the award;
    - b) the name of the person to whom the award was made; and
    - c) the reason why the award was made to that person.
  - 5) A written report referred to in sub-clause (3) must be submitted to the accounting officer, in the case of an award by a bid adjudication committee of which the chief financial officer or a senior manager is a member.
  - 6) Sub-clauses (3) and (4) of this policy do not apply to procurement out of petty cash.
  - 7) This clause may not be interpreted as permitting an official to whom the power to make final awards has been sub-delegated, to make a final award in a competitive bidding process otherwise than through the committee system provided for in clause 26 of this Policy. Also refer to clause 4(4) and 5(2)(a) of this Policy.

## **6. Oversight role of council**

- 1) Council must maintain oversight over the implementation of this Policy.
- 2) For the purposes of such oversight the Accounting Officer must –
  - a) within 30 days of the end of each financial year, submit a report on the implementation of this Policy and the supply chain management policy of any municipal entity under the sole or shared control of the municipality, to the council of the municipality; and
  - b) Whenever there are serious and material problems in the implementation of this Policy, immediately submit a report to Council.
- 3) The accounting officer must, within ten (10) days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the mayor of the municipality.
- 4) The availability of these reports must be made public in accordance with section 21A of the Local Government Municipal Systems Act 32, 2002

## **7. Supply Chain Management Unit**

- 1) A supply chain management unit is hereby established to implement this Policy.
- 2) The supply chain management unit operates under the direct supervision of the chief financial officer or an official to whom this duty has been delegated in terms of section 82 of the Act.

#### **8. Training of supply chain management officials**

The training of officials involved in implementing this Policy should be in accordance with relevant legislation, including Treasury guidelines on supply chain management.

## **CHAPTER 2: SUPPLY CHAIN MANAGEMENT SYSTEM**

#### **9. Format of supply chain management system**

- 1) This Policy provides systems for –
  - a) demand management;
  - b) acquisition management;
  - c) logistics management;
  - d) disposal management;
  - e) risk management; and
  - f) performance management.

### **Part 1: Demand management**

#### **10. System of demand management**

- 1) The accounting officer must establish and implement an appropriate demand management system in order to ensure that the resources required by the Municipality support its operational commitments and its strategic goals outlined in the Integrated Development Plan, the Budget and the Service Delivery and Budget Implementation Plan.
- 2) The demand management system must –
  - a) include timely planning and management processes to ensure that all goods and services required by the Municipality are quantified, budgeted for and timely and effectively delivered at the right locations and at the critical delivery dates, and are of the appropriate quality and quantity at a fair cost;
  - b) take into account any benefits of economies of scale that may be derived in the case of acquisitions of a repetitive nature; and
  - c) provide for the compilation of the required specifications to ensure that its



needs are met.

d) To undertake appropriate industry analysis and research to ensure that innovations and technological benefits are maximized.

## **Part 2: Acquisition management**

### **11. System of acquisition management**

1) The accounting officer must implement the system of acquisition management set

Out in this Part to ensure –

- a) That goods and services are procured by the Municipality in accordance with authorized processes only;
- b) That expenditure on goods and services is incurred in terms of an approved Budget in terms of section 15 of the Act;
- c) That the threshold values for the different procurement processes are complied with;
- d) That bid documentation, evaluation and adjudication criteria, and general Conditions of a contract, are in accordance with any applicable legislation; and
- e) That any Treasury guidelines on acquisition management are properly taken into account.

2) When procuring goods or services contemplated in section 110(2) of the Act, the accounting officer must, subject to clause 2(3), make public the fact that such goods or services are procured otherwise than through the Municipality's supply chain management system, including -

- a) the kind of goods or services; and
- b) the name of the supplier.

### **12. Range of procurement processes**

1) Goods and services may only be procured by way of –

- a) Petty cash purchases up to an amount of R2 000 (VAT included) to be authorized by the Manager expenditure;
- b) Formal written price quotations for procurement transactions with values over R2 000 up to R30 000 (VAT included);
- c) Formal written price quotations for procurement transactions valued over R30 000 (VAT included) up to **R300 000 (VAT included)**, subject to clause 18(b), the 80/20 preference point system will apply.; and
- d) a competitive bidding process for –
- e) Procurement above a transaction value of **R300 000 (VAT included)** the 80/20 preference point system will apply to procurement up to R50 000 000 and the 90/10 preference point system will apply to procurement in excess of R50 000 000.  
; and

- ii) The procurement of long term contracts, i.e. longer than one year.
- 2) The accounting officer may, in writing -
  - a) Lower, but not increase, the different threshold values specified in sub-clause (1); or
  - b) direct that –
    - i) **Petty cash of transaction value lower than of R2 000 (VAT included)**
    - ii) formal written price quotations be obtained for any specific procurement of a transaction value lower than R30 000 (VAT included); or
    - iii) a competitive bidding process be followed for any specific procurement of a transaction value higher than **R300 000 (VAT included)**.
  - c) the delegated authority for the different threshold values are contained in the Municipality's Delegations of Power : Delegation 4.2.81.1.
- 3) Goods or services may not deliberately be split into parts or items of a lesser value merely to avoid complying with the requirements of the policy. When determining transaction values, a requirement for goods or services consisting of different parts or items must as far as possible be treated and dealt with as a single transaction.
- 4) The Municipality reserves the rights to appoint a panel of Service Providers or Contractors for period not more than 36 months and allocation of work must be done in line with procedure manual for allocation of work to panellist.

**13. General preconditions for consideration of formal written price quotations or bids**

A formal written price quotation or bid that exceeds R30 000 may not be considered unless the provider who submitted the quotation or bid –

- a) has furnished that provider's –
  - i) full name;
  - ii) identification number or company or other registration number; and
  - iii) tax reference number and VAT registration number, if any;
- b) has authorized the Municipality to verify any of the documentation referred to in sub-clause (a) above; and
- c) has indicated –
  - i) whether he or she is in the service of the state, or has been in the service of the state in the previous twelve months;
  - ii) if the provider is not a natural person, whether any of its directors, managers, principal shareholder or stakeholders are in the service of the state, or has been in the service of the state in the previous twelve months; or

- iii) whether a close family member of the provider or of a director, manager, shareholder or stakeholder referred to in sub-clause (ii) is in the service of the state, or has been in the service of the state in the previous twelve months;
- iv) that the tendering enterprise or any of its owners, directors, members or trustees, in their personal capacity are not in arrears with any account(s) with a Municipality for longer than 90 days / three months; or
- v) whether any Municipal staff member is a close family member of an owner, his/her partner serves on the board of directors, or are members or trustees, of the tendering enterprise.

#### **14. Lists of accredited prospective providers**

- 1) The accounting officer must –
  - a) keep a list of accredited prospective providers of goods and services that must be used for the procurement requirements through written or verbal quotations and formal written price quotations; and
  - b) at least once a year through newspapers commonly circulating locally, the website and any other appropriate ways, invite prospective providers of goods or services to apply for evaluation and listing as accredited prospective providers;
  - c) specify the listing criteria for accredited prospective providers which must include at least the requirement to submit proof of compliance with SARS tax clearance and proof that local municipal rates and services payments are not in arrears for more than three months;
  - d) disallow the listing of any prospective provider whose name appears on the National Treasury's database as a person prohibited from doing business with the public sector.
- 2) The list must be updated at least quarterly to include any additional prospective providers and any new commodities or types of services. Prospective providers must be allowed to submit applications for listing at any time.
- 3) The list must be compiled per commodity and per type of service.

#### **15. Petty cash purchases**

- 1) The general guideline is that petty cash purchases referred to in clause 12(1)(a) & (b) of this Policy are for minor items that are purchased for up to R2 000 (VAT included) where it is impractical, impossible or not cost-effective to follow formal procurement process and is strictly of a reimbursive nature and not for advances.
- 2) The conditions for the procurement of goods by means of petty cash purchases referred to in clause 12 (1)(a) & (b) of this Policy, are as follows:-

- a) Accounting Officer to determine the terms on which a manager may delegate responsibility for petty cash to an official reporting to the manager;
  - b) Accounting Officer to determine the maximum number of petty cash purchases or the maximum amounts per month for each petty cash holder;
  - c) Accounting Officer to determine any types of expenditure from petty cash purchases that are excluded, where this is considered necessary; and
  - d) a monthly reconciliation report from each petty cash holder must be provided to the chief financial officer, including –
    - i) the total amount of petty cash purchases for that month; and
    - ii) the receipts and appropriate documents for each purchase;
  - e) any other conditions determined by Accounting Officer.
- 3) Petty cash purchases with threshold value from an amount of R1.00 up to an amount of R2 000 (VAT included) to be authorised by the Chief Financial Officer or his delegate.

## 16. Written quotations

- 1) The conditions for the procurement of goods or services through written quotations for amounts under the threshold for formal quotations as stated in clause 12(1)(c) are as follows:
  - a) quotations for transactions above R 30 000 up to R300 000 (VAT Included) must be obtained from at **least three different providers** preferably from, but not limited to, providers whose names appear on the national treasury central supplier database or list of **accredited prospective providers** of the Municipality provided that if quotations are obtained from providers who are not listed, such providers must meet the listing criteria set out in clause 14(1) (b), (c) and (d) of this Policy;
  - b) providers must be requested to submit such quotations in writing;
  - c) if it is not possible to obtain at least three quotations, **the reasons must be recorded, approved by the accounting officer and reported quarterly to the Council**
  - e) any other conditions determined by the Accounting Officer.
- 2) **No orders may be placed based on verbal price quotations.**
- 3) No quotation, written or verbal, may be made available by an official to a prospective bidder.

**17. Formal written price quotations**

- 1) The conditions for the procurement of goods or services through formal written price quotations are as follows:
  - a) quotations must be obtained in writing from at least **three different providers whose names appear on the national treasury central supplier database or list of accredited prospective** providers of the Municipality;
  - b) quotations may be **obtained from providers who are not listed**, provided that such providers meet the listing criteria set out in clause 14(1) (b), (c) and (d) of this Policy;
  - c) if it is not possible to obtain **at least three quotations**, the reasons must be recorded, **approved by the accounting officer and reported quarterly to the Council**

**18. Procedures for procuring goods or services through formal written price quotations**

The procedure for the procurement of goods or services through formal written price quotations is as follows:

- a) when using the list of accredited prospective providers the accounting officer must promote ongoing competition amongst providers by inviting providers to submit quotations on a rotation basis;
- b) all requirements in excess of R30 000 (VAT included) that are to be procured by means of formal written price quotations must, in addition to the requirements of clause 17, the database for goods and services above shall be advertised annually.
- c) quotes received must be evaluated on a comparative basis taking into account unconditional discounts;
- e) quotes must be awarded based on compliance to specifications, conditions of contract, ability and capability to deliver the goods and services, at **acceptable price**
- f) responsive and acceptable offers, which are subject to the preference points system (PPPFA and associated regulations and policy), must be awarded to the bidder who scored the highest points; The prescripts of the Preferential Procurement Policy Framework Act, Act No.5 of 2000 will be applied for procurement requirements above R30 000 (and with a lesser value where appropriate);
- g) the **Deputy Chief Financial Officer** must set requirements for proper record keeping of all formal written price quotations accepted on behalf of the municipality;

- h) procurement requirements exceeding a value of R 30 000 (VAT Inclusive) must be submitted to the Quotations Evaluation Committee which comprises of **Supply Chain Manager or his delegate, Project Manager and Secretary**. The Quotations Evaluation Committee must make recommendation to the Deputy Chief Financial Officer or delegated official for approval.

## **19. Competitive bids**

- 1) Goods or services above a transaction value of **R300 000 (VAT included)** and long-term contracts may only be procured through a competitive bidding process, subject to clauses 11(2) and 36 of this Policy.
- 2) No requirement for goods or services above an estimated transaction value of **R300 000 (VAT included)**, may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process.
- 3) Expression of interest/Request for Information – The Municipality reserves the rights to issue expression of interest which is non-binding.
- 4) The Municipality reserves the rights to issue a request for qualification and proposal on all the PPP (Public Private Partnership) and alternative funding mechanisms and programmes

## **20. Process for competitive bidding**

The procedures for the following stages of a competitive bidding process are as follows:

- a) Compilation of bidding documentation as detailed in clause 21;
- b) Public invitation of bids as detailed in clause 22;
- c) Site meetings or briefing sessions as detailed in clause 22;
- d) Handling of bids submitted in response to public invitation as detailed in clause 23;
- e) Evaluation of bids as detailed in clause 28;
- f) Award of contracts as detailed in clause 29;
- g) Administration of contracts: After approval of a bid, the accounting officer and the bidder must enter into a written agreement unless the bidding documentation constitutes an acceptable contract.
- h) Proper record keeping: Original and legal copies of written agreements should be kept in a secure place for reference purposes.

## **21. Bid documentation for competitive bids**

- 1) The criteria to which bid documentation for a competitive bidding process must comply, and ;
  - a) take into account –
    - i) the general conditions of contract and any special conditions of contract, if specified;
    - ii) any Treasury guidelines on bid documentation; and
    - iii) the requirements of the Construction Industry Development Board (CIDB), in the case of a bid relating to construction, upgrading, refurbishment of buildings or infrastructure; and
    - iv) a statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality is expected to be transferred out of the Republic;
  - b) include the preference points system to be used as contemplated in the Preferential Procurement Regulations, 2011 and evaluation and adjudication criteria, including any criteria required by other applicable legislation;
  - c) compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted;
  - d) if the value of the transaction exceed R10 million (VAT included) –
    - i) the bidder is required by law to submit audited or reviewed annual financial statement; for the past three years; or since its establishment if established within the past three years;
    - ii) certificate signed by the bidder certifying that the bidder has no undisputed commitments for municipal services towards the Municipality or other service provider in respect of which payment is overdue for more than 30 calendar days;
    - iii) particulars of any contracts awarded to the bidder by an organ of state during the past five years, including particulars of any material noncompliance or dispute concerning the execution of such contract;
    - iv) a statement indicating whether any portion of the goods or services are expected to be sourced from outside the Republic, and, if so, what portion and whether any portion of payment from the municipality or municipal entity is expected to be transferred out of the Republic; and
  - e) stipulate that disputes must be settled by means of mutual consultation, mediation (with or without legal representation), or, when unsuccessful, in a South African court of law;

- f) in the absence of formal construction or technical contracts, e.g. JBCC and General Conditions of Contract, in which guarantees / sureties are contained, the following shall apply:
  - i) where surety is required it shall be in the form of cash or a bank guarantee from a banking institution registered in terms of the Banks Act, 1990 (Act No. 94 of 1990) or from an insurer registered in terms of the Insurance Act, 2002 (Act No. 30 of 2002). Where bids in Category A cannot raise the required surety of 2,5%, and it is feasible to deduct the amount from the Preliminary and General (P+G) payment certificate, such concessions may be granted; Guarantees will be required as follows:
- g) indicate the value or extent to which the execution of the contract should or should not be subcontracted;
- h) submit a certificate from the Department of Labour indicating compliance with the Occupational Health & Safety Act, 1993 [Act No. 85 of 1993];
- i) any other criteria determined by the Accounting Officer; and
- j) the amount and period of retention.

## 22. Public invitation for competitive bids

- 1) The procedure for the invitation of competitive bids is as follows:
  - a) Any invitation to prospective providers to submit bids must be by means of a e-tender portal, the website of the Municipality or CIDB database in case of capital projects
  - b) the information contained in a e-tender advertisement, must include –
    - i) the closure date for the submission of bids, which may not be less than 30 days in the case of transactions over R10 million (VAT included), or which are of a long term nature, or 14 days in any other case, from the date on which the advertisement is placed in a newspaper, subject to sub-clause (2) of this policy;
    - ii) a statement that bids may only be submitted on the **original bid** documentation provided by the Municipality;
    - iii) a statement that bids will only be considered if it was deposited in the bid box indicated in the bid invitation; and
    - iv) date, time and venue of any proposed site meetings or briefing sessions.
- 2) The accounting officer may determine a closure date for the submission of bids which is less than the required **30 or 14 days**, but only if such shorter period can be justified on



the grounds of urgency or emergency or any exceptional case where it is impractical or impossible to follow the official procurement process.

- 3) Where bids are requested in electronic format, such bids must be supplemented by sealed hard copies.

## **23. Procedure for handling, opening and recording of bids**

- 1) The procedures for the handling, opening and recording of bids, are as follows:

- a) Bids–

- i) must be opened only in public;
- ii) **must be opened on the same date and time of closing of bids ;**

- b) **Any bidder or member of the public has the right to request that the names of the bidders and their bidding price who submitted bids in time shall be read out.**

- c) No information, except the provisions in sub-clause (b), relating to the bid should be disclosed to bidders or other persons until the successful bidder is notified of the award; and

- d) The accounting officer must –

- i) record in a register all bids received in time;
- ii) make the register available for public inspection; and
- iii) publish the entries in the register on the website ;
- (iv) notify the successful bidders in writing and publish the bid results on the website.

- 2) Stamping of bids and reading out of names

- a) An employee shall date-stamp the bid or quotation document and all enclosures related to prices. Bids and quotations shall be numbered in the sequence in which they have been opened.
- b) Where prices have not been inserted in all relevant spaces on the form and such items have not been deleted by bidders, such spaces shall be stamped “no price” by the employee who opens the bids or quotations.
- c) Details on how bidders responded to the relevant evaluation criteria e.g. SMME contribution, community benefits, job creation, environmental impact, etc. should not be disclosed.

- 3) Late Bids

- a) Bids or quotations arriving after the specified closing time shall not be considered for evaluation.
- b) Bid documents must clearly state the venue where the bidding box is situated for each bid. Any bid delivered to the wrong bid box will not be considered, even if it was delivered on time.

- c) The late bid or quotation document shall be registered and stamped "late bid"
- 4) Amendments before the closing date
  - a) The Municipality is entitled to amend any bid condition, specification or plan, or extend the closing date of such a bid or quotation before the closing date, provided that such amendments or extensions are advertised
  - b) or are advised during briefing session and the details of amendment must recorded in briefing session minutes
- 5) The notice shall make provision for the bidders to request their submitted bid or quotations document.
- 6) Bid and quotation validity period
  - a) Validity period for bids above **R300 000 (VAT Inclusive)** is 90 days and also the validity period for quotation between R30 000 (VAT inclusive) and **R300 000 (VAT Inclusive)** is 90 days
  - b) No person may amend or tamper with any tenders, quotations, contracts or bids after their submission.
- 7) Extension of validity period
 

The municipality reserve right to extent the validity period through notice to all the bidders who tendered for the relevant project provided that the notice is made on or before an expiry of validity period.

**24. Negotiations with preferred bidders and communication with prospective providers and bidders**

- 1) The accounting officer or delegated official may negotiate the final terms of a contract with bidders identified through a competitive bidding process as preferred bidders, provided that such negotiation –
  - a) does not allow any preferred bidder a second or unfair opportunity;
  - b) is not to the detriment of any other bidder; and
  - c) does not lead to a higher price than the bid as submitted;
  - d) does not lead to a lower price in respect of sale of land / goods.
  - e) Hourly rates based project must be agreed upon by the relevant project owner as when required after the BAC has mandated the relevant project owner in writing and the hours must be within budget over MTREF period
- 2) Minutes of such negotiations must be kept for record purposes and as far as practical be made part of the final contract.
- 3) No unauthorised communication with bidders and prospective providers:

- a) where bids and quotations have been submitted to the municipality, a bidder may not communicate with any councillor, official, or authorised service provider on any matter regarding his/her bid, quotation or offer other than a notice of withdrawal.
- b) No municipal personnel may communicate with a bidder or any other party who has an interest in a bid, during the period between the closing date for the receipt of the bid or quotation (or date of receipt of an offer), and the date of notification of the successful bidder of acceptance of his bid, quotation or offer, except as provided for in clause (c) below. Every such case of unauthorised communication shall forthwith be reported to the Supply Chain Management Unit as well as the relevant chairperson of the Bid Adjudication Committee. A bid or quotation in respect of which unauthorized communication has occurred may be disqualified.
- c) The chairperson or deputy chairperson of the Bid Adjudication Committee or delegated official, may authorise an employee in writing, to communicate with a bidder during the period mentioned in subsection (b) above for the purpose of:-
  - i) explaining and verification of declarations made in the bid response;
  - ii) confirming technical particulars and the compliance thereof with specifications;
  - iii) clarifying delivery times/quantities;
  - iv) extending the validity period of a bid;
  - v) clarifying any other commercial aspect;
  - vi) for the submission of substantiating documents.
- d) In all cases where authority has been granted to communicate with bidders in terms of clause (c) above, it should be clearly stated in the submission to the Bid Adjudication Committee the nature of the communication as well as by whom such authority to communicate has been granted.
- e) All changes and/or clarification of specifications shall be conveyed to all bidders by means or methods as specified in clause 23.

## **25. Two-stage bidding process**

- 1) A two-stage bidding process is allowed for –
  - a) large complex projects; or
  - b) projects where it may be undesirable to prepare complete detailed technical specifications; or
  - c) long term projects with a duration period exceeding three years.
- 2) In the first stage technical proposals on conceptual design or performance specifications should be invited, subject to technical as well as commercial clarifications and adjustments.
- 3) In the second stage final technical proposals and priced bids should be invited.

## **26. Committee system for competitive bids**

- 1) A committee system for competitive bids is hereby established, consisting of the following committees for each transaction or cluster of transactions as the accounting officer may determine:
  - a) a bid specification committee;
  - b) a bid evaluation committee; and
  - c) a bid adjudication committee;
- 2) The Accounting officer appoints the members of each committee, taking into account section 117 of the Act, and
- 3) The Accounting Officer may appoint a neutral or independent observer, to attend or oversee a committee when this is appropriate for ensuring fairness and promoting transparency.
- 4) The committee system must be consistent with –
  - a) clause 27, 28 and 29 of this Policy; and
  - b) any other applicable legislation.
- 5) The Accounting officer may apply the committee system to formal written price quotations.

## **27. Bid specification committees**

- 1) The appropriate bid specification committee must compile the specifications for each procurement transaction for goods or services by the Municipality, depending on the department involved.
- 2) Specifications –
  - a) must be drafted in an unbiased manner to allow all potential suppliers to offer their goods or services;
  - b) must take account of any accepted standards such as those issued by Standards South Africa, the International Standards Organization, or an authority accredited or recognized by the South African National Accreditation System with which the equipment or material or workmanship should comply;
  - c) must, where possible, be described in terms of performance required and / or in terms of descriptive characteristics for design;
  - d) may not create trade barriers in contract requirements in the forms of specifications, plans, drawings, designs, testing and test methods, packaging, marking or labelling of conformity certification;
  - e) may not make reference to any particular trade mark, name, patent, design, type, specific origin or producer unless there is no other sufficiently precise or intelligible

way of describing the characteristics of the work, in which case such reference must be accompanied by the word “equivalent”;

- f) must indicate each specific goal for which points may be awarded in terms of the points system set out in the Preferential Procurement Regulations, 2011; and
- g) must be approved by the relevant senior manager prior to publication of the invitation for bids in terms of clause 22 of this Policy.

3) Composition of Bid Specification Committee

A Bid Specification Committee must be composed of the following:

- a) Supply Chain Official as the chairperson
  - b) One official from SCM Unit providing also secretarial duties
  - c) Manager or delegated official from the user department requesting goods or services.
- 4) The Committee may, when appropriate, include external specialist advisors. No person, advisor or corporate entity involved with the bid specification committee, or director of such a corporate entity, may bid for any resulting contracts.

**28. Bid evaluation committees**

1) A bid evaluation committee must evaluate all bids for procurement exceeding **R 300 000 (VAT Inclusive)** –

- a) evaluate bids in accordance with –
  - i) the specifications for a specific procurement; and
  - ii) the points system set out in terms of clause 27(2)(f);
  - iii) the general criteria to evaluate technical and financial ability
  - iv) the framework for the adjudication of bids as contained in Part B (Preferential Procurement Policy).
- b) evaluate each bidder’s ability to execute the contract;
- c) evaluate the bids to ensure value for money for the municipality;
- d) check in respect of the recommended bidder whether municipal rates and taxes and municipal service charges are not in arrears for more than three months or valid lease agreements or letter from traditional authorities.
- e) submit to the adjudication committee a report and recommendations regarding the award of the bid or any other related matter;
- f) submit to the adjudication committee a report and reasons in the event of a bid not being awarded.

2) Composition of Bid Evaluation Committee

A bid evaluation committee must as far as possible be composed of

- a) Standing members
  - i) Manager or official appointed by the Accounting Officer
  - ii) Supply chain management official
- b) Other members:
  - i) At least one knowledgeable / professional official from the Directorate for whom the bid is called.
  - ii) Technical experts, consultants or advisors, provided that these experts may only actively contribute to discussions, but not vote on the items evaluated.

## **29. Bid adjudication committees**

- 1) A bid adjudication committee must –
  - a) consider the report and recommendations of the bid evaluation committee; and
  - b) either –
    - i) depending on its delegations, make a final award or a recommendation to the accounting officer to make the final award; or
    - ii) make another recommendation to the accounting officer how to proceed with the relevant procurement.
  - c) Consider the report and recommendations of the bid evaluation committee where it is recommended that the tender not be awarded; and either
    - i) take a decision that the tender not be awarded for the reasons presented and that it be re-advertised or not be re-advertised; or
    - ii) take a decision that the tender be awarded and make a final award or a recommendation to the accounting officer to make the final award.
- 2) A bid adjudication committee shall be composed at least four senior managers including the following:-
  - a) the Chief Financial Officer as the Chairperson or, if the Chief Financial Officer is not available, the Deputy Chief Financial Officer, in cases where the two are not available another manager reporting directly to the chief financial officer or deputy chief financial officer and designated by the chief financial officer;
  - b) the Manager: Supply Chain Management or delegated SCM practitioner; and
  - c) Directors or in their absence, a duly delegated official appointed by the Accounting Officer.
  - d) In the event of an equal of votes the chairperson shall have a casting vote over and above a deliberate vote.

- 3) The Technical Director or advisor must be present at the Bid Adjudication meeting where bids related to engineering are to be considered.
- 4) The Chairperson of the Bid Evaluation Committee or in his absence an official nominated by the Chief Financial Officer should be present at the Adjudication Meetings to introduce the reports to the Committee and assist in clarifying issues that were dealt with in the Evaluation Committee meetings without voting rights.
- 5) A technical expert in the relevant field, who is an official, if such an expert exists, may attend the meeting as an advisor for clarification purposes. This official will not have voting rights at the Bid Adjudication Committee meeting.
- 6) The Accounting officer or Bid Adjudication committee may recommend the consultant to perform risk assessment on price before appointment of the recommended bidder.
- 7) The Accounting Officer must appoint the CFO or in his absence, the deputy CFO, as chairperson of the committee.
- 8) Neither a member of a bid evaluation committee, nor an advisor or person assisting the evaluation committee, may be a member of a bid adjudication committee.
- 9) If the bid adjudication committee decides to award a bid other than the one recommended by the bid evaluation committee –
  - a) the bid adjudication committee must prior to awarding the bid –
    - i) check in respect of the preferred bidder whether that bidder's municipal rates and taxes and municipal service charges are not in arrears for more than three months, and;
    - ii) notify the accounting officer.
  - b) The accounting officer may –
    - i) after due consideration of the reasons for the deviation, ratify or reject the decision of the bid adjudication committee referred to in clause (a); and
    - ii) if the decision of the bid adjudication committee is rejected, refer the decision of the adjudication committee back to that committee for reconsideration.
- 10) The accounting officer may at any stage of a bidding process, refer any recommendation made by the evaluation committee or the adjudication committee back to that committee for reconsideration of the recommendation.
- 11) The accounting officer must comply with section 114 of the Local Government: Municipal Finance Management Act 56 of 2003 –
  1. *If a tender other than the one recommended in the normal course of implementing the supply chain management policy of a municipality or municipal entity is approved, the accounting officer of the municipality or municipal entity must, in writing, notify the Auditor-General, the relevant provincial treasury and the National*

*Treasury and, in the case of a municipal entity, also the parent municipality, of the reasons for deviating from such recommendation.*

2. *Subsection (1) does not apply if a different tender was approved in order to rectify an irregularity.”*

**30. Quorum in all bid committees**

Quorum at bid committee meetings shall be fifty percent plus one of total members.

**31. Procurement of banking services**

- 1) A contract for banking services –
  - a) must be procured through competitive bids;
  - b) must be consistent with section 7 of the Act; and
  - c) may not be for a period of more than five years at a time.
- 2) The process for procuring a contract for banking services must commence at least nine months before the end of an existing contract.
- 3) The closure date for the submission of bids may not be less than 60 days from the date on which the advertisement is placed in a newspaper in terms of clause 22(1). Bids must be restricted to banks registered in terms of the Banks Act, 1990 (Act No. 94 of 1990).

**32. Procurement of Information- and Communication Technology (ICT) related goods or services**

- 1) The accounting officer may request the State Information Technology Agency (SITA) to assist with the acquisition of ICT related goods or services through a competitive bidding process.
- 2) Both parties must enter into a written agreement to regulate the services rendered by, and the payments to be made to, SITA.
- 3) The accounting officer must notify SITA together with a motivation of the ICT needs if –
  - a) the transaction value of ICT related goods or services required in any financial year will exceed R50 million (VAT included); or
  - b) the transaction value of a contract to be procured whether for one or more years exceeds R50 million (VAT included).
- 4) If SITA comments on the submission and the Municipality disagree with such comments, the comments and the reasons for rejecting or not following such comments must be submitted to the council, the National Treasury, the relevant provincial treasury and the Auditor General.



**33. Procurement of goods and services under contracts secured by other organs of state**

- 1) The accounting officer may procure goods or services under a contract secured by another organ of state, but only if –
  - a) the contract has been secured by that other organ of state by means of a competitive bidding process applicable to that organ of state;
  - b) there is no reason to believe that such contract was not validly procured;
  - c) there are demonstrable discounts or benefits to do so; and
  - d) that other organ of state and the provider have consented to such procurement in writing.
- 2) Sub-clauses (1)(c) and (d) do not apply if –
  - a) a municipal entity procures goods or services through a contract secured by its parent municipality; or
  - b) a municipality procures goods or services through a contract secured by a municipal entity of which it is the parent municipality.
- 3) Prior considering the use of section 32, the full cost benefits analysis must be performed by the user department and cost benefit analysis must be first approved by the BAC if the project will be below R3m or accounting officer if the project is above R3m.

**34. Procurement of goods necessitating special safety arrangements**

- 1) The acquisition and storage of goods in bulk (other than water), which necessitate special safety arrangements, including gases and fuel, should be avoided where ever possible.
- 2) Where the storage of goods in bulk is justified, such justification must be based on sound reasons, including the total cost of ownership, cost advantages and environmental impact and must be approved by the employee duly authorised in terms of the Occupational Health and Safety Act, 1993 (Act No. 85 of 1993).

**35. Proudly SA Campaign**

The Municipality supports the Proudly SA Campaign to the extent that, as far as possible, preference is given to procuring local goods and services.

**36. Appointment of consultants**

- 1) The accounting officer may procure consulting services provided that any Treasury guidelines and the relevant professional body requirements in respect of consulting services are taken into account when such procurements are made.
- 2) Consultancy services must be procured through competitive bids if:
  - a) the value of the contract exceeds **R300 000 (VAT included)**; or
  - b) the duration period of the contract exceeds one year.

- 3) In addition to any requirements prescribed by this policy for competitive bids, bidders must furnish particulars of –
  - a) all consultancy services provided to the municipality in the last five years; and
  - b) any similar consultancy services provided to the municipality in the last five years.
- 4) The accounting officer must ensure that copyright in any document produced, and the patent rights or ownership in any plant, machinery, thing, system or process designed or devised, by a consultant in the course of the consultancy service is vested in the Municipality.

**37. Deviation from, and ratification of minor breaches of, procurement processes**

- 1) The accounting officer may –
  - a) dispense with the official procurement processes established by this Policy and to procure any required goods or services through any convenient process, which may include direct negotiations, but only –
    - i) in an emergency;
      - a) Circumstances that warrant emergency dispensation, includes but are not limited to -
        - a) the possibility of human injury or death;
        - b) the prevalence of human suffering or deprivation of rights;
        - c) the possibility of damage to property, or suffering and death of livestock and animals;
        - d) the interruption of essential services, including transportation and communication facilities or support services critical to the effective functioning of the municipality as a whole;
        - e) the possibility of serious damage occurring to the natural environment;
        - f) the possibility that failure to take necessary action may result in the municipality not being able to render an essential community service;
        - g) the possibility that the security of the state could be compromised.
      - b) The prevailing situation, or imminent danger, should be of such a scale and nature that it could not readily be alleviated by interim measures, in order to allow time for the formal tender process.
      - c) Procurement in the case of emergencies must be tacitly approved by the relevant director or his delegatee prior to incurring the expenditure and must be reported to the Municipal Manager or delegated official on the ensuing days.

- ii) if such goods or services are produced or available from a single provider only upon submission of certification letter from DTI;
  - iii) for the acquisition of special works of art or historical objects where specifications are difficult to compile;
  - iv) acquisition of animals for zoos and/or nature and game reserves; or
  - v) in any other exceptional case where it is impractical or impossible to follow the official procurement processes,
  - vi) in the case of strip and quote, quotations will be sourced from one service providers listed on the database on rotational basis.
  - vii) Renewal and acquisition of IT licenses shall be sourced directly from accredited agencies.
- b) ratify any minor breaches of the procurement processes by an official or committee acting in terms of delegated powers or duties which are purely of a technical nature; and
  - c) may condone any irregular expenditure incurred in contravention of, or that is not in accordance with a requirement of this Policy, provided that such condonation and the reasons therefore shall be reported to Council at the next ensuing meeting.
- 2) The accounting officer must record the reasons for any deviations in terms of subclauses (1)(a) and (b) of this policy and report them to the next Council Meeting and include as a note to the annual financial statements.
  - 3) Sub-clause (2) does not apply to the procurement of goods and services contemplated in clause 11(2) of this policy.
  - 4) Limited bidding/Close Bid

It is allowed under this policy that the accounting officer may use limited bidding to procure goods and services but approval must only be granted where there is sufficient motivation / reasons and after a careful and thorough analysis of the market.

- (i) "Multiple source"- There is a limited competition, hence only a few prospective bidders are allowed to make proposal. This should be based on a thorough analysis of the market.

- (ii) “Single Source”- This should be based on a thorough analysis of the market and use a transparent and equitable pre-selection process, to request only one amongst a few prospective bidders to make a proposal.
- (iii) “Sole source”- There is no competition and it has been proven through careful and transparent market analysis that only one bidder exists ( for example, sole distribution rights etc.)

### **38. Unsolicited bids**

- 1) In accordance with section 113 of the Act there is no obligation to consider unsolicited bids received outside a normal bidding process.
- 2) The accounting officer may decide in terms of section 113(2) of the Act to consider an unsolicited bid, only if –
  - a) the product or service offered in terms of the bid is a demonstrably or proven unique innovative concept;
  - b) the product or service will be exceptionally beneficial to, or have exceptional cost advantages;
  - c) the person who made the bid is the sole provider of the product or service; and
  - d) the reasons for not going through the normal bidding processes are found to be sound by the accounting officer.
- 3) If the accounting officer decides to consider an unsolicited bid that complies with sub-clause (2) of this policy, the decision must be made public in accordance with section 21A of the Municipal Systems Act, together with –
  - a) reasons as to why the bid should not be open to other competitors;
  - b) an explanation of the potential benefits if the unsolicited bid was to be accepted; and
  - c) an invitation to the public or other potential suppliers to submit their comments within 30 days of the notice.
- 4) The accounting officer must submit all written comments received pursuant to sub-clause (3), including any responses from the unsolicited bidder to the National Treasury and the relevant provincial treasury for comment.
- 5) The adjudication committee must consider the unsolicited bid and may award the bid or make a recommendation to the accounting officer, depending on its delegations.
- 6) A meeting of the adjudication committee to consider an unsolicited bid must be open to the public.
- 7) When considering the matter, the adjudication committee must take into account –
  - a) any comments submitted by the public; and

- b) any written comments and recommendations of the National Treasury or the relevant provincial treasury.
- 8) If any recommendations of the National Treasury or provincial treasury are rejected or not followed, the accounting officer must submit to the Auditor General, the relevant provincial treasury and the National Treasury the reasons for rejecting or not following those recommendations.
- 9) Such submission must be made within five day after the decision on the award of the unsolicited bid is taken, but no contract committing the Municipality to the bid may be entered into or signed within 30 day of the submission.
- 10) Closed bids shall only be accepted after the municipality failed to attract potential service providers through normal competitive bidding processes

### **39. Combating of abuse of supply chain management system**

- 1) The accounting officer is hereby enabled to –
  - a) take all reasonable steps to prevent abuse of the supply chain management system;
  - b) investigate any allegations against an official or other role player of fraud, corruption, favouritism, unfair or irregular practices or failure to comply with this Policy, and when justified –
    - i) take appropriate steps against such official or other role player; or
    - ii) report any alleged criminal conduct to the South African Police Service;
  - c) check the National Treasury's database prior to awarding any contract to ensure that no recommended bidder, or any of its directors, is listed as a person prohibited from doing business with the public sector;
  - d) reject any bid from a bidder –
    - i) if any municipal rates and taxes or municipal service charges owed by that bidder or any of its directors to the Municipality, or to any other municipality or municipal entity are in arrears for more than three months; or
    - ii) who during the last five years has failed to perform satisfactorily on a previous contract with the Municipality or any other organ of state after written notice was given to that bidder that performance was unsatisfactory;
  - e) reject a recommendation for the award of a contract if the recommended bidder, or any of its directors, has committed a corrupt or fraudulent act in competing for the particular contract;
  - f) cancel a contract awarded to a person if –
    - i) the person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or

- ii) an official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person; and
- g) reject the bid of any bidder if that bidder or any of its directors –
  - i) has abused the supply chain management system of the Municipality or has committed any improper conduct in relation to such system;
  - ii) has been convicted for fraud or corruption during the past five years;
  - iii) has wilfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years; or
  - iv) has been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No 12 of 2004).
- 2) The accounting officer must inform the National Treasury and relevant provincial treasury in writing of any actions taken in terms of sub-clauses (1)(b)(ii), (e) or (f) of this policy.
- 3) Restrictive practices are prohibited:
  - a) In terms of section 4 (1) (b) (iii) of the Competition Act No. 89 of 1998, as amended, an agreement between, or concerted practice by, firms, or a decision by an association of firms, is prohibited if it is between parties in a horizontal relationship and if a bidder is or a contractor was involved in collusive bidding.
  - b) If a bidder or contractor, based on reasonable grounds or evidence obtained by the municipality, has engaged in the restrictive practice referred to above, the municipality may refer the matter to the Competition Commission for investigation and possible imposition of administrative penalties as contemplated in section 59 of the Competition Act No. 89 of 1998.
  - c) If a bidder or contractor has been found guilty by the Competition omission of the restrictive practice referred to above, the purchaser may, in addition and without prejudice to any other remedy provided for, invalidate the bid for such item(s) offered, and / or terminate the contract in whole or part, and / or restrict the bidder or contractor from conducting business with the public sector for a period not exceeding ten (10) years and / or claim damages from the bidder or contractor concerned.
- 4) **Blacklisting criteria:**
  - a) Fraudulent and corrupt activities shall amount to 10 years sanction
  - b) Collusive activities shall amount to 10 years sanction
  - c) Misrepresentation of facts or false declarations shall amount to 5 years sanction

- d) Poor or non-performance shall amount to 2 years sanction

### **Part 3: Logistics, Disposal, Risk and Performance Management**

#### **40. Logistics management**

The accounting officer must establish and implement an effective system of logistics management, which must include -

- 1) the monitoring of spending patterns on types or classes of goods and services incorporating, where practical, the coding of items to ensure that each item has a unique number;
- 2) the setting of inventory levels that includes minimum and maximum levels and lead times wherever goods are placed in stock;
- 3) the placing of manual or electronic orders for all acquisitions other than those from petty cash;
- 4) before payment is approved, certification by the responsible officer that the goods and services are received or rendered on time and is in accordance with the order, the general conditions of contract and specifications where applicable and that the price charged is as quoted in terms of a contract;
- 5) appropriate standards of internal control and warehouse management to ensure that goods placed in stores are secure and only used for the purpose for which they were purchased;
- 6) regular checking to ensure that all assets are properly managed and maintained in terms of Council's Asset Management Policy; and 7) monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

#### **41. Disposal management**

Assets must be disposed of in terms of Council's Asset Management Policy as well as the Immoveable Property Management Policy.

#### **42. Risk management**

The Accounting Officer must implement an effective system of risk management for the identification, consideration and avoidance of potential risks in the supply chain management system as per Council's Risk Management Policy.

#### **43. Performance management**

The accounting officer must implement an internal monitoring system in order to determine, on the basis of a retrospective analysis, whether the authorised supply chain management processes were followed and whether the objectives of this Policy were achieved in terms of the Performance Management System- Implementation Policy.

#### **Part 4: Other matters**

**44. Prohibition on awards to persons whose tax matters are not in order**

Bids in excess of R30 000 will only be evaluated if the municipality is in possession of a bidder's valid original tax clearance certificate which declares that the bidder's tax matters have been declared to be in order by the South African Revenue Services (SARS). Alternatively the central supplier database will be checked to verify the tax matters of the recommended bidders.

**45. Prohibition on awards to persons in the service of the state**

Irrespective of the procurement process followed, no award may be made to a person in terms of this Policy –

- a) who is in the service of the state;
- b) that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state; or
- c) a person who is an advisor or consultant contracted with the Municipality in respect of a contract that would cause a conflict of interest.

**46. Awards to close family members of persons in the service of the state**

The accounting officer must ensure that the notes to the annual financial statements disclose particulars of any award of more than R2 000 (VAT included) to a close family member of a person in the service of the state, or has been in the service of the state in the previous twelve months, including –

- 1) the name of that person;
- 2) the capacity in which that person is in the service of the state; and
- 3) the amount of the award.

**47. Ethical standards**

- 1) A code of ethical standards for supply chain management practitioners and other role players involved in supply chain management is hereby established in accordance with sub-clause (2) in order to promote –
  - a) mutual trust and respect; and
  - b) an environment where business can be conducted with integrity and in a fair and reasonable manner.



- 2) An official or other role player involved in the implementation of the supply chain management policy –
  - a) must treat all providers and potential providers equitably;
  - b) may not use his or her position for private gain or to improperly benefit another person;
  - c) may not accept any reward, gift, favour, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of that person, of a value more than R350;
  - d) notwithstanding sub-clause (2)(c), must declare to the accounting officer details of any reward, gift, favour, hospitality or other benefit promised, offered or granted to that person or to any close family member, partner or associate of that person;
  - e) must declare to the accounting officer details of any private or business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process of, or in any award of a contract by, the Municipality;
  - f) must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest;
  - g) must be scrupulous in his or her use of property belonging to the municipality;
  - h) must assist the accounting officer in combating fraud, corruption, favouritism and unfair and irregular practices in the supply chain management system; and
    - i) must report to the accounting officer any alleged irregular conduct in the supply chain management system which that person may become aware of, including –
      - i) any alleged fraud, corruption, favouritism or unfair conduct;
      - ii) any alleged contravention of clause 47(1) of this policy; or
      - iii) any alleged breach of this code of ethical standards.
- 3) Declarations in terms of sub-clauses (2)(d) and (e) -
  - a) must be recorded in a register which the accounting officer must keep for this purpose;
    - i) by the accounting officer must be made to the mayor of the municipality who must ensure that such declarations are recorded in the register.
- 4) A breach of the code of ethics must be dealt with as follows -
  - a) in the case of an employee, in terms of the disciplinary procedures of the Municipality envisaged in section 67(1)(h) of the Municipal Systems Act;
  - b) in the case a councillor, in terms of Schedule 1 of the Systems Act;

- c) in the case a role player who is not an employee, or a councillor through other appropriate means in recognition of the severity of the breach; and
- d) in all cases, financial misconduct must be dealt with in terms of Chapter 15 of the Act.

**48. Inducements, rewards, gifts and favours to municipal officials and other role players**

- 1) No person who is a provider or prospective provider of goods or services, or a recipient or prospective recipient of goods disposed or to be disposed of may either directly or through a representative or intermediary promise, offer or grant –
  - a) any inducement or reward to the Municipality for or in connection with the award of a contract; or
  - b) any reward, gift, favour or hospitality to –
    - i) any official; or
    - ii) any other role player involved in the implementation of this Policy.
- 2) The accounting officer must promptly report any alleged contravention of subclause (1) to the National Treasury for considering whether the offending person, and any representative or intermediary through which such person is alleged to have acted, should be listed in the National Treasury's database of persons prohibited from doing business with the public sector.
- 3) Sub-clause (1) does not apply to gifts less than R350 in value.

**49. Sponsorships**

The accounting officer must promptly disclose to the National Treasury and the relevant provincial treasury any sponsorship promised, offered or granted, whether directly or through a representative or intermediary, by any person who is –

- a) a provider or prospective provider of goods or services; or
- b) a recipient or prospective recipient of goods disposed or to be disposed.

**50. Objections and complaints**

Persons aggrieved by decisions or actions taken in the implementation of this supply chain management system, may lodge within fourteen (14) days of the decision or action, a written objection or complaint against the decision or action.

**51. Resolution of disputes, objections, complaints and queries**

- 1) The accounting officer must appoint an independent and impartial person or persons, not directly involved in the supply chain management processes –
  - a) to assist in the resolution of disputes between the Municipality and other persons regarding -
    - i) any decisions or actions taken in the implementation of the supply chain management system; or
    - ii) any matter arising from a contract awarded in the course of the supply chain management system;
  - b) to deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.
- 2) The accounting officer, or another official designated by the accounting officer, is responsible for assisting the appointed person to perform his or her functions effectively.
- 3) The person appointed must –
  - a) strive to resolve promptly all disputes, objections, complaints or queries received; and
  - b) submit monthly reports to the accounting officer on all disputes, objections, complaints or queries received, attended to or resolved.
- 4) A dispute, objection, complaint or query may be referred to the relevant provincial treasury if –
  - a) the dispute, objection, complaint or query is not resolved within 46 day; or
  - b) no response is forthcoming within 46 day.
- 5) If the provincial treasury does not or cannot resolve the matter, the dispute, objection, complaint or query will be referred to the National Treasury for resolution.
- 6) This clause must not be read as affecting a person's rights to approach a court at any time.

## **52. Contracts providing compensation based on turnover**

- 1) If a service provider acts on behalf of a Municipality to provide any service or act as a collector of fees, service charges or taxes and the compensation payable to the service provider is fixed as an agreed percentage of turnover for the service or the amount collected, the contract between the service provider and the Municipality must stipulate -
  - a) a cap on the compensation payable to the service provider; and
  - b) that such compensation must be performance based.

## **53. Dispute resolution on payment of Contractors and/or Service Providers**

- 1) All the dispute on payment from the user department must be reported to the office of the CFO in writing and circular 49 must be utilised to resolve the issue.
- 2) All the disputed payment must be reported on section 71 reports as part of statutory reporting;

#### **54. Payment of sub-contractors or joint venture partners and Cessionary payment**

- 1) Payment of sub-contractors or joint venture partners  
The chief financial officer or an official designated by the chief financial officer may consent to the direct payment of sub-contractors or joint venture partners by way of:
  - a) an approved agreement between the two parties provided it is within 30% threshold as required by the preferential regulation; or
- 2) Cessionary payment  
The municipality shall accept cessionary payment under the following conditions:
  - a) Signed agreement between the parties involved.
  - b) Provided that the cedee submit original and valid tax clearance certificate.
  - c) The cedee is not blacklisted in the National Treasury database

Cessionary payments shall be approved by delegated officials in terms of approved delegations.

1. Cession can only entered into if it is for purchase of the material or stock by the appointed service provider or financing cession to the appointment service provider.
2. No official other than the Chief Financial Officer ,Deputy Chief Financial Officer of Supply Chain manager shall enter into cession on behalf of the municipality
3. Cession below R30 000 can be signed by the SCM Manager;
4. Cession between R30 000 and **R300 000** shall be signed by the Deputy Chief Financial Officer.
5. Cession between above **R300 000** shall be signed by the Chief Financial Officer.

#### **55. Extending/ Expansion of Contracts**

1. It is recognized that, in exceptional cases, an accounting officer may deem it necessary to expand or vary order against the original contract.

2. Contract(s) may be expanded or varied by not more than 20% for construction related goods, works and/or services and 15% for all other goods or services of the original value of the contract after approval by the BAC and while on tenders above R10 Million must be approved by the Accounting Officer after the BAC has recommended to the Accounting Officer on the proposed variations.
3. Any expansion or variation of contract in excess of these thresholds must be dealt with in terms of the provision to section 116(3) of the MFMA which will be regarded as an amendment to contract and should be approved by council.
4. Contracts for supply of goods and services (Month to Month contracts) may not be extended for a period more of than three months.

**56. Contracts having budgetary implications beyond three financial years**

The municipality may not enter into any contract that will impose financial obligations beyond the three years covered in the annual budget for that financial year, unless the requirements of section 33 of the Municipal Finance Management Act have been fully complied with.

**57. Short title and commencement**

This part of the policy is called the Polokwane Municipality **Supply Chain Management Policy**.

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MUNICIPALITY**

**SUPPLY CHAIN  
MANAGEMENT POLICY**

**PART B**

**PREFERENTIAL PROCUREMENT POLICY**

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**SUPPLY CHAIN MANAGEMENT POLICY – PART B**

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**PART B**

**PREFERENTIAL PROCUREMENT POLICY** adopted in terms of Section 2 of the Preferential Procurement Policy Framework Act, No. 5 of 2000 and the Preferential Procurement Regulations, 2022.

**PREAMBLE**

**WHEREAS** the Polokwane Municipality aims to improve the quality of life of the local community and to free the potential of each person within a framework of facilitating service delivery, through effective governance and the Council takes into account the need for transparent procedures that give the effect to the principle of preferential procurement;

**AND WHEREAS** local economic development plays a crucial role in creating a prosperous, equitable, stable and democratic society and the overall national vision of economic development is one of decent work and living standards for all in the context of qualitative improved equality in ownership, skills and access to opportunities;

**NOW THEREFORE** the Council of the Polokwane Municipality resolves in terms of section 2 of the Preferential Procurement Policy Framework Act, No. 5 of 2000 that the principles embodied in the Preferential Procurement Regulations, 2022 are herewith integrated into the Polokwane Municipality's Supply Chain Management Policy to form the basis of the evaluation criteria for quotations and competitive bids.

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**DEFINITIONS AND APPLICATION**

**1 Definitions**

In this policy, unless the context indicates otherwise, a word or expression to which a meaning has been assigned in the Act bears the same meaning, and:

<b>"Act"</b>	means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);
<b>"all applicable taxes"</b>	includes Value-Added Tax, Pay-as-you-Earn, Income Tax, Unemployment Insurance Fund Contributions and Skills Development Levies;
<b>"B-BBEE"</b>	means Broad-Based Black Economic Empowerment as defined in Section 1 of the Broad-Based Black Economic Empowerment Act;
<b>"Broad-Based Black Economic Empowerment Act" (B-BBEEA)</b>	means the Broad-Based Black Economic Empowerment Act, 2003 (Act No.53 of 2003);
<b>"Comparative price"</b>	means the price after the factors of a non-firm price and all unconditional discounts that can be utilised have been taken into consideration;
<b>"Consortium or Joint"</b>	means an association of persons for the purpose of

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<b>"Venture"</b>	combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract;
<b>"Contract"</b>	means the agreement that results from the acceptance of a bid by the Polokwane Municipality;

<b>“designated sector”</b>	means a sector, sub-sector or industry that has been designated by the Department of Trade and Industry in line with national development and industrial policies for local production, where only locally produced services, works or goods or locally manufactured goods meet the stipulated minimum threshold for local production and content;
<b>"Firm price"</b>	is the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, levy, or tax, which, in terms of a law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract;
<b>"Functionality"</b>	means the measurement according to predetermined norms, as set out in the tender documents, of a service or commodity that is designed to be practical and useful, working or operating, taking into account, among other factors, the quality, reliability, viability and durability of a service and the technical capacity and ability of a tenderer;
<b>“imported content”</b>	means that portion of the tender price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or its subcontractors) and which costs are inclusive of the costs abroad, plus freight and direct importation costs, such as landing costs, dock dues, import duty,

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	sales duty or other similar tax or duty at the South African port of entry;
<b>“local content”</b>	means that portion of the tender price which is not included in the imported content, provided that local manufacture does take place;
<b>“Micro-Enterprise”</b>	means a very small business, often involving only the owner, some family members and at the most one or two paid employees. They usually lack `formality` in terms of business

licences, value-added tax (VAT) registration, formal business premises, operating permits, operating permits and accounting procedures. Most of them have a limited capital base and only rudimentary technical or business skills among their operators. However, many micro-enterprises advance into viable small businesses. Earning levels of microenterprises differ widely, depending on the particular sector, the growth phase of the business and access to relevant support.

<b>"Non-firm prices"</b>	means all prices other than "firm" prices;
<b>"Person"</b>	includes reference to a juristic person;
<b>"Rand value"</b>	means the total estimated value of a contract in South African currency, calculated at the time of bid invitations and includes all applicable taxes and excise duties;
<b>"stipulated minimum threshold"</b>	means that portion of local production <b>and content</b> as determined by the Department of Trade and Industry;
<b>"Sub-Contract"</b>	means the primary contractor's assigning or leasing or making out work to, or employing, another person to support such primary contractor in the execution of part of a project in terms of the contract;
<b>"Survivalist Enterprise"</b>	means a business set up by people unable to find a paid job or get into an economic sector of their choice. Income generated from these activities usually falls far short of even a minimum income standard, with little

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	capital invested, virtually no skills training in the particular field and only limited opportunities for growth into a viable business. This category is characterised by poverty and the attempt to survive.
<b>"Tender"</b>	means a written offer in a prescribed or stipulated form in response to an invitation by the Polokwane Municipality for

	the provision of services, works or goods, through price quotations, advertised competitive bidding processes or proposals;
<b>"Total revenue"</b>	bears the same meaning assigned to this expression as in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act, 2003 and promulgated in the Government Gazette on 9 February 2007;
<b>"Trust"</b>	means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person; and
<b>"Trustee"</b>	means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.
<b>"Specific goals"</b>	means specific goals as contemplated in section 2(1)(d) of the Act which may include contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender and disability including the implementation of programmes of the Reconstruction and Development Programme as published in Government Gazette No. 16085 dated 23 November 1994.
<b>"tender: for income-generating"</b>	means that a written offer in the form determined by an organ of the State.
<b>Contracts</b>	response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of the State and a third party that produces revenue for the organ of the State and includes, but is not limited to, leasing and disposal of the assets and concession contracts, excluding direct sales and disposal of assets through public auctions.

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**2 Application, Objectives & General Requirements**

**2.1 Application**

The Polokwane Municipality must, unless the Minister of Finance has directed otherwise, only apply a preferential procurement system which is in accordance with the Regulations.

**2.2 Objectives**

The objectives of Councils' policy are to:

- 1) Provide clarity on the municipality's approach to procurement, particularly with regards to requirements of preferential procurement;
- 2) Provide access to contracts for historical disadvantaged individuals;
- 3) Promote participation by SMMEs as amended from time to time;
- 4) Promote capacity development and skills transfer;
- 5) Promote Local Economic Development.

**2.3 General requirements**

- 1) Any specific goal required for consideration in the bidding process must be clearly determined by the Bid Specification Committee and be defined in the bid documentation, taking into account prescriptions of the Construction Industry Development Board [CIDB] in respect of construction related contracts.
- 2) Outputs required will be quantified and will form part of the contractual arrangement upon awarding of the contract.

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**PREFERENCE POINT SYSTEM AND SPECIFIC GOALS, EVALUATION OF BIDS ON FUNCTIONALITY, AWARD OF CONTRACTS TO BIDDERS NOT SCORING THE HIGHEST NUMBER OF POINTS AND THE CANCELLATION AND RE-INVITATION OF BIDS**

**3 Planning and stipulation of preference point system to be utilized**

- 1) The Polokwane Municipality must, prior to making an invitation for bids -
  - a) properly plan for, and, as far as possible, accurately estimate the costs of the provision of services, works or goods for which an invitation for bids is to be made; and
  - b) determine and stipulate the appropriate preference point system and specific goals to be utilized in the evaluation and adjudication of the bids.
  - c) determine whether the services, works or goods for which an invitation is to be made has been designated for local production and content in terms of Clause 9.

3. Specific Goals

**Identification of specific goal**

Specific goals means specific goals as contemplated in section 2(1)(d) of the Act which may include contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender and disability including the implementation of programmes of the Reconstruction and Development Programme as published in Government Gazette No. 16085 dated 23 November 1994

Preference points for specific goals as follow:

**A maximum of 20 points may be awarded to a tender for the specific goal for the tender.**

Specific goal specified for the tender for preference point system and attachment.

**80/20**

<b>Preference points for specific goals</b>	<b>Means of verification</b>	<b>Number of Points</b>
Black	Identification document	0-20
Woman	Identification document	0-20

People with disability	Medical report indicating disability	0-20
Youth	Identification document	0-20
Locality	Proof of Residence	0-20

A maximum of points may be awarded to a tender for the specific goal for the tender.

Specific goal specified for the tender for preference point system and attachment.

#### **90/10**

Preference points for specific goals	Means of verification	Number of Points
Black	Identification document	0-10
Woman	Identification document	0-10
People with disability	Medical report indicating disability	0-10
Youth	Identification document	0-10
Locality	Proof of Residence	0-10

#### **4 Evaluation of bids based on functionality**

- 1) The Polokwane Municipality must in the bid documents indicate if, in respect of a particular bid invitation, bids will also be evaluated on functionality;
- 2) The evaluation criteria for measuring functionality must be objective.
- 3) When evaluating bids on functionality, the-
  - a) evaluation criteria for measuring functionality,
  - b) the weight of each criterion,
  - c) the applicable values; as well as
  - d) the minimum qualifying score for functionality, must be clearly indicated in the bid documents.
- 4) A bid must be disqualified if it fails to achieve the minimum qualifying score for functionality as indicated in the bid documents; and
- 5) Bids that have achieved the minimum qualification score for functionality must be evaluated further in terms of the preference point systems prescribed in Clause 5 and 6.
- 6) The Municipality reserves the rights to use the quality based selection method for tenders deemed to be complex in nature.



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**5 The 80/20 preference point system for acquisition of goods, works and / or services up to a Rand value of R50 million**

- 1)(a) The following formula must be used to calculate the points out of 80 for price in respect of competitive bids / price quotations with a Rand value equal to or below a Rand value of R50 000 000 (all applicable taxes included):

$$P_s = 80 - \frac{P_t - P_{min}}{P_{min}} \times 80$$

Where

$P_s$  = Points scored for comparative price of bid / offer under consideration

$P_t$  = Comparative price of bid / offer under consideration

$P_{min}$  = Comparative price of lowest acceptable bid / offer.

- 1)(b) The Polokwane Municipality may, however, apply this formula for price quotations with a value less than R 30 000, if and when appropriate.
- 2) A maximum of 20 points must be awarded to a bidder for the Specific goal specified in the tender.
- 3) The Points scored for the specific goal must be added to the points scored for the price and the total must be rounded off to the nearest two decimal places.
- 4) Only the bid with the highest number of points scored may be selected or awarded the bid.

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**6 The 90/10 preference point system for acquisition of goods, works and / or services with a Rand value above R50 million**

- 1) The following formula must be used to calculate the points out 90 for price in respect of bids with a Rand value above R50 000 000 (all applicable taxes included):

$$Ps = 90 \left( 1 - \frac{Pt - Pmin}{Pmin} \right)$$

Where

Ps = Points scored for comparative price of tender or offer under consideration;

Pt = Comparative price of tender or offer under consideration; and

Pmin = Comparative price of lowest acceptable tender or offer.

- 2) A maximum of 10 points may be awarded to a bidder for the Specific goal specified for the tender.
- 3) The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.
- 4) Only the bid with the highest number of points scored may be selected or awarded the bid.
- 7) 80/20 preference points system for tenders for income-generating contracts with Rand value equal to or below R50 million.**

(1) The following formula must be used to calculate the points for price in respect of an invitation for tender for income-generating contracts, with a Rand value equal to or below R50 million, inclusive of all applicable taxes:

$$Ps = 80 \left( 1 + \frac{Pt - Pmax}{Pmax} \right)$$

Where

Ps = Points scored for price of tender under consideration;

Pt = Price of tender under consideration; and

Pmax = Price of highest acceptable tender.

(2) A maximum of 20 points may be awarded to a tenderer for the specific goal specified for the tender.

(3) The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.

(4) Subject to section 2(1)(f) of the Act, the contract must be awarded to the tenderer scoring the highest points.

**8) 90/10 preference point system for tenders for income-generating contracts with Rand value above R50 million.**

(1) The following formula must be used to calculate the points for price in respect of a tender for income-generating contracts, with a Rand value above R50 million, inclusive of all applicable taxes:

Where

$$P_s = 90 + \frac{P_t - P_{max}}{P_{max}}$$

P<sub>s</sub> = Points scored for price of tender under consideration;

P<sub>t</sub> = Price of tender under consideration; and

P<sub>max</sub> = Price of highest acceptable tender.

(2) A maximum of 10 points may be awarded to a tenderer for the specific goal specified for the tender.

(3) The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.

(4) Subject to section 2(1)(f) of the Act, the contract must be awarded to the tenderer scoring the highest points

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**9 Award of contracts to bids not scoring the highest number of points**

A contract may be awarded to a tenderer that did not score the highest total number of points if objective criteria in addition to specific goals justify the award to another tenderer.

**10 Criteria for breaking deadlock in scoring**

If two or more tenderers score an equal total number of points, the contract must be awarded to the tenderer that scored the highest points for specific goals

If two or more tenderers score equal total points in all respects, the award must be decided by the drawing of lots

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**13. Conditions**

- 1) Only a tenderer who has completed and signed the declaration part of the tender documentation may be considered.

- 2) The Polokwane Municipality must, when calculating comparative prices, take into account any discounts which have been offered unconditionally.
- 3) A discount which has been offered conditionally must, despite not being taken into account for evaluation purposes, be implemented when payment is processed.
- 4) Points scored must be rounded off to the nearest 2 decimals places.
- 5)
  - a) In the event that two or more tenders have scored equal total points, the successful tender must be the one scoring the highest number of preference points for specific goals.
  - b) However, when functionality is part of the evaluation process and two or more tenders have scored equal points including equal preference points for Specific goals, the successful tender must be the one scoring the highest score for functionality.
  - c) Should two or more tenders be equal in all respects; the award shall be decided by the drawing of lots.
- 6) A person awarded a contract in relation to a designated sector, may not subcontract in such a manner that the local production and content of the overall value of the contract is reduced to below the stipulated minimum threshold.
- 7) When the Polokwane Municipality is in need of a service provided by only tertiary institutions, such services must be procured through a tendering process from the identified tertiary institutions.
- 8)
  - a) Should the Polokwane Municipality require a service that can be provided by one or more tertiary institutions or public sector, the appointment of a contractor must be done by means of a tendering process;

#### **14. Declarations**

- 1) A tender must, in the manner stipulated in the document, declare that-
  - a) the information provided is true and correct;
  - b) the signatory to the tender document is duly authorised; and
  - c) documentary proof regarding any tendering issue will, when required, be submitted to the satisfaction of the Polokwane Municipality.

### **POLOKWANE MUNICIPALITY SUPPLY CHAIN MANAGEMENT POLICY – PART B**

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#### **15. Remedies**

1) If Polokwane Municipality is of the view that a tenderer submitted false information regarding a specific goal, it will: -

- (a) inform the tenderer accordingly; and
- (b) give the tenderer an opportunity to make representations within 14 days as to why the tender may not be disqualified or, if the tender has already been awarded to the tenderer, the contract should not be terminated in whole or in part.

(2) After considering the representations referred to in subregulation (1)(b), the organ of state may, if it concludes that such information is false—

- (a) disqualify the tenderer or terminate the contract in whole or in part; and
- (b) if applicable, claim damages from the tenderer.
- (c) restrict the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and
- (d) forward the matter for criminal prosecution.

**16. Tax clearance**

No tender may be awarded to any person whose tax matters have not been declared by the South African Revenue Services to be in order.

**17. Mechanisms to support preferential procurement**

1) Determination of bid requirements in relation to bid value

The municipality will set targets for the supply of goods and services, and link specific requirements relating to enterprise with HDI ownership and/or SMME status.

2) Establishment/maintain a database of SMME service providers

The municipality will establish a database of HDI, SMME and other service providers in order to track their records of services to the municipality.

3) Creation of an enabling environment

The municipality will create an enabling environment to enable SMMEs to become part of the supply chain management process. Steps to be taken include, but are not limited to:

a) Surety Requirements

See the SCM Policy, clause 21(1)(f) regarding the lesser extent that sureties are called for.

b) Access to Bidding Information

Bidding and related information will, where possible and practical, be made available in a simplified and uncomplicated format to assist new and emerging enterprises and any business or organisation bidding for municipal business.

c) Bidding Advice Centre

Assistance will, where practically possible, be provided by the SCM Unit to increase SMME awareness and share in the supply chain and procurement process.

d) Proposed Process

- i) Bids shall be packaged into suitably sized segments of subcontractors to target SMMEs wherever possible.
- ii) A review of all term (period) contracts shall be undertaken to assess the viability of packaging these into smaller sub-contracts. These bids should be issued in smaller manageable sub-contracts so that preference can be given to local SMMEs.
- iii) Appropriate standards, specifications, delivery dates and related contractual obligations shall be employed to help smaller businesses to cope and compete.

e) Standard payment terms

- i) All money owed by the municipality must be paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure.

f) Simplification of Tender Documentation

- i) Bid submission documents will be rationalised and simplified to make it easier for small businesses to deal with the paperwork involved in tendering.

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- ii) All bid submission forms shall be regularly reviewed and the various bid/contractual documents shall be standardised as far as possible.

- iii) Essential information shall be consolidated and bid forms reformatted in line with the aims of this policy.
- h) Retention
  - i) Retention on Major contracts should be limited to 5% of the tender sum.  
Where the value of the surety required has been reduced, or even waived, the usual 10% retention shall apply. The value of retention deducted will therefore be as follows:
    - a) **Micro and Minor:** 10% of the value of work carried out with no limit, reducing to 5% for the duration of the maintenance period.
    - b) **Major:** 10% of the value of the work carried out, up to a limit of 5% of the tender sum, with no reduction for the duration of the maintenance period.
  - ii) Retention in respect of the procurement of goods and services will not generally be called for, but where required, will be in accordance with the limits described above.
  - iii) For turnkey/design and construction projects, the above retention limits may be reviewed by the Municipality's Director: Infrastructure and Planning.
- i) Bid Advertising  
In order to reach the largest number of HDI owned and SMME service providers possible, the Municipality will advertise invitations to bid through a range of media.
  - a) The Municipality will provide an appropriate time period within which bidders can request additional clarification and will be sensitive to the issues of language in this regard.

## 18. **SHORT TITLE**

This part of the policy is called the Preferential Procurement Policy of the Polokwane Municipality.

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## **GENERAL PRINCIPLES GOVERNING THE MUNICIPALITY IN ITS INTERACTION WITH BIDDERS**

In dealing with bidders bidding for municipal work, the municipality will adhere to the basic principles of:

### **1 Efficiency**



- a) The municipal officials must administer the procurement process in the most efficient manner possible, avoiding time delays and duplication of activities.
- b) Where such delays are unavoidable, the municipal officials must inform all bidders of the nature of the delay and the revised time frames.

**2      Courtesy**

All staff members of the Municipality will deal with bidders in a courteous and respectful manner.

**3      Transparency**

- a) All bid processes will be open to the legal scrutiny of the public and interested parties.
- b) The Municipality will take all reasonable steps to ensure that the processes are clearly defined and understandable to all interested parties.

**4      Access to information**

The Municipality will take reasonable steps to ensure that all bidders have equal access to information on the goods or services to be bid for, as well as the bid process itself.

**5      Fair distribution of work**

The Municipality will take reasonable steps to make sure that the procurement of goods or services is fairly distributed amongst the service providers in the event of equality of bids. This will be done to avoid the excessive procurement of goods or services from one provider/supplier only.

**6      Competition**

The municipality will encourage fair competition between suppliers that provide goods and services to it.

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**ANNEXURE B**

**CRITERIA TO EVALUATE TECHNICAL AND FINANCIAL ABILITY**

Regardless of the scope and value of the contracts involved, all contracts will be judged on grounds of:

**1. Compliance with bid conditions:**

- 1.1 Bids submitted on time
- 1.2 Bid forms signed.
- 1.3 All essential information provided

**2. Meeting technical specifications and compliance with bid conditions**

- 2.1 Where requested in bid documentation, bidders must describe how they will produce the required outputs outlined in the bid documentation in terms of either goods or services.
- 2.2 The ability to produce the required goods or services within the stated time frame may be included as criteria for compliance.

**3. Infrastructure and resources available**

Bidders must indicate their capacity i.e. the extent of infrastructure under their control and resources available to enable them to execute the contract.

**4. Quality/ Durability**

- 4.1 Where requested, bidders must provide evidence that they will be able to adhere to generally accepted levels of quality in the provision of the product or services under consideration.
- 4.2 Where bidders are so requested, they must clearly explain their mechanisms for quality assurance and review.

**5. Size of enterprise and current workload**

- 5.1 Bidders must give an indication of the resources available for the contract they are bidding on.
- 5.2 Bidders must give an indication of the number and value of other contracts being undertaken by them at the date of bid, as to enable the Municipality to ascertain their ability to execute the contract.

**6. Staffing profile**

- 6.1 Bidders must indicate the number of full-time employees employed by the company in Polokwane at the time of bidding. Such information

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must include a breakdown in terms of race and gender at top and middle management levels.

6.2 Bidders must also indicate the experience of top and middle management staff, especially where the experience of the company as a whole is limited.

6.3 Bidders must indicate the number of disabled persons employed.

**7. Previous experience**

7.1 Bidders must indicate the number of years that they have been operating their business.

7.2 Bidders must provide evidence of previous experience in providing the goods or services under consideration, by providing a minimum of three contactable and relevant references.

**8. Financial ability to execute the contract**

8.1 Bidders must indicate the revenue generated by their company in the previous financial year.

8.2 Bidders must provide an indication of their financial ability to execute the contract.

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**SUPPLY CHAIN MANAGEMENT POLICY – PART B**

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**ANNEXURE C**

**CODE OF CONDUCT FOR SUPPLY CHAIN MANAGEMENT PRACTITIONERS AND OTHER ROLE PLAYERS**

The **purpose** of this Code of Conduct is to promote mutual trust and respect and an environment where business can be conducted with integrity and in a fair and reasonable manner.

**1. General Principles**

- 1.1 The municipality commits itself to a policy of fair dealing and integrity in the conducting of its business. Officials and other role players involved in supply chain management (SCM) are in a position of trust, implying a duty to act in the public interest. Officials and other role players should not perform their duties to unlawfully gain any form of compensation, payment or gratuities from any person, or provider/contractor for themselves, their family or their friends.
- 1.2 Officials and other role players involved in SCM should ensure that they perform their duties efficiently, effectively and with integrity, in accordance with the relevant legislation, policies and guidelines. They should ensure that public resources are administered responsibly.
- 1.3 Officials and other role players involved in SCM should be fair and impartial in the performance of their functions. They should at no time afford any undue preferential treatment to any group or individual or unfairly discriminate against any group or individual. They should not abuse the power and authority vested in them.

**2 Conflict of interest**

**An official or other role player involved with supply chain management –**

- 2.1 must treat all providers and potential providers equitably;

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- 2.2 may not use his or her position for private gain or to improperly benefit another person;
- 2.3 may not accept any reward, gift, favour, hospitality or other benefit directly or indirectly, including to any close family member, partner or associate of that person, of a value more than R350;
- 2.4 must declare to the accounting officer details of any reward, gift, favour, hospitality or other benefit promised, offered or granted to that person or to any close family member, partner or associate of that person;
- 2.5 must declare to the accounting officer details of any private or business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process, or in any award of a contract by the municipality ;
- 2.6 must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest;
- 2.7 must declare any business, commercial and financial interests or activities undertaken for financial gain that may raise a possible conflict of interest;
- 2.8 should not place him/herself under any financial or other obligation to outside individuals or organizations that might seek to influence them in the performance of their official duties; and
- 2.9 should not take improper advantage of their previous office after leaving their official position.

**3 Accountability**

- 3.1 Practitioners are accountable for their decisions and actions to the public.
- 3.2 Practitioners should use public property scrupulously.
- 3.3 Only accounting officers or their delegates have the authority to commit the municipality to any transaction for the procurement of goods and / or services.
- 3.4 All transactions conducted by a practitioner should be recorded and accounted for in an appropriate accounting system.

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- 3.5 Practitioners should not make any false or misleading entries into such a system for any reason whatsoever.
- 3.6 Practitioners must assist the accounting officer in combating fraud, corruption, favouritism and unfair and irregular practices in the supply chain management system.
- 3.7 Practitioners must report to the accounting officer any alleged irregular conduct in the supply chain management system which that person may become aware of, including:
- i) any alleged fraud, corruption, favouritism or unfair conduct;
  - ii) any alleged contravention of the policy on inducements, rewards, gifts and favours to municipalities or municipal entities, officials or other role players; and
  - iii) any alleged breach of this code of conduct.
- 3.8 Any declarations made must be recorded in a register which the accounting officer must keep for this purpose.
- 3.9 Any declarations made by the accounting officer must be made to the mayor who must ensure that such declaration is recorded in the register.

**4 Openness**

Practitioners should be as open as possible about all the decisions and actions that they take. They should give reasons for their decisions and restrict information only if it is in the public interest to do so.

**5 Confidentiality**

- 5.1 Any information that is the property of the municipality or its providers should be protected at all times. No information regarding any bid / contract / bidder / contractor may be revealed if such an action will infringe on the relevant bidder's / contractor's personal rights.
- 5.2 Matters of confidential nature in the possession of officials and other role players involved in SCM should be kept confidential unless legislation, the performance of duty or the provisions of law requires otherwise. Such restrictions also apply to officials and other role players involved in SCM after separation from service.

**6 Bid Specification / Evaluation / Adjudication Committees**

- 6.1 Bid specification, evaluation and adjudication committees should implement supply chain management on behalf of the municipality in an honest, fair, impartial, transparent, cost-effective and accountable manner.
- 6.2 Bid evaluation / adjudication committees should be familiar with and adhere to the prescribed legislation, directives and procedures in respect of supply chain management in order to perform effectively and efficiently.

- 6.3 All members of bid adjudication committees should be cleared by the accounting officer at the level of "CONFIDENTIAL" and should be required to declare their financial interest annually.

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- 6.4 No person should –

- 6.4.1 interfere with the supply chain management system of the municipality; or  
6.4.2 amend or tamper with any price quotation / bid after its submission.

**7. Combative Practices**

Combative practices are unethical and illegal and should be avoided at all cost. They include but are not limited to:

- 7.1 Suggestions to fictitious lower quotations;  
7.2 Reference to non-existent competition;  
7.3 Exploiting errors in price quotations / bids;  
7.4 Soliciting price quotations / bids from bidders / contractors whose names appear on the Register for Tender Defaulters

**POLOKWANE MUNICIPALITY**  
**SUPPLY CHAIN MANAGEMENT POLICY – PART C**

**Polokwane Municipality's SCM Policy for  
Infrastructure procurement and delivery management**



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## <sup>1</sup> **Scope**

This policy establishes the Polokwane Municipality's policy for infrastructure procurement and delivery management in accordance with the provisions of the regulatory frameworks for procurement and supply chain management. It includes the procurement of goods and services necessary for a new facility to be occupied and used as a functional entity but excludes:

- a) the storage of goods and equipment following their delivery to Polokwane Municipality which are stored and issued to contractors or to employees;
- b) the disposal or letting of land;
- c) the conclusion of any form of land availability agreement;
- d) the leasing or rental of moveable assets; and
- e) Public private partnerships.

## <sup>2</sup> **Terms, definitions and abbreviations**

### **2.1 Terms and definitions**

For the purposes of this document, the definitions and terms given in the standard and the following apply:

**Agent:** person or organization that is not an employee of Polokwane that acts on the Polokwane's behalf in the application of this document

**Authorised person:** the municipal manager or chief executive or the appropriately delegated authority to award, cancel, amend, extend or transfer a contract or order

**Conflict of interest:** any situation in which:

- a) someone in a position of trust has competing professional or personal interests which make it difficult for him to fulfil his duties impartially,
- b) an individual or organization is in a position to exploit a professional or official capacity in some way for his personal or for corporate benefit, or
- c) incompatibility or contradictory interests exist between an employee and the organization which employs that employee

**Contract manager:** person responsible for administering a package on behalf of the employer and performing duties relating to the overall management of such contract from the implementer's point of view

**family member:** a person's spouse, whether in a marriage or in a customary union according to indigenous law, domestic partner in a civil union, or child, parent, brother, sister, whether such a relationship results from birth, marriage or adoption

**Framework agreement:** an agreement between an organ of state and one or more contractors, the purpose of which is to establish the terms governing orders to be awarded during a given period, in particular with regard to price and, where appropriate, the quantity envisaged

**Gate:** a control point at the end of a process where a decision is required before proceeding to the next process or activity

**Gateway review:** an independent review of the available information at a gate upon which a decision to proceed or not to the next process is based

**Gratification:** an inducement to perform an improper act

**Infrastructure delivery:** the combination of all planning, technical, administrative and managerial actions associated with the construction, supply, renovation, rehabilitation, alteration, maintenance, operation or disposal of infrastructure

**Infrastructure procurement:** the procurement of goods or services including any combination thereof associated with the acquisition, renovation, rehabilitation, alteration, maintenance, operation or disposal of infrastructure

**Maintenance:** the combination of all technical and associated administrative actions during an item's service life to retain it in a state in which it can satisfactorily perform its required function

**Operation:** combination of all technical, administrative and managerial actions, other than maintenance actions, that results in the item being in use

**Order:** an instruction to provide goods, services or any combination thereof under a framework agreement

**Organ of state:** an organ of state as defined in section 239 of the Constitution of the Republic of South Africa

**Procurement document:** documentation used to initiate or conclude (or both) a contract or the issuing of an order

**principal:** a natural person who is a partner in a partnership, a sole proprietor, a director a company established in terms of the Companies Act of 2008 (Act No. 71 of 2008) or a member of a close corporation registered in terms of the Close Corporation Act, 1984, (Act No. 69 of 1984)

**Standard:** the latest edition of the Standard for Infrastructure Procurement and Delivery Management as published by National Treasury

**Working day:** any day of a week on which is not a Sunday, Saturday or public holiday

## **2.2 Abbreviations**

For the purposes of this document, the following abbreviations apply

CIDB: Construction Industry Development Board

SARS: South African Revenue Services

## **<sup>3</sup>General requirements**

### **3.1 Delegations**

**3.1.1** The **Council of Polokwane** hereby delegates all powers and duties to the Municipal Manager which are necessary to enable the Municipal Manager to:

- a) Discharge the supply chain management responsibilities conferred on accounting officers in terms of Chapter 8 or 10 of the Local Government Municipal Finance Management Act of 2003 and this document;

- b) Maximise administrative and operational efficiency in the implementation of this document;
- c) Enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this document and;
- d) Comply with his or her responsibilities in terms of section 115 and other applicable provisions of the Local Government Municipal Finance Management Act of 2003 Act.

**2.1.2** No departure shall be made from the provisions of this policy without the approval of the Municipal Manager of Polokwane Municipality

**3.1.3** The **Municipal Manager** shall for oversight purposes:

- a) within 30 days of the end of each financial year, submit a report on the implementation of this the policy and the equivalent policy of any municipal entity under the sole or shared control of the Polokwane Municipality, to the council of the Polokwane Municipality / within 20 days of the end of each financial year, submit a report on the implementation of this policy to the board of directors, who must then submit the report to the municipal manager of Polokwane Municipality for submission to the council;
- b) whenever there are serious and material problems in the implementation of this policy, immediately submit a report to the Council,
- c) within 10 days of the end of each quarter, submit a report on the implementation of the policy to the Executive Mayor; and
- d) make the reports public in accordance with section 21A of the Municipal Systems Act of 2000.

### **3.2 Implementation of the Standard for Infrastructure Procurement and Delivery Management**

**3.2.1** Infrastructure procurement and delivery management shall be undertaken in accordance with the all applicable legislation and the relevant requirements of the latest edition of the National Treasury Standard for Infrastructure Procurement and Delivery Management.<sup>5</sup>

**3.2.2** Pre-feasibility and feasibility reports are required on 15 June 2016

### **3.3 Supervision of the infrastructure delivery management unit**

The Infrastructure Delivery Management Unit shall be directly supervised by the Chief Financial Officer.

### **3.4 Objections and complaints**

Persons aggrieved by decisions or actions taken in the implementation of this policy, may lodge within 14 days of the decision or action, a written objection or complaint against the decision or action.

### **3.5 Resolution of disputes, objections, complaints and queries**

**3.5.1** The **Municipal Manager** shall appoint an independent and impartial person, not directly involved in the infrastructure delivery management processes to assist in the resolution of dispute between the Municipality and other persons regarding :-

- a) any decisions or actions taken in the implementation of the supply chain management system;
- b) any matter arising from a contract awarded within the Polokwane Municipality's infrastructure delivery management system; or
- c) to deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.

**3.5.2** The Designated person shall assist the person appointed in terms of 3.5.1 to perform his or her functions effectively.

**3.5.3** The person appointed in terms of 3.5.1 shall:

- a) strive to resolve promptly all disputes, objections, complaints or queries received; and
- b) submit monthly reports to the Municipal Manager on all disputes, objections, complaints or queries received, attended to or resolved.

**3.5.4** A dispute, objection, complaint or query may be referred to the **Limpopo Treasury** if:

- a) the dispute, objection, complaint or query is not resolved within 60 days; or
- b) no response is forthcoming within 60 days.

**3.5.5** If the **Limpopo treasury** does not or cannot resolve the matter, the dispute, objection, complaint or query may be referred to the National Treasury for resolution.

4

## **Control framework for infrastructure delivery management**

### **4.1 Assignment of responsibilities for approving or accepting end of stage deliverables<sup>12</sup>**

The responsibilities for approving or accepting end of stage deliverables shall be as stated in Table 1.

## **4.4 Gateway reviews**

### **4.4.1 Gateway reviews for major capital projects above a threshold**

**4.4.1.1 The Municipal Manager** shall appoint a gateway review team in accordance with the provisions of clause 4.1.13.1.2 of the standard to undertake gateway reviews for major capital projects.

**Table 1: Responsibilities for approving or accepting end of stage deliverables in the control framework for the management of infrastructure delivery**

**Table 1: Responsibilities for approving or accepting end of stage deliverables in the control framework for the management of infrastructure delivery**

Stage			Person assigned the responsibility for approving or accepting end of stage deliverable
NO	Name		
	Project Initiation		Director Engineering accepts the initiation report
0	Project Initiation		Director Engineering approves the infrastructure plan
1	Infrastructure planning		Director Engineering approves the delivery and /or procurement strategy
2	Strategic resourcing		Director Engineering accepts the pre-feasibility report
3	Pre-feasibility		Director Engineering accepts the pre-feasibility report
	Preparation and Briefing		Director Engineering accepts the strategic brief
	Feasibility		Director Engineering accepts the feasibility report
4	Concept and Viability		Director Engineering accepts the concepts report
5	Design Development		Director Engineering accepts the design development report
6	Design Documentation	6A Production Information	Director Engineering accepts the parts of the production information which are identified when the design development report is accepted as requiring acceptance



	6B Manufacture fabrication and construction information	The Contract manager accepts the manufacture, fabrication and construction information
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Stage		Person assigned the responsibility for approving or accepting end of stage deliverables
No	Name	
7	Works	The contract manager certifies completion of the works or the delivery of goods and associated services
8	Handover	The owner or end user accepts liability for the works
9	Package completion	The contract manager or supervising agent certifies the defects certificate in accordance with the provisions of the contract The contract manager certifies final completion in accordance with the provisions of the contract <i>[Designated person]</i> accepts the close out report

**5.1** The responsibilities for taking the key actions associated with the formation and conclusion of contracts including framework agreements above the quotation threshold shall be as stated in Table 2.

**5.2** The responsibilities for taking the key actions associated with the quotation procedure and the negotiation procedure where the value of the contract is less than the threshold set for the quotation procedure shall be as follows:

- a) The Municipal Manager shall grant approval for the issuing of the procurement documents, based on the contents of a documentation review report developed in accordance with the provisions of the standard;
- b) the authorised person may award the contract if satisfied with the recommendations contained in the evaluation report prepared in accordance with the provisions of the standard.

**5.3** The responsibilities for taking the key actions associated with the issuing of an order in terms of a framework agreement shall be as stated in Table 3.

## <sup>6</sup> **Infrastructure delivery management requirements**

### **6.1 Institutional arrangements**

#### **6.1.1 Committee system for procurement**

##### **6.1.1.1 General**

**6.1.1.1.1** A committee system comprising the documentation committee, evaluation committee and tender committee shall be applied to all procurement procedures where the estimated value of the procurement exceeds the financial threshold for quotations and to the putting in place of framework agreements.

**6.1.1.1.2** The evaluation committee shall, where competition for the issuing of an order amongst framework contractors takes place and the value of the order exceeds the financial threshold for quotations, evaluate the quotations received.

**6.1.1.1.3** No member of, or technical adviser or subject matter expert who participates in the work of the any of the procurement committees or a family member or associate of such a member, may tender for any work associated with the tender which is considered by these committees.

**Table 2: Procurement activities and gates associated with the formation and conclusion of contracts above the quotation threshold**

<b>Activity</b>		<b>Sub-Activity</b> (see Table 3 of the standard)		<b>Key action</b>	<b>Person assigned responsibility to perform key action</b>
1*	Establish what is to be procured	1.3 <b>PG1</b>	Obtain permission to start with the procurement process	Make a decision to proceed / not to proceed with the procurement based on the broad scope of work and the financial estimates.	Municipal Manager
2*	Decide on procurement strategy	2.5 <b>PG2</b>	Obtain approval for procurement strategies that are to be adopted including specific approvals to approach a confined market or the use of the negotiation procedure	Confirm selection of strategies so that tender offers can be solicited	Municipal Manager
3	Solicit tender offers	3.2 <b>PG3</b>	Obtain approval for procurement documents	Grant approval for the issuing of the procurement documents	Procurement documentation committee
		3.3 <b>PG4</b>	Confirm that budgets are in place	Confirm that finance is available for the procurement to take place	Chief Financial Officer
		4.2 <b>PG5</b>	Obtain authorisation to proceed with next phase of tender process in the qualified, proposal or	Review evaluation report, ratify recommendations and authorise progression to the next stage of the tender process	Manager: Supply Chain Management

4	Evaluate tender offers		competitive negotiations procedure		
		4.7 <b>PG6</b>	Confirm recommendations contained in the tender evaluation report	Review recommendations of the evaluation committee and refer back to evaluation committee for reconsideration or make recommendation for award	Tender committee
5	Award contract	5.3 <b>PG7</b>	Award contract	Formally accept the tender offer in writing and issue the contractor with a signed copy of the contract	Municipal Manager
		5.5 <b>GF1</b>	Upload data in financial management and payment system	Verify data and upload contractor's particulars and data associated with the contract or order	Chief Financial Officer

**Table 2** (concluded)

Activity		Sub-Activity		Key action	Person assigned responsibility to perform key action
6	Administer contracts and confirm compliance with requirements	6.4 <b>PG8 A</b>	Obtain approval to waive penalties or low performance damages.	Approve waiver of penalties or low performance damages	Municipal Manager
		6.5 <b>PG8 B</b>	Obtain approval to notify and refer a dispute to an adjudicator	Grant permission for the referral of a dispute to an adjudicator or for final settlement to an arbitrator or court of law	Municipal Manager
		6.6 <b>PG8 C</b>	Obtain approval to increase the total of prices, excluding contingencies and price adjustment for inflation, or the time for completion at the award of a contract or the issuing of an order up to a specified percentage <sup>21</sup>	Approve amount of time and cost overruns up to the threshold	Municipal Manager
		6.7 <b>PG8 D</b>	Obtain approval to exceed the total of prices, excluding contingencies and price adjustment for inflation, or the time for completion at award of a contract or the issuing of an order by more than 20% and 30%, respectively	Approve amount of time and cost overruns above a the threshold	Municipal Manager

		6.8 <b>PG8E</b>	Obtain approval to cancel or terminate a contract	Approve amount	Municipal Manager
		6.9 <b>PG8F</b>	Obtain approval to amend a contract	Approve proposed amendment to contract	Municipal Manager

**Table 3: Procurement activities and gates associated with the issuing of an order above the quotation threshold in terms of a framework agreement**

6.1.1.3

<b>Activity</b>		<b>Key action</b>	<b>Person assigned responsibility to perform key action</b>
<b>1 FG1</b>	Confirm justifiable reasons for selecting a framework contractor where there is more than one framework agreement covering the same scope of work	Confirm reasons submitted for not requiring competition amongst framework contractors or instruct that quotations be invited	Municipal Manager
<b>3 FG2</b>	Obtain approval for procurement documents	Grant approval for the issuing of the procurement documents	Municipal Manager
<b>4 FG3</b>	Confirm that budgets are in place	Confirm that finance is available so that the order may be issued	Chief Financial Officer
<b>6 FG4</b>	Authorise the issuing of the order	If applicable, review evaluation report and confirm or reject Recommendations. Formally accept the offer in writing and issue the contractor with a signed copy of the order	Chief Financial Officer

## **Evaluation committee**

**6.1.1.3.1** The **Municipal Manager** shall appoint on a procurement by procurement basis in writing:

- a) the persons to prepare the evaluation and, where applicable, the quality evaluations, in accordance with clauses 4.2.3.2 and 4.2.3.4 of the standard, respectively; and
- b) the members of the evaluation committee.

**6.1.1.3.2** The evaluation committee shall comprise not less than three people. The chairperson shall be an employee of Polokwane Municipality with requisite skills. Other members shall include a supply chain management practitioner and, where relevant, include an official from the department requiring infrastructure delivery.

**6.1.1.3.3** The evaluation committee shall review the evaluation reports prepared in accordance with sub clause 4.2.3 of the standard and as a minimum verify the following in respect of the recommended tenderer:

- a) the capability and capacity of a tenderer to perform the contract;
- b) the tenderer's tax and municipal rates and taxes compliance status;
- c) confirm that the tenderer's municipal rates and taxes and municipal service charges are not in arrears;
- d) the Compulsory Declaration has been completed; and
- e) the tenderer is not listed in the National Treasury's Register for Tender Defaulters or the List of Restricted Suppliers.

**6.1.1.3.4** No tender submitted by a member of, or technical adviser or subject matter expert who participates in the work of the procurement documentation committee or a family member or associate of such a member, may be considered by the evaluation committee.

**6.1.1.3.5** The chairperson of the evaluation committee shall promptly notify the Chief Financial Officer of any respondent or tenderer who is disqualified for having engaged in fraudulent or corrupt practices during the tender process.

### **6.1.1.4 Tender committee<sup>23</sup>**

**6.1.1.4.1** The tender committee shall comprise of least four Senior Managers or their mandated delegate including the following :

- a) Chief Financial Officer who shall be the chairperson:
- b) Manager Supply Chain Management
- c) Technical Expert in the relevant field



**6.1.1.4.2** No member of the evaluation committee may serve on the tender committee. A member of an evaluation committee may, however, participate in the deliberations of a tender committee as a technical advisor or a subject matter expert.

**6.1.1.4.3** The tender committee shall:

- a) consider the report and recommendations of the evaluation committee and:
  - 1) verify that the procurement process which was followed complies with the provisions of this document;
  - 2) confirm that the report is complete and addresses all considerations necessary to make a recommendation;
  - 3) confirm the validity and reasonableness of reasons provided for the elimination of tenderers; and
  - 4) consider commercial risks and identify any risks that have been overlooked or fall outside of the scope of the report which warrant investigation prior to taking a final decision; and
- b) refer the report back to the evaluation committee for their reconsideration or make a recommendation to the authorised person on the award of a tender, with or without conditions, together with reasons for such recommendation.

**6.1.1.4.4** The tender committee shall consider proposals regarding the cancellation, amendment, extension or transfer of contracts that have been awarded and make a recommendation to the authorised person on the course of action which should be taken.

**6.1.1.4.5** The tender committee shall consider the merits of an unsolicited offer and make a recommendation to the Municipal Manager.

**6.1.1.4.6** The tender committee shall report to the Municipal Manager any recommendation made to award a contract to a tenderer other than the tenderer recommended by the evaluation committee, giving reasons for making such a recommendation.

**6.1.1.4.7** The tender committee shall not make a recommendation for an award of a contract or order if the recommended tenderer or framework contractor has:

- a) made a misrepresentation or submitted false documents in competing for the contract or order; or
- b) been convicted of a corrupt or fraudulent act in competing for any contract during the past five years.

**6.1.1.4.8** The tender committee may on justifiable grounds and after following due process, disregard the submission of any tenderer if that tenderer or any of its directors, members or trustees or partners has abused the delivery management system or has committed fraud, corruption or any other improper

be informed where such tenderers are disregarded.

## **6.1.2 Actions of an authorised person relating to the award of a contract or an order**

### **6.1.2.1 Award of a contract**

**6.1.2.1** The authorised person shall, if the value of the contract inclusive of VAT, is within his or her delegation, consider the report(s) and recommendations of the tender

committee, or in the case of the awards for contracts below the quotation threshold, the recommendation of the

**6.1.1.4.4** No member of the evaluation committee may serve on the tender committee. A member of an evaluation committee may, however, participate in the deliberations of a tender committee as a technical advisor or a subject matter expert.

**6.1.1.4.5** The tender committee shall:

- c) consider the report and recommendations of the evaluation committee and:
  - 1) verify that the procurement process which was followed complies with the provisions of this document;
  - 2) confirm that the report is complete and addresses all considerations necessary to make a recommendation;
  - 3) confirm the validity and reasonableness of reasons provided for the elimination of tenderers; and
  - 4) consider commercial risks and identify any risks that have been overlooked or fall outside of the scope of the report which warrant investigation prior to taking a final decision; and
- d) refer the report back to the evaluation committee for their reconsideration or make a recommendation to the authorised person on the award of a tender, with or without conditions, together with reasons for such recommendation.

**6.1.1.4.8** The tender committee shall consider proposals regarding the cancellation, amendment, extension or transfer of contracts that have been awarded and make a recommendation to the authorised person on the course of action which should be taken.

**6.1.1.4.9** The tender committee shall consider the merits of an unsolicited offer and make a recommendation to the Municipal Manager.

**6.1.1.4.10** The tender committee shall report to the Municipal Manager any recommendation made to award a contract to a tenderer other than the tenderer recommended by the evaluation committee, giving reasons for making such a recommendation.

**6.1.1.4.11** The tender committee shall not make a recommendation for an award of a contract or order if the recommended tenderer or framework contractor has:

- c) made a misrepresentation or submitted false documents in competing for the contract or order; or
- d) been convicted of a corrupt or fraudulent act in competing for any contract during the past five years.

**6.1.1.4.8** The tender committee may on justifiable grounds and after following due process, disregard the submission of any tenderer if that tenderer or any of its directors, members or trustees or partners has abused the delivery management system or has committed fraud, corruption or any other improper

be informed where such tenderers are disregarded.

**6.1.3 Actions of an authorised person relating to the award of a contract or an order**

### **6.1.2.2 Award of a contract**

**6.1.2.1** The authorised person shall, if the value of the contract inclusive of VAT, is within his or her delegation, consider the report(s) and recommendations of the tender committee, or in the case of the awards for contracts below the quotation threshold, the recommendation of the designated person and either:

- a) award the contract after confirming that the report is complete and addresses all considerations necessary to make a recommendation and budgetary provisions are in place; or
- b) decide not to proceed or to start afresh with the process.

**6.1.2.2** The authorised person shall immediately notify the Designated Person if a tender other than the recommended tender is awarded, save where the recommendation is changed to rectify an irregularity. Such person shall, within 10 working days, notify in writing the Auditor-General, the National Treasury and Limpopo Treasury, and, in the case of a municipal entity, also the parent municipality, of the reasons for deviating from such recommendation.

### **6.1.2.3 Issuing of an order**

The authorised person shall, if the value of an order issued in terms of a framework contract, is within his  
Of the \_\_\_\_\_ as

Relevant, and either:

- a) authorise the issuing of an order in accordance with the provisions of clause 4.25 of the standard; or
- b) Decide not to proceed or to start afresh with the process.

## **6.1.3 Conduct of those engaged in infrastructure delivery**

### **6.1.3.1 General requirements**

**6.1.3.1.1** All personnel and agents of **Polokwane Municipality** shall comply with the requirements of the CIDB Code of Conduct for all Parties engaged in Construction Procurement. They shall:

- a) behave equitably, honestly and transparently;
- b) discharge duties and obligations timeously and with integrity;
- c) comply with all applicable legislation and associated regulations;
- d) satisfy all relevant requirements established in procurement documents;
- e) avoid conflicts of interest; and
- f) Not maliciously or recklessly injure or attempt to injure the reputation of another party.

**6.1.3.1.2** All personnel and agents engaged in **Polokwane Municipality's** infrastructure delivery management system shall:

- a) not perform any duties to unlawfully gain any form of compensation, payment or gratification from any person for themselves or a family member or an associate;
- b) perform their duties efficiently, effectively and with integrity and may not use their position for private gain or to improperly benefit another person;
- c) strive to be familiar with and abide by all statutory and other instructions applicable to their duties;
- d) furnish information in the course of their duties that is complete, true and fair and not intended to mislead;
- e) ensure that resources are administered responsibly;
- f) be fair and impartial in the performance of their functions;
- g) at no time afford any undue preferential treatment to any group or individual or unfairly discriminate against any group or individual;
- h) not abuse the power vested in them;
- i) not place themselves under any financial or other obligation to external individuals or firms that might seek to influence them in the performance of their duties;
- j) assist Polokwane Municipality in combating corruption and fraud within the infrastructure procurement and delivery management system;
- k) not disclose information obtained in connection with a project except when necessary to carry out assigned duties;
- l) not make false or misleading entries in reports or accounting systems; and
- m) Keep matters of a confidential nature in their possession confidential unless legislation, the performance of duty or the provision of the law require otherwise.

**6.1.3.1.2** An employee or agent may not amend or tamper with any submission, tender or contract in any manner whatsoever.

#### **6.1.3.2 Conflicts of interest**

**6.1.3.2.1** The employees and agents of **Polokwane Municipality** who are connected in any way to procurement and delivery management activities which are subject to this policy, shall:

- a) disclose in writing to the employee of the Polokwane Municipality to whom they report, or to the person responsible for managing their contract, if they have, or a family member or associate has, any conflicts of interest; and
- b) not participate in any activities that might lead to the disclosure of Polokwane Municipality proprietary information.

**6.1.3.2.2** The employees and agents of Polokwane Municipality shall declare and address any perceived or known conflict of interest, indicating the nature of such conflict to whoever is responsible for overseeing the procurement process at the start of any deliberations relating to a procurement process or as soon as they become aware of such conflict, and abstain from any

decisions where such conflict exists or recuse themselves from the procurement process, as appropriate.

**6.1.3.2.3** Agents who prepare a part of a procurement document may in exceptional circumstances, where it is in Polokwane Municipality's interest to do so, submit a tender for work associated with such documents provided that:

- a) Polokwane Municipality states in the tender data that such an agent is a potential tenderer;
- b) all the information which was made available to, and the advice provided by that agent which is relevant to the tender, is equally made available to all potential tenderers upon request, if not already included in the scope of work; and
- c) the procurement documentation committee is satisfied that the procurement document is objective and unbiased having regard to the role and recommendations of that agent.

#### **6.1.3.3 Evaluation of submissions received from respondents and tenderers**

**6.1.3.3.1** The confidentiality of the outcome of the processes associated with the calling for expressions of interest, quotations or tenders shall be preserved. Those engaged in the evaluation process shall:

- a) not have any conflict between their duties as an employee or an agent and their private interest;
- b) may not be influenced by a gift or consideration (including acceptance of hospitality) to show favour or disfavour to any person;
- c) deal with respondents and tenderers in an equitable and even-handed manner at all times; and
- d) not use any confidential information obtained for personal gain and may not discuss with, or disclose to outsiders, prices which have been quoted or charged to Polokwane Municipality.

**6.1.3.3.2** The evaluation process shall be free of conflicts of interest and any perception of bias. Any connections between the employees and agents of Polokwane Municipality and a tenderer or respondent shall be disclosed and recorded in the tender evaluation report.

**6.1.3.3.3** Polokwane Municipality personnel and their agents shall immediately withdraw from participating in any manner whatsoever in a procurement process in which they, or any close family member, partner or associate, has any private or business interest.

#### **6.1.3.4 Non-disclosure agreements**

Confidentiality agreements in the form of non-disclosure agreements shall, where appropriate, be entered into with agents and potential contractors to protect Polokwane Municipality's confidential information and interests.

**6.1.3.5.1** The employees and agents of Polokwane Municipality as well as their family members of associates shall not receive any of the following from any tenderer, respondent or contractor or any potential contractor:

- a) money, loans, equity, personal favours, benefits or services;
- b) overseas trips; or
- c) any gifts or hospitality irrespective of value from tenderers or respondents prior to the conclusion of the processes associated with a call for an expression of interest or a tender.

**6.1.3.5.3** The employees and agents of Polokwane Municipality shall not purchase any items at artificially low prices from any tenderer, respondent or contractor or any potential contractor at artificially low prices which are not available to the public.

**6.1.3.5.4** All employees and agents of Polokwane Municipality may for the purpose of fostering inter-personal business relations accept the following:

- a) meals and entertainment, but excluding the cost of transport and accommodation;
- b) promotional material of small intrinsic value such as pens, paper-knives, diaries, calendars, etc;
- c) incidental business hospitality such as business lunches or dinners, which the employee is prepared to reciprocate;
- d) complimentary tickets to sports meetings and other public events, but excluding the cost of transport and accommodation, provided that such tickets are not of a recurrent nature; and
- e) gifts in kind other than those listed in a) to d) which have an intrinsic value greater than R350 unless they have declared them to the Municipal Manager.

**6.1.3.5.5** Under no circumstances shall gifts be accepted from prospective contractors during the evaluation of calls for expressions of interest, quotations or tenders that could be perceived as undue and improper influence of such processes.

**6.1.3.5.6** Employees and agents of Polokwane Municipality shall without delay report to the Municipal Manager any incidences of a respondent, tenderer or contractor who directly or indirectly offers a gratification to them or any other person to improperly influence in any way a procurement process, procedure or decision.

#### **6.1.3.6 Reporting of breaches**

Employees and agents of Polokwane Municipality shall promptly report to the Municipal Manager any alleged improper conduct which they may become aware of, including any alleged fraud or corruption.

#### **6.1.4 Measures to prevent abuse of the infrastructure delivery system**

The Municipal Manager shall investigate all allegations of corruption, improper conduct or failure to comply with the requirements of this policy against an employee or an agent, a contractor or other role player and, where justified:

#### **6.1.3.5 Gratifications, hospitality and gifts**

**6.1.3.5.2** The employees and agents of Polokwane Municipality shall not, directly or indirectly, accept or agree or offer to accept any gratification from any other person including a

commission, whether for the benefit of themselves or for the benefit of another person, as an inducement to improperly influence in any way a procurement process, procedure or decision.

**6.1.3.5.3** The employees and agents of Polokwane Municipality as well as their family members of associates shall not receive any of the following from any tenderer, respondent or contractor or any potential contractor:

- d) money, loans, equity, personal favours, benefits or services;
- e) overseas trips; or
- f) any gifts or hospitality irrespective of value from tenderers or respondents prior to the conclusion of the processes associated with a call for an expression of interest or a tender.

**6.1.3.5.5** The employees and agents of Polokwane Municipality shall not purchase any items at artificially low prices from any tenderer, respondent or contractor or any potential contractor at artificially low prices which are not available to the public.

**6.1.3.5.6** All employees and agents of Polokwane Municipality may for the purpose of fostering inter-personal business relations accept the following:

- e) meals and entertainment, but excluding the cost of transport and accommodation;
- f) promotional material of small intrinsic value such as pens, paper-knives, diaries, calendars, etc;
- g) incidental business hospitality such as business lunches or dinners, which the employee is prepared to reciprocate;
- h) complimentary tickets to sports meetings and other public events, but excluding the cost of transport and accommodation, provided that such tickets are not of a recurrent nature; and
- f) gifts in kind other than those listed in a) to d) which have an intrinsic value greater than R350 unless they have declared them to the Municipal Manager.

**6.1.3.5.7** Under no circumstances shall gifts be accepted from prospective contractors during the evaluation of calls for expressions of interest, quotations or tenders that could be perceived as undue and improper influence of such processes.

**6.1.3.5.8** Employees and agents of Polokwane Municipality shall without delay report to the Municipal Manager any incidences of a respondent, tenderer or contractor who directly or indirectly offers a gratification to them or any other person to improperly influence in any way a procurement process, procedure or decision.

#### **6.1.3.7 Reporting of breaches**

Employees and agents of Polokwane Municipality shall promptly report to the Municipal Manager any alleged improper conduct which they may become aware of, including any alleged fraud or corruption.

#### **6.1.5 Measures to prevent abuse of the infrastructure delivery system**

The Municipal Manager shall investigate all allegations of corruption, improper conduct or failure to comply with the requirements of this policy against an employee or an agent, a contractor or other role player and, where justified:

- a) take steps against an employee or role player and inform the National Treasury and Limpopo Treasury of those steps;

- b) report to the South African Police Service any conduct that may constitute a criminal offence;
- c) lodge complaints with the Construction Industry Development Board or any other relevant statutory council where a breach of such council's code of conduct or rules of conduct are considered to have been breached;
- d) cancel a contract if:
  - 1) it comes to light that the contractor has made a misrepresentation, submitted falsified documents or has been convicted of a corrupt or fraudulent act in competing for a particular contract or during the execution of that contract; or
  - 2) an employee or other role player committed any corrupt or fraudulent act during the tender process or during the execution of that contract.

#### **6.1.5 Awards to persons in the service of the state**

**6.1.5.1** Any submissions made by a respondent or tenderer who declares in the Compulsory Declaration that a principal is one of the following shall be rejected:

- a) a member of any municipal council, any provincial legislature, or the National Assembly or the National Council of Provinces;
- b) a member of the board of directors of any municipal entity;
- c) an official of any municipality or municipal entity;

### **7. DATE OF IMPLEMENTATION**

This policy takes effect from 1 July 2025 and will be reviewed annually during the budgetary process of the Municipality





**DRAFT REVIEW**  
**SUBSISTENCE AND TRAVELLING**  
**POLICY**

**2025-2026**

## **DIRECTORATE CORPORATE AND SHARED SERVICES**

### **BUSINESS UNIT: HUMAN RESOURCES**

**ITEM:**

**REF NO:**

### **REVISED SUBSISTENCE AND TRAVELLING ALLOWANCE POLICY**

#### **Report of the Manager Human Resources**

#### **PURPOSE**

The purpose of the report is to obtain approval of the revised Subsistence and Travelling Allowance Policy.

#### **DISCUSSION**

Council resolved in 2008 to update the Subsistence and Travel (S & T) Allowance policy by agreeing on new tariffs. The S&T Policy differs from the travelling allowance that is paid to officials for using their personal vehicles to perform duties for the Municipality.

The rates that were approved in 2008 are reviewed annually and are adjusted in line with standard applicable procedures and guidelines (e.g. SARS annual guidelines applicable to S & T and MFMA Circular **97**).

The rates are as follows:

<b>DESCRIPTION</b>	<b>PREVIOUS</b>	<b>NEW REVISED</b>
*Day Allowance : Incidental Costs	R169.00	R176.00
Overnight Allowance – own booking (D,B&B incl)	R885.00(Inclusive)	R925.00(Inclusive)
<b>Meals:</b>	<b>MFMA Circular 97</b>	<b>MFMA Circular 97</b>
* Breakfast	R110(Band 1)	R110(Band 1)
* Lunch	R160(Band 1, 2 & 3)	R160(Band 1, 2 & 3)
* Dinner	R180(Band 1 & 2)	R180(Band 1 & 2)
* The above rates are applicable only where accommodation is arranged by Council but meals are not provided for in the package or where employees made their own accommodation arrangements		
*Traveling outside border SA: Non adjacent Countries	Prescribed amount applicable to the relevant country(SARS guidelines, PAYE-GEN-01-G03-A02 – Subsistence Allowance – Foreign Travel)	Prescribed amount applicable to the relevant country(SARS guidelines, PAYE-GEN-01-G03-A02 – Subsistence Allowance – Foreign Travel)
Traveling outside border SA: Adjacent Countries		
*Prescribed rate per kilometer:	Tariffs for the use of Motor Transport ( <b>Department of Transport</b> )	Tariffs for the use of Motor Transport ( <b>Department of Transport</b> )

NB = In all instances amounts exceeding the above must be supported by proof of actual payments / documentation or else ONLY the amounts reflected above will be paid.

**\*Foot Note: The items marked with an asterisk will be amended annually in terms of the SARS Guidelines as attached marked "Annexure C" and/or applicable MFMA Circulars, e.g. MFMA Circular 97**

### **Day allowance**

Day allowance will be increased from **R169.00** to **R176.00** for incidental expenditure.

### **Overnight allowance**

Overnight accommodation may only be booked where the return trip exceeds 500 kilometers.

#### **1. Where all accommodation is being arranged and paid for Council in advance.**

In scenario 1, the person will only receive a day allowance of R176.00 for every day away from his home base.

DESCRIPTION	PREVIOUS	NEW REVISED
Overnight Allowance	Council paid in advance	Council paid in advance
Day away (for every day)	R169.00	R176.00
Day of return ( <b><u>longer</u></b> than 6 hours away from base)	<b>MFMA Circular 97</b>	<b>MFMA Circular 97</b>
<b>Meals:</b>		
* Breakfast	R110(Band 1)	R110(Band 1)
* Lunch	R160(Band 1, 2 & 3)	R160(Band 1, 2 & 3)
* Dinner	R180(Band 1 & 2)	R180(Band 1 & 2)
* The above rates are applicable only where accommodation is arranged by Council but meals are not provided for in the package.		
*Prescribed rate per kilometer:	Tariffs for the use of Motor Transport ( <b>Department of Transport</b> )	Tariffs for the use of Motor Transport ( <b>Department of Transport</b> )
NB = In all instances amounts exceeding the above must be supported by proof of actual payments / documentation or else ONLY the amounts reflected above will be paid.		

#### **2. Where the person travelling pays for his own costs.**

In scenario 2 the person will be getting an overnight allowance only for the days away from his home base. The difference between the current and the proposed is as follows:

DESCRIPTION	PREVIOUS	NEW REVISED
Overnight Allowance – own booking (D,B&B incl)	R885.00(Inclusive)	R925.00(Inclusive)
Day away (for every day)	R169.00	R176.00
Day of return ( <b><u>longer</u></b> than 6 hours away from base)	<b>MFMA Circular 97</b>	<b>MFMA Circular 97</b>
<b>Meals:</b>		
* Breakfast	-	-
* Lunch	-	-
* Dinner	-	-
* The above rates are applicable only where accommodation is arranged by Council but meals are not provided for in the package.		
*Prescribed rate per kilometer:	Tariffs for the use of Motor Transport ( <b>Department of Transport</b> )	Tariffs for the use of Motor Transport ( <b>Department of Transport</b> )
NB = In all instances amounts exceeding the above must be supported by proof of actual payments / documentation or else ONLY the amounts reflected above will be paid.		

### **International Allowance**

It is recommended that an all-inclusive amount per day applicable to the relevant country, be paid for meals and incidental cost allowances for visits to countries outside the Republic of South Africa as stipulated in the SARS Guide for Employers in respect of Allowances (Subsistence Allowance – Foreign Travel).

It is the responsibility of the employee to keep documentation in respect of expenditure incurred for tax purposes.

### **Travel Allowance**

<b>DESCRIPTION</b>	<b>PREVIOUS</b>	<b>NEW REVISED</b>
Travel Costs	Tariffs for the use of Motor Transport <b>(Department of Transport)</b>	Tariffs for the use of Motor Transport <b>(Department of Transport)</b>
Toll Fees	Will be paid on submitting proof of payment	Will be paid on submitting proof of payment
Parking Fees	Will be paid on submitting proof of payment	Will be paid on submitting proof of payment

### **Comments: Chief Financial Officer**

### **RECOMMEND**

1. That Council approves the Revised Subsistence and Travelling Allowance Policy attached as Annexure "A", S & T Procedures attached as Annexure "B" and the Claim form attached as Annexure "D".
2. That Council approves Subsistence and Travelling allowances as to be paid follows:

<b>DESCRIPTION</b>	<b>PREVIOUS</b>	<b>NEW REVISED</b>
*Day Allowance : Incidental Costs	R169.00	R176.00
Overnight Allowance – own booking (D,B&B incl)	R885.00(Inclusive)	R925.00(Inclusive)
<b>Meals:</b>	<b>MFMA Circular 97</b>	<b>MFMA Circular 97</b>
* Breakfast	R110(Band 1)	R110(Band 1)
* Lunch	R160(Band 1, 2 & 3)	R160(Band 1, 2 & 3)
* Dinner	R180(Band 1 & 2)	R180(Band 1 & 2)
* The above rates are applicable only where accommodation is arranged by Council but meals are not provided for in the package.		
*Traveling outside border SA: Non adjacent Countries	Prescribed amount applicable to the relevant country(SARS guidelines, PAYE-GEN-01-G03-A02 – Subsistence Allowance – Foreign Travel)	Prescribed amount applicable to the relevant country(SARS guidelines, PAYE-GEN-01-G03-A02 – Subsistence Allowance – Foreign Travel)
Traveling outside border SA: Adjacent Countries		
*Prescribed rate per kilometer:	Tariffs for the use of Motor Transport <b>(Department of Transport)</b>	Tariffs for the use of Motor Transport <b>(Department of Transport)</b>

NB = In all instances amounts exceeding the above must be supported by proof of actual payments / documentation or else ONLY the amounts reflected above will be paid.

**Day allowance / Overnight allowance:** (Where all accommodation is being arranged and paid for by Council in advance):

DESCRIPTION	PREVIOUS	NEW REVISED
Overnight Allowance	Council paid in advance	Council paid in advance
Day away (for every day)	R169.00	R176.00
Day of return ( <b>longer</b> than 6 hours away from base)	<b>MFMA Circular 97</b>	<b>MFMA Circular 97</b>
<b>Meals:</b>		
* Breakfast	R110(Band 1)	R110(Band 1)
* Lunch	R160(Band 1, 2 & 3)	R160(Band 1, 2 & 3)
* Dinner	R180(Band 1 & 2)	R180(Band 1 & 2)
* The above rates are applicable only where accommodation is arranged by Council but meals are not provided for in the package.		
*Prescribed rate per kilometer:	Tariffs for the use of Motor Transport ( <b>Department of Transport</b> )	Tariffs for the use of Motor Transport ( <b>Department of Transport</b> )

NB = In all instances amounts exceeding the above must be supported by proof of actual payments / documentation or else ONLY the amounts reflected above will be paid.

**Day allowance / Overnight allowance:** (Where the person travels at his/her own costs):

DESCRIPTION	PREVIOUS	NEW REVISED
Overnight Allowance - own booking(D,B&B incl)	R885.00(Inclusive)	R925.00(Inclusive)
Day away (for every day)	R169.00	R176.00
Day of return ( <b>longer</b> than 6 hours away from base)	<b>MFMA Circular 97</b>	<b>MFMA Circular 97</b>
<b>Meals:</b>		
* Breakfast	-	-
* Lunch	-	-
* Dinner	-	-
* The above rates are applicable only where accommodation is arranged by Council but meals are not provided for in the package.		
*Prescribed rate per kilometer:	Tariffs for the use of Motor Transport ( <b>Department of Transport</b> )	Tariffs for the use of Motor Transport ( <b>Department of Transport</b> )

NB = In all instances amounts exceeding the above must be supported by proof of actual payments / documentation or else ONLY the amounts reflected above will be paid.

### **Travel Allowance**

DESCRIPTION	PREVIOUS	NEW
Travel Costs	Tariffs for the use of Motor Transport ( <b>Department of Transport</b> )	Tariffs for the use of Motor Transport ( <b>Department of Transport</b> )

Toll Fees	Will be paid on submitting proof of payment	Will be paid on submitting proof of payment
Parking Fees	Will be paid on submitting proof of payment	Will be paid on submitting proof of payment

3. That all accommodation be booked in hotels or other accommodation in line with the policy.
4. That the allowances in respect of Day Allowance, Overnight Allowance – own booking, Breakfast, Lunch, Dinner, travelling inside and outside RSA borders and Prescribed rate per kilometer be amended annually in terms of the SARS Guide for employers in respect of allowances attached as Annexure “C”, and/or applicable MFMA Circulars, e.g. MFMA Circular 97; the inflation rate with specific reference to Overnight allowance – own booking and Tariffs for the Use of Motor Transport (**Department of Transport**); and that the amendments be effective from 1<sup>st</sup> July of each year.

## **ANNEXURE “A”**

### **POLICY FOR TRAVELLING AND SUBSISTENCE ALLOWANCES**

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## 1. POLICY VISION

Polokwane Municipality believes that human resources are its most valuable resource in the attainment of its goals and objectives and that it is in the interest of the Council to compensate the persons representing Council or their duly authorized delegates for additional expenses incurred by them in the execution of their official duties.

## 2. AIM

The aim of this policy is to lay down guidelines for Councilors and Officials for the payment of traveling and subsistence allowances.

## 3. OBJECTIVES

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

- a) To fairly compensate persons / employees representing the Council for essential additional expenses incurred by them in the execution of their official duties.
- b) To ensure uniformity in the payment of subsistence and traveling allowances.
- c) To limit or avoid night traveling as far as possible.

## 4. DEFINITIONS

Unless the context indicates otherwise, the following definitions shall apply:

<b>OCCASIONS:</b>	Any occasions outside the area of jurisdiction of the Polokwane Municipality geographical area where an employee is required or expected to attend a meeting, Conference, Congress, seminar, Training course, Training program, Workshop, Discussions or any other occasion to which a person is delegated to by the Council.
<b>WEEKENDS:</b>	Saturdays and Sundays except when an occasion takes place on a Saturday or a Sunday in which case it shall be deemed as a weekday
<b>BARGAINING: COUNCIL</b>	The Bargaining Council for the Local Government undertaking
<b>OFFICIAL:</b>	A person appointed by the Council or duly elected and appointed Councilors.
<b>COUNCIL:</b>	Polokwane Municipality, its Executive Committee or any employees of the Council acting in accordance with delegated authority.
<b>SUBSISTANCE: ALLOWANCE</b>	An allowance as determined from time to time by the Council and which differentiates between an overnight allowance and a day allowance.

**WEEKDAYS** : Mondays to Fridays as well as single days over weekends on which occasions take place.

**OVERNIGHT ALLOWANCE** : An allowance determined by Council which will be payable if the delegate is obliged to travel outside a radius of 250 km from the Municipal Head Office and the travelling is at his/her own costs.

**DAY ALLOWANCE:** An allowance payable to a delegate who is away from his/her place of work for an occasion within a range of 160km from the Municipal Head Office or where accommodation is fully booked or paid for.

**ACCOMMODATION:** Overnight accommodation includes bed, breakfast and dinner. Where dinner is not included it will be handled as a reimbursive expense up to a maximum amount as determined by Council.

**INTERNATIONAL TRAVEL** : Travel to all countries not bordering South Africa where the R currency is not acceptable in all business.

**ADJACENT COUNTRIES** : All countries bordering South Africa where the R currency are acceptable in all business.

**INCIDENTAL EXPENSES** : Incidental expenses include laundry, telephone costs, busfare, taxi, gifts, repairs etc.

## 5. DELEGATIONS

5.1 The authority to delegate Councilors and officials to attend an occasion resides with the following authority:

DELEGATED PERSON	APPROVAL
a. Executive Mayor, Chief Whip and Councilors	Speaker
b. Municipal Manager and Speaker,	Executive Mayor
c. Managers	Municipal Manager or the delegated Manager
d. Officials	SBU Manager or the delegated Manager
e. Across border traveling	Executive Mayor/Mayoral Committee
f. Occasions longer than 5 days	Municipal Manager

5.2 The acting or delegated municipal official cannot sign his or her own claim.

5.3 It is the responsibility of each manager to ensure that all expenditure of the travelling cost will be within the budget allocated to that department.

5.4 Budget adjustments for over expenditure on the vote for travelling and subsistence can only be done with the approval of the Municipal Manager on recommendations of the Chief Financial Officer.

5.5 All traveling arrangements and payment thereof will only be done once the permission/claim is approved by the delegated approving person.

## **6. CONDITIONS AND IMPLEMENTATION**

### **6.1. Traveling Allowance**

- 6.1.1. The Council reserves the right to determine on the cost-effective grounds, the means of transport when an official is delegated by the Council to attend an occasion.
- 6.1.2. More than one official delegated by Council to attend the same occasion must as far as possibly use one vehicle and the discretion lies with the relevant manager and that will be controlled by the availability of funds within the budget.
- 6.1.3. Subject to the provisions of sub clause 5.1 an official who is delegated to attend an occasion at a centre further than the Limpopo Province and which is serviced by a recognized and/or registered airline shall be afforded the opportunity to make use of air transport. The decision will be based on cost effectiveness.
- 6.1.4. Should a person be delegated to attend an occasion, he/she will be entitled to an accommodation allowance and 100% of the running cost or the tariff determined by the Council irrespective of whether the person get a traveling allowance or not. In case of public transport, the actual cost incurred will be payable.
- 6.1.5. Subject to sub clause 6.1.4. the person delegated to attend an occasion presented over a continuous period of time will be entitled to a travelling allowance as determined in 6.1.4 in order to enable the person to visit his normal home every second weekend within the duration of the occasion.

### **6.2. Subsistence during the week**

Where a person travels within this range, a day allowance as determined by Council from time to time will be paid.

- This will only be paid for an occasion outside Polokwane Municipality area of jurisdiction
- Where an occasion that will take place is of the nature that the person will have to sleep over it will have to be approved by the Delegations above under paragraph (5) and will be handled accordingly.

#### **6.2.1. Outside a radius of 250 km from the Municipal Offices**

- Where a person travels outside a radius of 250 km from the Polokwane Municipal Offices and no accommodation is paid for or compulsory accommodation (meals included) is supplied, that person will be paid an inclusive overnight allowance as determined by Council from time to time.
- Where an advance and or compulsory accommodation (meals included) is provided, a person will be paid a day allowance only.
- Where accommodation is arranged for and paid for by Council and where no dinner is provided within the paid accommodation an additional amount as determined by Council from time to time will be paid as prove of actual cost.

### **6.3. Subsistence allowance during weekends**

- 6.3.1. The payment of subsistence allowance during week days is *mutatis mutandis* applicable to the payment of subsistence during weekends.
- 6.3.2. Subsistence is not payable for those weekends wherefore in terms of sub clause 6.1.5 a locomotion allowance is payable in order to enable him to visit his/her home in the duration of the occasion.

### **6.4. Council has the choice between traveling costs and subsistence during weekends.**

Council reserves the right regarding the decision whether a person should be compensated for travelling costs to his/her home or subsistence costs in order to enable the person to stay over the weekend should the duration of an occasion include a weekend.

### **6.5. Delegation of officials to the funeral of a deceased colleague.**

- 6.5.1. If an employee in the service of Council dies, a maximum of four officials can be delegated to attend the funeral in an official capacity.
- 6.5.2. A maximum of one night and two days be paid to the officials delegated by Council within the rules as indicated in above clauses.
- 6.5.3. That only one vehicle be used and that travelling allowance be paid for one vehicle only.
- 6.5.4. That the travelling allowance as contemplated in 6.5.3 above be calculated as determined in 5.5.

### **6.6. Approval of Delegation**

- 6.6.1 That authority to delegate Councilors and officials to attend an occasion resides the following authority.

<b>DELEGATED PERSON</b>	<b>APPROVAL</b>
a. Executive Mayor, Chief Whip and Councilors	Speaker
b. Speaker	Executive Mayor
c. Municipal Manager	Executive Mayor
d. Directors/ CFO	Municipal Manager
e. Manager	Director/ CFO
f. Officials	SBU Manager

***(The acting or delegated Municipal officer cannot sign his/ her own claim).***

- 6.6.2. It is the responsibility of each Manager to ensure that all costs incurred because of travelling will be within the budget allocated to that Directorate.
- 6.6.3. Budget adjustments for over expenditure on the vote for travelling and subsistence can only be done with the approval of the Municipal Manager on recommendations of the Chief Financial Officer.

- 6.6.4. All travelling arrangements and payment thereof will only be done once the permission/claim is approved by the delegated approving person.

## **7. HOTEL ACCOMODATION(DOMESTIC)**

- 7.1. Actual cost limited to an amount as determined by MFMA **Circular 97** per night to cover the cost of bed and breakfast.
- 7.2. Polokwane Municipality to be invoiced for accommodation by travelling agency on hotel groups / guests houses, before departure.
- 7.3. Where a block booking is done Polokwane Municipality is to be invoiced by the coordinating organization before departure.
- 7.4. Alternatively, the official may prefer to stay privately, for which he can claim an amount as determined by the inflation rate on costs per night. The limited amount per night, bed and breakfast as determined by Council will apply in all other cases.
- 7.5. A daily allowance as determined by SARS guidelines for incidental expenses and meals as determined by MFMA Circular 97 will be paid by the Polokwane Municipality for traveling outside the area of jurisdiction. This allowance will be calculated from the date of departure up to and including the date of arrival back to Polokwane Municipality
- 7.6. The Accounting Officer must ensure that costs incurred for domestic accommodation and meals are in accordance with the maximum allowable rates for domestic accommodation and meals as communicated from time to time by the National Treasury through a notice.
- 7.7. Overnight accommodation may only be booked where the return trip exceeds 500 kilometers.
- 7.8. National Treasury has established maximum allowable rates for domestic accommodation. When sourcing accommodation for officials, municipalities and municipal entities should find options that are equal to or lower than the rates in Table 1, as contained in Annexure A to MFMA Circular 97, depending on the allowable star grading and the band. Competition and cost effectiveness must remain a key principle.

**TABLE 1: RATES SET FOR DOMESTIC HOTEL ACCOMMODATION**

<b>Accommodation Grid</b>			
<b>Voucher Includes</b>	<b>BAND 1</b>	<b>BAND 2</b>	<b>BAND 3</b>
	Room Only Tourism Levy VAT	Bed & Breakfast Tourism Levy VAT	Dinner, Bed and Breakfast Tourism Levy VAT 2 x soft Drink at Dinner
<b>Graded Hotel, Boutique Hotel, Lodge or Resort</b>			
	<b>BAND 1</b>	<b>BAND 2</b>	<b>BAND 3</b>
1 Star	R590	R730	R855
2 Star	R920	R1 050	R1 230

3 Star	R1,120	R1,230	R1,400
4 Star	R1,275	R1,380	R1,550
5 Star	R2,140	R2,250	R2,500
<b>Bed &amp; Breakfast, Country House or Guest house</b>			
	<b>BAND 1</b>	<b>BAND 2</b>	<b>BAND 3</b>
1 Star	R 350	R495.00	R630.00
2 Star	R 510	R670.00	R830.00
3 Star	R 920	R1080.00	R1230.00
4 Star	R 1020	R1180.00	R1330.00
5 Star	R 1225	R1385.00	R1530.00
<b>Self-Catering*</b>			
	<b>BAND 1</b>	<b>BAND 2</b>	<b>BAND 3</b>
1 Star	R 590		
2 Star	R 920		
3 Star	R 1 120		
4 Star	R 1 275		
5 Star	R 1 475		
<b>Meals**</b>			
	<b>BAND 1</b>	<b>BAND 2</b>	<b>BAND 3</b>
Breakfast	R110	-	-
Lunch	R160	R160	R160
Dinner	R180	R180	-
<b>Total</b>	<b>R450</b>	<b>R340</b>	<b>R160</b>
<p><i>Accommodation costs are assumed to be inclusive of Parking and WI-FI (if available), and exclusive of Laundry Expenses.</i></p> <p><i>*Including Exclusive and Shared Facilities. Exclusive facilities offer travellers a sole occupancy unit consisting of one or more bedrooms and self-contained public areas e.g. kitchen, dining area and lounge.</i></p> <p><i>Shared Facilities consisting of one or more bedrooms and self-contained shared public areas e.g. kitchen, dining area and lounge.</i></p> <p><i>**Maximum amounts that can be claimed for meals. The claim for the actual amounts must be supported by a receipt.</i></p>			

- 7.9. If a negotiated rate for a specific star grading is equivalent to or lower than the rate for the lower star grading, the official may be accommodated in the establishment with the higher star grading. This means that an official may be accommodated in a four-star establishment if the rate at the four-star establishment is the same as or lower than a three-star establishment.
- 7.10. Where there is an alternative star grading indicated in Table 1(i.e 4/5 or 3/4), the maximum allowable rate of the lower star grading will be the benchmark. The higher star grading can only be booked if:
- The higher star graded facility is the only available option due to location and availability; or
  - The municipality has negotiated lower rates with the higher star graded facility.

## **8. FLIGHT (“Class” category of flight tickets)**

The Accounting Officer –

- (a) May approve the purchase of economy class tickets for all officials or political office bearers where the flying time for the flights is five hours or less; and
- (b) May approve the purchase of business class tickets for officials, political office bearers and persons reporting directly to the accounting officer for flight exceeding five hours or less; and

In the case of the Accounting Officer, the Mayor may approve the purchase of economy class where the flying time is five hours or less and business class tickets for flights exceeding five hours.

Notwithstanding the above, an Accounting Officer, or the Mayor in the case of an Accounting Officer, may approve the purchase of business class tickets for an official or a political office bearer with a disability or a medically certified condition.

National Treasury has negotiated with South African Airways (SAA) and Comair/British Airways(BA) for upfront discounted air fares for government employees, including councillors, travelling domestically for official purpose.

For SAA, the discounts range from 5% (L class) up to 30% (Y Class) for Economy Class tickets; and 10% (D Class) up to 26% (C Class) for Business Class tickets. Business class is not encouraged, however where a single flight exceeds 5 hours, consideration may be applied.

For BA the discounts range from 10%(O, Q class) up to 25% (Y class) for Economy Class Tickets; and 20%(J Class) for Business Class tickets.

In order to make full use of the corporate discount with SAA and BA the municipality must instruct the appointed TMC’s or persons making bookings for domestic airline tickets, to book against relevant deal codes as detailed in Annexure B of MFMA Circular 97.

## **9. VEHICLE RENTAL**

An official or a political office bearer of a municipality must utilize municipal fleet where viable, prior to hiring vehicles; make use of shuttle services, if the cost of such a service is below the cost of hiring a vehicle.

Officials and councilors must make use of the most cost effective option so as to reduce travel costs.

An official or a political office bearer of a municipality must not hire vehicles from a category higher than Group B or an equivalent class; and where a different class of vehicle is required for a particular terrain or to cater for the special needs of an official or where the number of officials attending a specific event necessitate a higher class vehicle; written approval of the Accounting Officer must first be sought prior to hiring such a vehicle.

Officials and councilors can be permitted to accept up-graded group of hired vehicles if such an upgrade is offered with no extra charge or at a lower charge than a Group B vehicle.



## **10. ALLOWANCES: INTERNATIONAL**

### **10.1. Hotel Accommodation**

Actual costs with a maximum rand equivalent as determined by the Rand/Dollar exchange rate per day. Polokwane Municipality to be invoiced by the travelling agency for the accommodation before departure.

### **10.2. Subsistence allowance**

The rand equivalent as determined by the Rand/ foreign currency exchange rate to a maximum prescribed amount applicable to the relevant country as per SARS guidelines, PAYE-GEN-01-G03-A02 – Subsistence Allowance – Foreign Travel will be paid per day. The day of arrival and day of departure to be calculated as full days. The allocated amount is to be utilized for meals and incidental expenses such as laundry, telephone costs, bus fare, taxi, train fare, gifts, repairs etc.

That subsistence allowance for foreign visits per person is brought into line with financial policies, which determines differentiated subsistence rates for individual countries. These rates are determined and adjusted on an ongoing basis according to a data base supplied primarily by SARS.

## **11. FLIGHT**

The Accounting Officer –

- (a) May approve the purchase of economy class tickets for all officials or political office bearers where the flying time for the flights is five hours or less; and
- (b) May approve the purchase of business class tickets for officials, political office bearers and persons reporting directly to the accounting officer for flight exceeding five hours or less; and

In the case of the Accounting officer, the Mayor may approve the purchase of economy class where the flying time is five hours or less and business class tickets for flights exceeding five hours.

Notwithstanding the above, an Accounting Officer, or the Mayor in the case of an Accounting Officer, may approve the purchase of business class tickets for an official or a political office bearer with a disability or a medically certified condition.

## **12. VEHICLE RENTAL (International)**

The lowest class of rental will be allowed, unless otherwise approved by Council. Four or less delegated attending the same conference, etc. are required to hire only one vehicle, even in cases where they have booked different accommodation. No advances on vehicle rental will be made available. A certified invoice from a traveling agency issued by a vehicle rental agency must be submitted to the Council for payment. Should a



delegate need to travel to the airport to embark on a flight, the chauffeur service of the Council should be utilized to transport the delegate to the airport. Should the chauffeur service not be available, a delegate may use his own vehicle and will be compensated in accordance with the applicable AA tariffs. The cost of parking tickets to leave the vehicle at the airport and may be claimed from Council upon submission of original receipts.

### **13. VISAS**

Where applicable a visa/s is required for international visits the costs will be paid by Polokwane Municipality upon submission of an invoice or receipt from the travelling agency or embassy.

### **14. PAYMENT OF TRAVELLING AND SUBSISTENCE ALLOWANCE TO CANDIDATES ATTENDING INTERVIEWS FOR VACANT POSITIONS AND EXTERNAL PARTICIPANTS FOR DISCIPLINARY HEARINGS.**

- 14.1. Travelling costs will be payable at 100% of the Department of Transport tariffs to candidates/external participants who have to travel far to attend interviews/disciplinary hearings and travel back again to their home/places of work. In the case of public transport, the actual costs incurred will be payable.
- 14.2. Travelling by air will only be allowed in exceptional cases after approval by the Municipal Manager. If a candidate/external participant on his/her own account do travel by air for an interview/disciplinary hearing and he/she has to rent a car to travel to Polokwane and back to the airport the payment for the latter will only be effected as per the stipulation of clause 14.1.
- 14.3. Payment of the above-mentioned travelling costs will be subject to budget availability.

### **15. HOTEL ACCOMODATION FOR INTERVIEW CANDIDATES AND EXTERNAL PARTICIPANTS FOR DISCIPLINARY HEARINGS:**

- 15.1. If a candidate/participant has to travel further than 500km to Polokwane, then he/she may be allowed to sleep over at the Council's expense, subject to budget availability.
- 15.2. Human Resources Management and Legal Services will be responsible for arranging accommodation and meals for short listed candidates and external disciplinary hearings participants, where applicable.
- 15.3. In cases where accommodation for short listed candidates and external participants in disciplinary hearings is necessary the actual accommodation cost will be paid by Council.
- 15.4. The need for possible group arrangement for accommodation will be determined when the shortlisted candidates are invited for interviews and external participants are being invited for disciplinary hearings.
- 15.5. It is the responsibility of Human Resources Management and Legal Services to inform the candidates and external disciplinary hearings participants of the contents of clause 14 of this Policy.

## **16. PROCEDURE**

All claims and procedures in terms of this policy will be determined by the CFO and all persons submitting claims must adhere to the stipulations thereof.

## **17. RESPONSIBILITY**

It is the responsibility of Directors/SBU Managers to ensure that Council's Policy with regard to accommodation and subsistence allowance is adhered to and that it shall at all times be scientifically funded and that all statutory provisions be adhered to.

It is the responsibility of each individual to inform the CFO if an occasion was cancelled and to repay any monies received in advance within two days of becoming aware.

## **18. DEVIATIONS FROM THE POLICY**

- 18.1. Specific circumstances necessitate deviations from the approved policy. These relate to:
- No time for prior travel booking through travel agencies.
  - Where accommodation cannot be arranged within the cost limit as stipulated in the policy.
  - Vehicles as stipulated not available.

- 18.2. In order to manage the travel and subsistence policy it is of most importance that any deviation be limited to exceptional circumstances. Should there be any deviations from the Subsistence and Travelling Allowance Policy it is recommended that prior written approval have to be granted as follows:
- Officials by the Director/ CFO and Municipal Manager
  - Municipal Manager by the Executive Mayor
  - Councilors and Members of the Mayoral Committee by the Executive Mayor
  - Executive Mayor by the Speaker.

Any deviation from the Subsistence and Travelling Allowance Policy should be submitted to Municipal Manager for consideration and approval prior to any visit.

## **19. GENERAL**

- Any travel arrangements should only be made after approval in terms of the approved set of delegations.
- Travel arrangements should be made timely in order to ensure that the maximum discount is received thereby minimizing the cost to the municipality.
- Prescribed rates per kilometer will be amended in line with Tariffs for the use of Motor Transport (Department of Transport).

## **20. IMPLEMENTATION AND REVIEW OF POLICY**

- This policy shall be implemented on 1<sup>st</sup> July 2025 and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.

## **ANNEXURE “B”**

### **PROCEDURES TO CLAIM TRAVELLING AND SUBSISTENCE ALLOWANCES**

#### **1. AIM**

The aim of this procedure is to lay down procedures for Councilors and Officials to submit their claims for the payment of traveling and subsistence allowances and the use of their private vehicles.

#### **2. PROCEDURE**

##### **a. Application**

The relevant approval/permission must be sought and approved by the delegated official on the prescribed format (ESS) prior to:

- Accommodation arrangements and payment thereof being done;
- Flight tickets and or alternative transport arrangements being done;
- Any motor vehicle hire arrangements being done; etc.

##### **b. Time limits for Submission of Claims**

- Claims are to be submitted within 2 months from the date of the trip in line with cutoff dates for each month as per approved Payroll Calendar; for processing.
- Claims submitted after “2 months” will be deemed invalid and therefore forfeited.
- The system will automatically reject claims that are submitted after the stipulated period shall have lapsed.
- The above time limits are intended to eliminate banking of claims which creates unnecessary backlogs sometimes resulting in overlapping into the next financial year without valid reasons.

##### **c. Payment Method**

- Subsistence and traveling allowances will be paid directly into designated bank accounts of Officials/Councillors with the Payroll Run each month as reimbursement.
- Cash advances to the maximum amount of R600-00; only in exceptional circumstances will be paid out the day before departure, and any excess amount will be processed with the Payroll run.

##### **d. Cancellations**

In the event of the cancellation of an occasion after claims has been paid out and transferred repayment of such an advance must be within 2 working days with the official concerned with traveling claims.

##### **e. Meal Times**

- Claims in respect of meals not included in bookings will be limited to an amount as determined by Council.
- Claims in this regard will only be paid out as a reimbursement expense, which means that expense has to be incurred first before it can be claimed by a person.
- Only meals purchased within the following time frames will be reimbursed upon submission of proof of purchase:

<b>Meal Type:</b>	<b>Time:</b>
<b>Breakfast</b>	06h00 to 11h00
<b>Lunch</b>	12h00 to 14h00

Dinner/Supper	18h00 to 23h00
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**f. Own booking**

In the case where the applicant makes his/her own booking, the distance must not be more than 10 -15 kms (return trip) from the venue of the event to avoid travelling and unnecessary expenditure on kilometers travelled.

**g. Supporting Documents**

- (i) prior principle approval for trip,
- (ii) agenda / purpose of trip;
- (iii) attendance register(s);
- (iv) relevant budget segment; and
- (v) snippet of payslip reflecting names and pay number.

**h. Responsibility**

It is the responsibility of each official / Councilor to make sure that he / she complies with this procedure.



**DRAFT**

**TARIFF BY-LAW**

**2025/2026**

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## 1. PREAMBLE

**Whereas** section 74 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) requires a municipal council to adopt a tariff policy on the levying of fees for municipal services;

**And whereas** the tariff policy should at least include the principles contained in section 74(2) of the Act, thus giving effect to the By-Law required in terms of section 75 of the Act;

**And whereas** the tariff policy may differentiate between different categories of users, debtors, service providers, service standards and geographical areas as long as such differentiations do not amount up to unfair discrimination;

**Now therefore** the Municipal Council of the Polokwane Municipality adopts the following Tariff Policy:

## 2. DEFINITIONS

In this tariff policy, unless the context otherwise indicates –

<b>“basic service”</b>	means the amount or level of any municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, could endanger public health or safety of the environment and for the purposes of this policy are restricted to electricity, refuse, sewage and water services;
<b>“break even”</b>	means the financial situation where the income derived by the Municipality from the supply of a service is equal to the aggregate of the fixed and the variable costs associated with the provision of the service concerned;
<b>“capital contributions”</b>	means the tariffs payable in respect of the water, electricity, sewage, storm water, roads and refuse removal infrastructure of the Municipality and which amounts exclude amounts payable towards the operational and maintenance costs of such infrastructure;
<b>“Commercial Unit/Erf”</b>	means a self-contained or lettable section within a building or a group of buildings on the same plot excluding short term residential accommodation establishments for e.g. hotels, bed & breakfast, guest houses etc. An owner of a commercial property may annually choose between being levied either per erf or per commercial unit for water and sewage basic charges. This choice must be applied on or before 30 September of each financial year.
<b>“community services”</b>	means the services referred to in paragraph 5(1)(c) and in respect of which the tariffs are set at a level that the costs of the services are not recovered fully from public service charges and are of a regulatory nature;
<b>“consumer, customer, owner, occupier, account holder”</b>	means individuals and other legal entities against whom a tariff, fee, charge or other levy specific to identifiable services are levied. The levying of tariffs, fees, charges, etc depends on statutory clauses, approved tariffs in terms of by-laws, contracts, agreements or tacit uses of services in certain circumstances. Such levies are payable on presentation of any invoice or monthly statement issued by the Municipal Manager. Payments are due by the date indicated for the transaction in an agreement, contract or on an invoice or monthly statement, as the case may be;
<b>“Council” or “municipal council”</b>	means a municipal council referred to in section 18 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) and for purposes of this policy, the municipal council of the Municipality of Polokwane;
<b>“economic services”</b>	means services that the Council has classified as such and the tariffs have been compiled with the intention that the total costs of the services are recovered from customers;
<b>“lifeline”</b>	Available to pre-paid consumers whose connection is ≤30Amp with a maximum average consumption of 350 kWh measured over a period of 12 months. This tariff is only available to Informal dwellings in informal settlements;
<b>“fixed costs”</b>	means costs which do not vary with consumption or volume produced;
<b>“multi-purpose”</b>	In relation to a property, means the use of a property for more than one purpose;
<b>Illegal reconnection</b>	Unauthorised connection of services.
<b>“Municipality”</b>	the institution that is responsible for the collection of funds and the provision of services to the customers of Polokwane;
<b>“Municipal Manager”</b>	means the accounting officer appointed in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) and being the head of administration and accounting officer in terms of section 55 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) and includes any person:- (a) acting in such position; and (b) to whom the Municipal Manager has delegated a power, function or duty in respect of such a delegated power, function or duty;
<b>“resident “</b>	means a person who normally resides in the municipal area;



<b><i>“residential unit”</i></b>	Means a single residential erven, flats, townhouse and group development, retirement villages, guest houses, bed and breakfast and households related consumers that do not fall in one of the above household consumer categories;
<b><i>“Non Residential ”</i></b>	Means any property or erven not zoned Res1 to Res 4, in terms of Polokwane municipality Town planning scheme unless in exceptional circumstances.
<b><i>“the Act”</i></b>	means the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000);
<b><i>“total cost”</i></b>	means the sum of all fixed and variable costs associated with a service;
<b><i>“trading services”</i></b>	means services that the Council has classified as such and the tariffs have been compiled with the intention that the Council makes a profit from the delivery of the services;
<b><i>variable costs”</i></b>	means costs that vary with consumption or volume produced;
<b><i>“wet Industry”</i></b>	Defined as an industry using water as essential and fundamental input in the production process.

### 3. PURPOSE OF POLICY

The Polokwane Municipality wishes to achieve the following objectives by adopting this tariff policy:-

- 3.1. To comply with the provisions of section 74 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000).
- 3.2. To prescribe procedures for calculating tariffs where the Municipality wishes to appoint service providers in terms of section 76(b) of the Act.
- 3.3. To give guidance to the Portfolio Committee for Finance regarding tariff proposals that must be submitted to Council annually during the budgetary process.

### 4. TARIFF PRINCIPLES

The Polokwane Municipality wishes to record that the following tariff principles will apply:-

- 4.1. Service tariffs imposed by the Municipality shall be viewed as user charges and shall not be viewed as taxes, and therefore the financial ability of the relevant user of the services to which such tariffs relate, shall not be considered as a criterion.
- 4.2. Tariffs for the four major services rendered by the Municipality, namely:
  - (a) electricity;
  - (b) water;
  - (c) sewer (waste water); and
  - (d) refuse removal (solid waste),shall, as far as possible, be calculated at a level which will recover all expenses associated with the rendering of these services.
- 4.3. During the annual budget processes, the Municipality shall, as far as circumstances reasonably permit, ensure that the tariffs levied in respect of the four major services generate operating surpluses.
- 4.4. Surpluses generated on major services will be determined during the approval of the annual operating budget.
- 4.5. Surpluses generated on major services shall be applied in relief of property rates.
- 4.6. To prevent existing consumers from subsidising the capital costs associated with new developments and subdivisions the Municipality will plan and manage the extension of services in such a manner that it will not impact negatively on the fixed costs and availability charges of existing tariffs.
- 4.7. Capital contributions to finance new developments and subdivisions will be required from all developers.
- 4.8. All users of municipal services, within a category of users, will be treated equitably.
- 4.9. The amount payable by consumers and/or owners will generally be in proportion to usage of the service.
- 4.10. The Municipality shall develop, approve, and at least annually review an indigent support policy for the municipal area. This policy shall set out clearly the Municipality's

cost recovery policy in respect of the tariffs which it levies on registered indigents, and the implications of such policy for the tariffs which it imposes on other users and consumers in the municipal region.

- 4.11. Subject to annual budgetary provisions and the availability of funds from National Treasury through the equitable share contribution the Municipality may consider supplying free basic services to categories of consumers.
- 4.12. In the case of directly measurable services, namely electricity and water, the consumption of such services shall be properly metered by the Municipality, and meters shall be read, wherever circumstances reasonably permit, on a monthly basis.
- 4.13. Tariffs must reflect the total cost of services.
- 4.14. Tariffs must be set at a level that facilitates the sustainability of services. Sustainability will be achieved by ensuring that:-
  - (a) Cash inflows cover cash outflows. This means that sufficient provision for working capital and bad debts will be made.
  - (b) Access to the capital market is maintained. This will be achieved by providing for the repayment of capital, maintaining sufficient liquidity levels and making profits on trading services in order to subsidise property rates and general services.
  - (c) Service providers retain a fair rate of return on their investments.
- 4.15. Provision may be made in appropriate circumstances for surcharges on tariffs.
- 4.16. Efficient and effective use of resources may be encouraged by providing for penalties to prohibit or restrict exorbitant use.
- 4.17. The extent of subsidisation of tariffs will be disclosed and such disclosure will include the extent of subsidisation of the indigent or incentives for local development.
- 4.18. Provisions may be made for the subsidisation of the indigent and the promotion of local economic development by creating costs votes in the service budgets and including the costs in tariff calculations.
- 4.19. VAT is excluded in all tariffs unless indicated.
- 4.20. This policy shall be binding on all tariffs other than those governed by legislation which supersedes the Act.
- 4.21. A property used for multiple purposes must, for purposes related to the services concerned and the categories of users will be calculated at the appropriate and applicable rate for each distinct use of the property.
- 4.22. In order to provide the Municipality with appropriate security for payment of amounts owing to it from time to time for services rendered, the Council shall impose a system of deposits payable by customers. The deposits shall be set with due regard to the potential financial risk associated with the amounts owing from time to time as well as sufficient provision for working capital. The level of the deposits shall be revised annually and the Municipality may introduce transitional arrangements in respect of existing users.

## 5. CATEGORIES OF CONSUMERS

- 5.1. Separate tariff structures may be imposed for the following categories of consumers (which the council may change):

- (a) domestic consumers;
  - (b) commercial consumers;
  - (c) industrial consumers;
  - (d) agricultural consumers;
  - (e) organs of state;
  - (f) municipality;
  - (g) consumers with whom special agreements were made;
  - (h) consumers in certain geographical areas;
  - (i) sport and recreation facilities
  - (j) private schools & educational institutions; and
  - (k) public benefit organisations and such like institutions.
- 5.2. A tariff policy may differentiate between different categories of users, debtors, service providers, services, service standards, geographical areas and other matters as long as the differentiation does not amount to in unfair discrimination.
- 5.3. Where there are substantial differences between the infrastructures used to provide services to specific groups of users within a category and/or standard of services provided, the Council can, after considering a report by the Municipal Manager or the relevant Director, determine differentiated tariffs for the different consumers within the specific category.
- 5.4. Differentiated tariffs must be based on one or more of the following elements.  
infrastructure costs, volume usage, availability, and service standards.
- 5.5. If, for purposes of determining the tariff applicable to a particular user or category of users, the user or category of users has not specifically by definition been included under a defined category of users, the Municipal Manager shall, by applying the closest match principle, determine the category under which the user or category of users fits in best taking into account the nature of the service concerned and the user or category of users involved.

## **6. INCENTIVE POLICY.**

Tariffs will not reflect incentives for investment or to promote economic development.

## **7. PROPERTY RATES POLICY.**

The property rates will be levied in terms of the **Municipal Property Rates Act** 6 of 2004, as amended and the cent amount in a rand will be levied in a tariff schedule as approved by Council.

## **8. INDIGENT RELIEF.**

- 8.1. Tariffs will not reflect relief granted to indigent households. Such relief will be developed as a separate policy and be subject to the discretion of Council as to its sustainability.
- 8.2. All such relief will be reflected, accounted for and disclosed separately in invoices, account statements, budgets, financial statements or reports.

- 8.3. During implementation of such policy, recognition will be taken that the existing tariffs and procedures may require amendment to accommodate the above clauses and that such amendments will be phased in over time.
- 8.4. Indigent households are expected to manage their consumption of services within the levels of relief granted.
- 8.5. Assistance and management of indigent households are contained in the Indigent Policy. The Municipality, however, retains the right to limit consumption through prepaid meters or restriction if the accounts of assisted households fall into arrears. Water can be restricted to 6kl.

## **9. SERVICE, EXPENDITURE CLASSIFICATION AND COST ELEMENTS**

### **9.1. Service classification**

- 9.1.1. To isolate the costs associated with a service, the Municipal Manager shall, subject to the guidelines provided by the National Treasury, Generally Recognised Accounting Practice (GRAP) and Executive Mayoral Committee of the Council, provide for the classification of services into the following categories: -
- (i) trading services;
  - (ii) economic services;
  - (iii) community services; and
  - (iv) subsidised services.
- 9.1.2. Trading and economic services must be financially ring-fenced and financed from service charges while community and subsidised services will be financed from rates and related income.

### **9.2. Expenditure classification**

Expenditure will be classified in accordance with GRAP.

### **9.3. COST ELEMENTS.**

The following cost elements may be used to calculate the tariffs of the different services: -

- (a) "*Fixed costs*" which consist of the capital costs (interest and redemption) on external loans as well as internal advances and/or depreciation, whichever are applicable to the service, and any other costs of a permanent nature as determined by the Council from time to time.
- (b) "*Variable costs*" which include all other variable costs that have reference to the service.
- (c) "*Total cost*" which is equal to the fixed costs and variable costs.

## **10. TARIFF TYPES.**

In determining the type of tariff applicable to the type of service, the Municipality shall make use of any of the following five options or a combination thereof: -

### **10.1. "Single tariff":-**

This tariff shall consist of a cost per unit consumed. All costs will be recovered through unit charges at the level where income and expenditure breaks even.

Subject to a recommendation by the Municipal Manager, the Council may decide to approve profits on trading services during the budget meeting. Such profits will be

added to the fixed and variable cost of the service for the purpose of calculating the tariffs.

**10.2. “Cost related two to four-part tariff”: -**

This tariff shall consist of two to four parts. Management, capital, maintenance and operating costs may be recovered by grouping certain components together, e.g. management, capital and maintenance costs may be grouped together and may be recovered by a fixed charge, independent of consumption for all classes of consumers, or the total costs may be recovered by a unit charge per unit consumed.

Three and four part tariffs may be used to calculate the tariff for electricity and to provide for maximum demand and usage during limited demand.

**10.3. “Inclining block tariff”: -**

This tariff is based on consumption levels being categorised into blocks, the tariff being determined and increased as consumption levels increase.

**10.4. “Declining block tariff”: -**

This tariff is the opposite of the inclining block tariff and decreases as consumption levels increase.

**10.5. “Regulating tariff”: -**

This tariff is only of a regulatory nature and the Municipality may recover the full or a portion of the cost associated with rendering the service.

**10.6. “Cost plus mark-up tariff”: -**

This tariff is for other services rendered.

**11. CALCULATION OF TARIFFS FOR MAJOR SERVICES.**

**11.1. General**

In order to determine the tariffs which must be charged for the supply of the four major services (electricity, refuse, sewage and water), the Municipality shall use service and expenditure classifications and cost elements contained in clause 7 and identify all the costs associated with the service concerned, including the following: -

11.1.1. Cost of bulk purchases in the case of electricity and water.

11.1.2. Distribution costs, including distribution losses in the case of electricity and water.

11.1.3. Depreciation and finance charges.

11.1.4. Maintenance of infrastructure and other assets.

11.1.5. Administration and service costs, including: -

- (a) service charges levied by other support services, such as finance, human resources and legal services;
- (b) reasonable general overheads, such as the costs associated with the office of the Municipal Manager;
- (c) adequate contributions to the provisions for bad debts, working capital and obsolescence of stock;
- (d) all ordinary operating expenses associated with the service concerned, including the cost of providing street lighting in the municipal area in the case of the electricity service.

11.1.6. The intended surplus to be generated for the financial year shall be applied generally in relief of rates and general services.

11.1.7. Where a consumer has an option to choose between different tariffs on a service such option must be executed before the 30 of September to be implemented for the specific financial year.

## 11.2. ELECTRICITY.

- 11.2.1. The guidelines and policy issued by the National Energy Regulator from time to time will form the basis of calculating tariffs.
- 11.2.2. The Municipality has standardized on the use of Pre Payment Meters for all Domestic Consumers. As such it is compulsory for all new domestic connections to be equipped with Pre Payment Meters. The Municipality has embarked on a program to effect the migration of all Credit Meters to Pre-Payment Meters. The change from Pre Payment Meters to Credit Meters will therefore be disallowed unless special health circumstances exist, in which extreme case a credit meter will be installed by special concession from the Director of Energy Services and by payment of the required change of meter fees as well as the required deposit.
- 11.2.3. To make electricity affordable to certain categories of consumers, cross subsidisation between and within categories of consumers will be allowed, based on the load factors of the categories and consumers within the category.
- 11.2.4. The fixed costs, or portions thereof, will be recovered through an energy or time-of-use charge.
- 11.2.5. A basic charge per electricity meter or unit in the municipal area, as determined by the Council from time to time, may be charged against all electricity consumers.
- 11.2.6. To apply the abovementioned principles, the consumer types and cost allocations reflected in the following table will be used: -

<u>CATEGORY OF CONSUMER</u>	<u>TARIFF COMPONENTS</u>				
	Basic/Demand/. Service Charge (Rand/consumer/month)	Active Energy Charge (cent/kWh/month)	Seasonally Time-of-use Energy Charge Peak / Standard /Off-peak (sent/kWh/month)	Level of consumption	Capacity Charge (Rand/KVA/month)
<b>Single Phase:</b> (Domestic Prepaid /Conventional meters)	X	X		<b>IBT BLOCK</b> 1) 0 - 50 kWh 2) 51 – 350 kWh 3) 351-600 kWh 4) > 600kWh	
<b>Single Phase:</b> (Domestic Pre-paid meters)	X	X		<b>IBT BLOCK</b> 1) 0 - 50 kWh 2) 51 – 350 kWh 3) 351-600 kWh 4) > 600kWh	

<b>Single Phase:</b> (Commercial)	<b>X</b>	<b>X</b>		Flat rate	
<b>Single Phase:</b> (Commercial Pre –Paid meter )	<b>X</b>	<b>X</b>		Flat rate	
<b>Three Phase:</b> (Domestic Pre-paid meter) ≤ 100A	<b>X</b>	<b>X</b>		<b>IBT BLOCK</b> 1) 0 - 50 kWh 2) 51 – 350 kWh 3) 351-600 kWh 4) > 600kWh	
<b>Three Phase:</b> (Commercial conventional and prepaid meter) ≤ 100A	<b>X</b>	<b>X</b>		Flat rate	
<b>Three Phase:</b> (Commercial Pre-Paid meter) ≤100A	<b>X</b>	<b>X</b>		Flat rate	
<b>Bulk:</b>					
> 100 A	<b>X</b>	<b>X</b>		Flat rate	<b>X</b>
Time of Use based on Ruraflex Munic for LV or HV			<b>X</b>	Flat rate	<b>X</b>
<b>Departmental (Municipality)</b>		<b>X</b>			

- (a) A basic level of service will be provided free to qualifying households with a total gross income level which is below a determined amount, and according to further specified criteria, as determined by Council from time to time.
- (b) Where a property or unit is not connected to the electricity reticulation system, but can reasonably be so connected, an availability tariff will be payable.

11.2.7. A fixed basic charge for electricity will be levied on a monthly basis on all properties and units.

11.2.8 Where consumers within an approved township establishment are not connected to the electricity services, but can reasonably be so connected, an availability tariff will be payable.

### 11.3. **WATER.**



- 11.3.1 The categories of water consumers as set out in clause 9.3.4 shall be charged at the applicable tariffs as approved by the Council in each annual budget.
- 11.3.2. The first 6kl of water consumption per month shall be supplied pro rata free of charge to all indigent water consumers.
- 11.3.3 Because water is a scarce national resource, and this Municipality is committed to the prudent conservation of such resources, the tariff levied for domestic consumption of water shall escalate according to the volume of water consumed.
- 11.3.4. The tariffs for consumption of purified water shall be based on the levels reflected in the following table:-

CATEGORY OF CONSUMER	BASIC FIXED CHARGE (RAND/METER/MONTH)	UNIT CHARGE PER KL	LEVEL OF CONSUMPTION (RAND)
DOMESTIC SUPPLY		X	0 – 5 KL 6 -15 KL 16 – 30 KL 31 -50 KL 51-100 KL >100 KL
NON-DOMESTIC SUPPLY	X	X	0 – 30 KL 31 -50 KL 51-100 KL >100 KL
CATEGORY OF CONSUMER	BASIC FIXED CHARGE (RAND/METER/MONTH)	UNIT CHARGE PER KL	LEVEL OF CONSUMPTION (RAND)
INDUSTRIAL SUPPLY	X	X	0 – 30 KL 31 – 50 KL 51-100 KL 101-20 000 KL >20 000 KL
SILIKON SMELTERS	X	X	Subject to CR92/11/19
PUBLIC WORKS	X	X	Flat Rate
DALMADA WATER CORPORATION & BROADLANDS	X	X	Flat Rate
SCHOOLS & HOSTELS	X	X	Flat Rate
POTGIETERSRUS PLATINUM LTD	X	X	Flat Rate
LEZMIN 3535	X	X	Flat Rate
Departmental (Municipality)		X	Flat Rate

- 11.3.5. After accounting for free water and basic charges, the cost of water in the first step will be calculated at break even.

- 11.3.6. A basic charge per water meter or unit in the municipal area, as determined by the Council from time to time, may be charged against certain water consumers.
- 11.3.7. Where consumers within an approved township establishment are not connected to the water services, but can reasonably be so connected, an availability tariff will be payable.
- 11.4. **REFUSE REMOVAL.**
- 11.4.1. A fixed monthly refuse removal charge shall apply to each category of users based on the costs of the service concerned and the applicable level of service, which can vary from once a week up to 7 times a week.
- 11.4.2. An availability charge per month will be levied on all erven or units within an approved township establishment where no building plan has been approved.
- 11.4.3. The fixed basic charge will be based on surface area of the erf or per skip container.

<b><u>CATEGORY OF CONSUMER</u></b>	<b><u>LEVEL OF CHARGE (RAND MONTH)</u></b>
<p><b>1. <u>BASIC CHARGE</u></b></p> <p>Basic charge per month on any erf, stand premises or other area per month.</p> <p><b>2. <u>ADDITIONAL CHARGE</u></b></p> <p><b><u>2.1 Residential</u></b></p> <p>1.Dwelling houses, churches and church halls which are used for that purpose and</p> <p>2.Improved premises used exclusively by and registered in the name of the Boy Scouts, Girl Guides, Voortrekkers or a similar organisation- per unit and</p> <p>3.Flats</p>	<p><b>2.1</b> (a) On an erf with a surface area not exceeding 500m<sup>2</sup></p> <p>(b) All erven with a surface area more than 500m<sup>2</sup></p> <p>(i)For the first 500m<sup>2</sup> of the surface area of the erf</p> <p>(ii)Thereafter, for the following 500m<sup>2</sup> or part thereof, of the surface area of the erf</p> <p>(iii) Thereafter, per 500m<sup>2</sup> or part thereof, of the surface area of the erf .</p> <p>Provided that where more than one dwelling-unit is erected on an erf, the area of such erf shall be divided by the number of dwelling-units thereon, and the charge, for each portion so obtained, shall be calculated in terms of the above formula as if such portion constitutes a separate erf.</p> <p>(iv) Maximum charge (11 000m<sup>2</sup>)</p>
	Flat Rate per 1m <sup>3</sup> container

<p><b><u>Non-residential</u></b></p> <p>With or without improvements.</p>	<p>(i) For the first 300 m<sup>2</sup> or part thereof, of the surface area of the erf</p> <p>(ii) Thereafter, per 300 m<sup>2</sup> or part thereof, up to 9 300 m<sup>2</sup> of the surface area of the erf.</p> <p>(iii) Thereafter, per 1 000 m<sup>2</sup> or part thereof of the erf.</p> <p>Customers with an increase of more than 10% because of the implementation of the new tariff shall receive a 75% discount in the 2022/2023 financial year. 50% discount in the 2023/2024 financial year. 25% discount in the 2024/2025 financial year. And 100% will then be charged from 2025/2026</p>
<p><b>Other Services</b></p>	
<p>For the removal of domestic refuse where a mass container is specifically supplied for use by a specific premises</p>	<p>Flat Rate per mass container per removal</p>
<p><b><u>CATEGORY OF CONSUMER</u></b></p>	<p><b><u>LEVEL OF CHARGE</u></b> <b><u>(RAND MONTH)</u></b></p>
<p>For the removal of garden refuse other than placed in plastic bags, per removal</p>	<p>Flat Rate per removal</p>
<p>For the removal of non-perishable refuse, excluding garden refuse</p>	<p>Estimated cost + 10%</p>
<p>Occasional Services:</p>	<p>Flat Rate per removal</p>
<p>Weltevreden Landfill Site Weighbridge.</p>	<p>Flat Rate per ton or part thereof.</p>
<p>Carcass removal and disposal thereof</p>	<p>Flat Rate per removal category</p>

## 11.5. **SEWERAGE.**

### 11.5.1 **APPLICATION FEES.**

The Engineer shall determine application fees in terms of the provisions of section 2(1) of the By Laws.

The assessment of the charges shall be based upon the total square area of the building, addition or alteration to an existing building. The charges are incorporated in the building plan fees and shall be payable in advance when the building plans are submitted. In case of any dispute arising in respect of the assessment of the application fees, the matter shall be subject to the right of appeal as determined in Section 3 of the By Laws.

### 11.5.2. **CHARGES.**

The owner of any erf or piece of land, with or without improvements, which is, or in the opinion of the Council can be, connected to the sewer, shall monthly pay to the Council, in terms of the provisions of Section 5 of the By-Laws the following charges:

The categories of sewage users as set out below shall be charged monthly at the applicable tariff as approved by the Council in each annual budget:-

<b><u>CATEGORY OF CONSUMER</u></b>	<b><u>LEVEL OF CHARGE</u></b>
<b>1. Availability charges</b>	
(i) Improved residential erven with a surface area not exceeding 500m <sup>2</sup>	No Charge
<b>2. All other erven</b>	(i) For the first 500m <sup>2</sup> or part thereof, of surface area of the erf: (ii) Thereafter, per 500m <sup>2</sup> or part thereof, up to 2 000m <sup>2</sup> of the surface area of the erf: (iii) Thereafter, per 1 000m <sup>2</sup> or part thereof, of the surface area of the erf: (iv) Additional charge per unimproved erf: (v) Maximum charge (887 000m <sup>2</sup> ):
<b>3. Additional charges</b>	
1.Dwelling-houses, churches, church halls as well as buildings used exclusively by and registered in the name of the Boy Scouts, Girl Guides, Voortrekkers or similar organisation.	(i) For the first dwelling-house, church, church hall or other building mentioned in 2(1) above erected on any erf or piece of land, per building (ii) For the second or subsequent dwelling-house, church, church hall or other building mentioned in 2(1) above, per building
<b>3. Flats – per flat</b>	Flat Rate
<b>4. Non-Residential properties</b>	

<p>The owner of any non-residential erf or piece of land, with or without improvements, which is, or in the opinion of Council can be, connected to the sewer, shall monthly pay to the Council, in terms of the provisions of Section 5 of the By-Laws the following charges.</p>	
<p><b>4.1 Basic charge</b></p> <p>The owner of any non-residential erf or piece of land, with or without improvements, which is, or in the opinion of Council can be, connected to the sewer, shall monthly pay to the Council, in terms of the provisions of Section 5 of the By-Laws the following charges:</p>	<p>Applicable on all non-residential properties</p>
<p><b>4.2 Additional charges</b></p>	<p>(i) For the first 500 m<sup>2</sup> or part thereof, of the surface area of the erf.</p> <p>(ii) Thereafter, per 500 m<sup>2</sup> or part thereof, up to 8 000 m<sup>2</sup> of the surface area of the erf</p> <p>(iv) Thereafter, per 1 000 m<sup>2</sup> or part thereof, of the surface area of the erf.</p>
<p>Phase in rebates for non-residential tariffs</p>	<p>Customers with an increase of more than 10% because of the implementation of the new tariff shall receive a 75% discount in the 2022/2023 financial year. 50% discount in the 2023/2024 financial year. 25% discount in the 2024/2025 financial year. And 100% will then be charged from 2025/2026</p>

Charges for Industrial Effluent and for Chemical and Bacteriological Analysis will be calculated according to a formula which will be indicated in the Tariff of Charges on an annual basis.

## 11.6. **MINOR TARIFFS.**

11.6.1. All minor tariffs shall be standardised within the municipal region.

11.6.2. All minor tariffs shall be approved by the Council in each annual budget and shall, when deemed appropriate by the Council, be subsidised by property rates and general revenues, particularly when the tariffs will prove uneconomical when charged to cover the cost of the service concerned, or when the cost cannot be determined accurately, or when the tariff is designed purely to regulate rather than finance the use of the particular service or amenity.

11.6.3. **Minor tariffs may include but are not limited to the following:-**

<b>A</b>	Administration	<ul style="list-style-type: none"> <li>▪ Access to information</li> <li>▪ Administration Costs</li> <li>▪ Advertisements</li> <li>▪ Bank cost on foreign accounts</li> <li>▪ Deposit Consultation</li> <li>▪ Duplicate Accounts</li> <li>▪ Facsimiles</li> <li>▪ Interest on Arrear Accounts</li> <li>▪ Interest on Arrear Accounts</li> </ul>	<ul style="list-style-type: none"> <li>▪ Management consultation</li> <li>▪ Photocopies</li> <li>▪ Placard / Poster Costs</li> <li>▪ Section 62 Appeals</li> <li>▪ Tender Objections</li> <li>▪ Tender Participation Costs</li> <li>▪ Top Management Consultation</li> <li>▪ Trace of Direct Deposits</li> </ul>
<b>B</b>	Building Control	<ul style="list-style-type: none"> <li>▪ Administration storage fee</li> <li>▪ Alterations</li> <li>▪ Building Plans</li> <li>▪ Contravention Levy</li> <li>▪ Demolition Fees</li> <li>▪ Deposits</li> <li>▪ Encroachments</li> <li>▪ Heritage Investigations</li> </ul>	<ul style="list-style-type: none"> <li>▪ Inspection Fees</li> <li>▪ Land Use Planning</li> <li>▪ Photocopies of Building Plans</li> <li>▪ Plan Printing Fees</li> <li>▪ Plan Scrutiny Fees`</li> <li>▪ Re-inspection fees</li> <li>▪ Searching Fees</li> </ul>
<b>C</b>	Cemeteries	<ul style="list-style-type: none"> <li>▪ Garden of Remembrance</li> <li>▪ Grave-sites</li> </ul>	<ul style="list-style-type: none"> <li>▪ Indication of grave</li> </ul>
<b>D</b>	Commercial Filming/Photographing	<ul style="list-style-type: none"> <li>▪ Permits</li> </ul>	
<b>E</b>	Credit Control & Debt Collecting	<ul style="list-style-type: none"> <li>▪ Administration fee</li> <li>▪ Notices</li> </ul>	<ul style="list-style-type: none"> <li>▪ Sheriff fee</li> <li>▪ Tracing fee</li> </ul>
<b>F</b>	Dog Tax	<ul style="list-style-type: none"> <li>▪ Licenses</li> </ul>	
<b>G</b>	Electricity	<ul style="list-style-type: none"> <li>▪ Builders connection</li> <li>▪ Bulk Service Development Fees</li> <li>▪ Call-out fee</li> <li>▪ Cancellation Fee</li> <li>▪ Capital Contributions</li> <li>▪ Certificates</li> <li>▪ Change from Bulk to Time of use</li> <li>▪ Change of Circuit Breaker</li> </ul>	<ul style="list-style-type: none"> <li>▪ Meter Verification</li> <li>▪ MV Switching</li> <li>▪ New Service Connections</li> <li>▪ Reconnection</li> <li>▪ Remedial Action Fee</li> <li>▪ Removal of meter</li> <li>▪ Rental of Equipment</li> <li>▪ Repair of Cables or Additional</li> <li>▪ Joints</li> </ul>

		<ul style="list-style-type: none"> <li>▪ Commission of Bulk Meter</li> <li>▪ Connection and Disconnection of Service</li> <li>▪ Illegal re-connection</li> <li>▪ Penalties</li> <li>▪ Consumer Deposits</li> <li>▪ Contractor Inspection</li> <li>▪ Conversion of meters</li> <li>▪ Credit Control and Debt</li> <li>▪ Collection</li> <li>▪ Damaged meter</li> <li>▪ Disconnection</li> <li>▪ Extension Fee</li> <li>▪ Fee recalculation – no access</li> <li>▪ Meter Testing</li> </ul>	<ul style="list-style-type: none"> <li>▪ Repositioning of Meter</li> <li>▪ Service Connections</li> <li>▪ Special Meter Readings</li> <li>▪ Still-off” inspections</li> <li>▪ Street Lighting</li> <li>▪ Sundry Services</li> <li>▪ Tariff change</li> <li>▪ Unsafe/illegal leads per visit</li> <li>▪ Upgrading extension Fee</li> <li>▪ Verification of meter reading</li> <li>▪ Way leave</li> <li>▪ Wheeling</li> </ul>
<b>H</b>	Fire Services & Disaster Management	<ul style="list-style-type: none"> <li>▪ Plot Clearing</li> </ul>	<ul style="list-style-type: none"> <li>▪ Re-inspection Fee under the Bylaw</li> </ul>
<b>I</b>	Housing	<ul style="list-style-type: none"> <li>▪ Administration</li> </ul>	<ul style="list-style-type: none"> <li>▪ Rental</li> </ul>
<b>J</b>	Law Enforcement	<ul style="list-style-type: none"> <li>▪ Business Licenses</li> <li>▪ Bylaw on outdoor advertising</li> <li>▪ Impoundment of Hawkers goods</li> </ul>	<ul style="list-style-type: none"> <li>▪ Inspection Fees</li> <li>▪ Pound fee Dogs and Cats</li> <li>▪ Pound fee other animals</li> </ul>
<b>K</b>	Libraries	<ul style="list-style-type: none"> <li>▪ Deposits</li> <li>▪ Facsimiles</li> <li>▪ Photocopies</li> <li>▪ Scanning</li> <li>▪ Internet Usage</li> <li>▪ Lost Cards</li> </ul>	<ul style="list-style-type: none"> <li>▪ Penalty for Late Return</li> <li>▪ Rental of Library Amenities</li> <li>▪ Reservations</li> <li>▪ Special Requests</li> <li>▪ Subscription</li> <li>▪ Visitors Fee</li> </ul>
<b>L</b>	Municipal Buildings	<ul style="list-style-type: none"> <li>▪ Deposits</li> <li>▪ Rental of Amenities</li> </ul>	<ul style="list-style-type: none"> <li>▪ Rental of Equipment</li> </ul>
<b>M</b>	Operational Cost	<ul style="list-style-type: none"> <li>▪ Street Signage</li> </ul>	<ul style="list-style-type: none"> <li>▪</li> </ul>
		<ul style="list-style-type: none"> <li>▪</li> </ul>	<ul style="list-style-type: none"> <li>▪</li> </ul>
<b>O</b>	Property Administration	<ul style="list-style-type: none"> <li>▪ Application lease/purchase</li> <li>▪ Encroachment Fee</li> </ul>	<ul style="list-style-type: none"> <li>▪ Memorial Benches</li> <li>▪ Radio Mask</li> </ul>
<b>P</b>	Public Works	<ul style="list-style-type: none"> <li>▪ Felling and Pruning of Trees</li> <li>▪ Private Work</li> <li>▪ Sale of Miscellaneous Items</li> <li>▪ Storm Water Drainage</li> </ul>	<ul style="list-style-type: none"> <li>▪ Street Signage</li> <li>▪ Tar and Patch Work</li> <li>▪ Vehicle Entrances</li> </ul>
<b>Q</b>	Recreational Amenities	<ul style="list-style-type: none"> <li>▪ Boat Launching</li> <li>▪ Boat License/Permits</li> <li>▪ Caravan Parks</li> <li>▪ Community Halls</li> <li>▪ Deposit</li> <li>▪ Hawker Stalls</li> <li>▪ Lagoons</li> <li>▪ Lagoons</li> </ul>	<ul style="list-style-type: none"> <li>▪ Office Rental</li> <li>▪ Open Spaces</li> <li>▪ Public Open Space</li> <li>▪ Schuss Houses</li> <li>▪ Spaces for Sport</li> <li>▪ Sport Events</li> <li>▪ Swimming pool</li> </ul>

<b>R</b>	Roads	Capital Contributions	<ul style="list-style-type: none"> <li>▪ Bulk Service Development Fee</li> </ul>
<b>S</b>	Refuse Removal	<ul style="list-style-type: none"> <li>▪ Capital Contributions</li> <li>▪ Deposits</li> <li>▪ Mass Containers</li> </ul>	<ul style="list-style-type: none"> <li>▪ Refuse Bins</li> <li>▪ Rental of Bulk Containers</li> <li>▪ Replacement of Bulk Containers</li> <li>▪ Self Dumping</li> </ul>
<b>T</b>	Sewage	<ul style="list-style-type: none"> <li>▪ Bulk Service Development Fee</li> <li>▪ Capital Contributions</li> <li>▪ Connection of tanks</li> <li>▪ Disposal</li> </ul>	<ul style="list-style-type: none"> <li>▪ Service Connections</li> <li>▪ Tank Services</li> <li>▪ Testing of tanks</li> </ul>
<b>U</b>	Stony Point	<ul style="list-style-type: none"> <li>▪ Annual Permit</li> </ul>	<ul style="list-style-type: none"> <li>▪ Visitors</li> </ul>
<b>V</b>	Swimming Pool	<ul style="list-style-type: none"> <li>▪ Entrance Fee</li> <li>▪ Galas</li> </ul>	<ul style="list-style-type: none"> <li>▪ Training session</li> </ul>
<b>W</b>	Town Planning	<ul style="list-style-type: none"> <li>▪ Advertising Cost</li> <li>▪ Application Fee</li> <li>▪ Contravention Levy</li> <li>▪ Departure Fee</li> <li>▪ Extension of Time</li> <li>▪ Land use planning Fee</li> </ul>	<ul style="list-style-type: none"> <li>▪ Registered Letter</li> <li>▪ Removal of Title Deed</li> <li>▪ Restrictions</li> <li>▪ Spatial Development Framework</li> <li>▪ Sub-division</li> <li>▪ Zoning Fee</li> </ul>
<b>X</b>	Traffic	<ul style="list-style-type: none"> <li>▪ Deposits</li> <li>▪ Disabled Parking Tokens</li> <li>▪ Driver's Licenses</li> <li>▪ Escorting and Other Services</li> <li>▪ Learner's Licenses</li> <li>▪ Parking Meters</li> <li>▪ Professional Driver's Permits</li> </ul>	<ul style="list-style-type: none"> <li>▪ Removal of Vehicles</li> <li>▪ Roadworthy Certificates</li> <li>▪ Storage Fees</li> <li>▪ Taxi Rank Tokens</li> <li>▪ Towing Charge</li> <li>▪ Vehicle Registration</li> <li>▪ Wheel clamping fee</li> </ul>
<b>y</b>	Valuation	<ul style="list-style-type: none"> <li>▪ Access to Information</li> <li>▪ Clearance Certificates</li> <li>▪ Deeds Office Registrations</li> <li>▪ Impact studies</li> </ul>	<ul style="list-style-type: none"> <li>▪ Revaluation</li> <li>▪ Valuation Certificates</li> <li>▪ Valuation Roll</li> <li>▪ Voters' Roll</li> </ul>
<b>Z</b>	Water	<ul style="list-style-type: none"> <li>▪ Bulk Service Development</li> <li>▪ Call-out Fee</li> <li>▪ Capital Contributions</li> <li>▪ Connection &amp; Disconnection</li> <li>▪ Consumer Deposits</li> <li>▪ Convert to flow restrictor meter</li> <li>▪ Credit Control and Debt</li> <li>▪ Collection</li> <li>▪ Damaged Water Meter</li> <li>▪ Fee recalculation – no access</li> <li>▪ Final meter reading</li> </ul>	<ul style="list-style-type: none"> <li>▪ New Service Connections</li> <li>▪ Registration of borehole</li> <li>▪ Remedial Action Fee</li> <li>▪ Rental of Equipment</li> <li>▪ Repair of meter</li> <li>▪ Repositioning of meter</li> <li>▪ Service Connections</li> <li>▪ Special Meter Readings</li> <li>▪ Still-off" inspections</li> <li>▪ Sundry Services</li> <li>▪ Temporary connections</li> </ul>



		<ul style="list-style-type: none"> <li>▪ Irrigation Water</li> <li>▪ Meter Testing</li> <li>▪ Meter verification</li> <li>▪ Illegal re-connection</li> <li>▪ Penalties</li> </ul>	<ul style="list-style-type: none"> <li>▪ Verification of meter reading</li> </ul>
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11.6.5. The Municipal Manager shall maintain a list of all minor services indicating their unit of service for the purposes of determining tariffs, fees, charges and levies. Such list shall be reviewed annually together with the proposed tariffs, fees charges and levies.

## 12. NOTIFICATION OF TARIFFS, FEES AND SERVICE CHARGES.

- 12.1. After a draft budget as required by the Local Government: Municipal Finance Management Act, 2003 (Act No 56 of 2003) has been tabled, the Municipal Manager must invite the local community to submit representations for consideration by the Council. Such invitation includes the draft resolutions on taxes and tariffs proposed.
- 12.2. After approval of the budget, the Council will give notice of all tariffs approved at the annual budget meeting at least 30 days prior to the date that the tariffs become effective.
- 12.3. A notice stating the purport of the council resolution, date on which the new tariffs shall become operational and invitation for objections will be advertised by the Municipality.
- 12.4. All tariffs approved must have been considered at the annual budget meeting.

## 13. IMPLEMENTING AND PHASING-IN OF THE POLICY.

- 13.1. The principle contained in this Policy will be reflected in the various budget proposals submitted to the Council on an annual basis, service by-laws as promulgated and adjusted by the Council from time to time and the Tariff By-laws referred to in section 75 of the Act.
- 13.2. The Council may determine conditions applicable to community service of a regulator's nature. These conditions will be reflected in the standing orders of the Council.

## 14. PROCEDURES AND ACCOUNTABILITY.

- 14.1. The Municipal Manager shall ensure that procedures to manage all aspects of this Policy are prepared in the form of a manual, reviewed regularly and that these are formally adopted by him for implementation. These procedures will include aspects in this Policy and subscribe to sound principles of internal control.
- 14.2. The Directors and Managers shall ensure compliance with the procedures as approved from time to time by the Municipal Manager to give effect to the provisions of this Policy.

## **15.     SHORT TITLE.**

This Policy shall be called the **Tariff By-Law of the Polokwane Municipality.**

## **16.     IMPLEMENTATION AND REVIEW OF POLICY**

This policy shall be implemented on 1st July 2025 and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.



**DRAFT**

**Unauthorised, Irregular,  
Fruitless and Wasteful Expenditure Policy**

**2025/2026**

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## ABBREVIATIONS/ACRONYMS

Except if otherwise stated in this policy, the following abbreviations or acronyms will represent the following words:

CFO	-	Chief Financial Officer
COO	-	Chief Operations Officer
EM	-	Executive Manager
MIG	-	Municipal Infrastructure Grant
PLK	-	Polokwane Municipality
MFMA	-	Municipal Finance Management Act, 2003, No. 56 of 2003
MPAC	-	Municipal Public Account Committee
MM or AO	-	Municipal Manager or Accounting Officer
SAPS	-	South African Police Services
MSA	-	Municipal Systems Act, 2000, No. Act 32 of 2000
Structures Act	-	Municipal Structures Act, 1998, Act No 117 of 1998
RPOBA	-	Remuneration of Public Office Bearers Act
Policy	-	Policy on unauthorised, irregular, fruitless and wasteful expenditure
MBRR	-	Municipality Budget Rules and Regulations

## **1 INTRODUCTION**

1.1. In terms of section 62 of the Municipal Finance Management Act No. 56 of 2003 (herein referred to as “MFMA”), the accounting officer is responsible for managing the financial affairs of Polokwane Municipality

(POLOKWANE MUNICIPALITY) and he/she must, for this purpose, inter alia:

- a) Take all reasonable steps to ensure that unauthorised, irregular; fruitless and wasteful expenditure and other losses are prevented; and
- b) Ensure that disciplinary or, when appropriate, criminal proceedings are instituted against any official or councillor of Polokwane Municipality who has allegedly committed an act of financial misconduct or an offence in terms of Chapter 15 of the MFMA.

1.2. This is to ensure the effective, efficient and transparent systems of financial, risk management and internal control.

## **2 OBJECTIVE**

2.1. This document sets out Polokwane Municipality’s policy and procedures with regards to unauthorised, irregular, fruitless and wasteful expenditure.

2.2. This policy aims to ensure that, amongst other things:

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

- d) All officials and councillors are aware of their responsibilities in respect of unauthorised, irregular, fruitless and wasteful expenditure.

### **3 ENABLING LEGISLATION**

The following enabling legislation sets the precedent for the development of Polokwane Municipality's unauthorized, irregular, fruitless and wasteful expenditure Policy:

- a) The Constitution of the Republic of South Africa, 1996, Act No 108 of 1996;
- b) The Municipal Finance Management Act, 2003, No 56 of 2003;
- c) The Remuneration of Public Office Bearers Act;
- d) Municipal Systems Act, 2000, Act No 32 of 2000;
- e) MFMA Circular 68;
- f) Any other legislation, regulation or circular that may impact this policy; and
- g) Municipal Structures Act No. 117 of 1998.

### **4 APPLICATION OF THIS POLICY**

3.1. This policy applies to all officials and councillors of POLOKWANE MUNICIPALITY.

3.2. This policy should be read in conjunction with the following of Polokwane Municipality:

- a) Delegations of Authority;
- b) Procedures for unauthorised, irregular, fruitless and wasteful expenditure;
- c) Policy on financial misconduct;
- d) Breach of the Code of Conduct for Municipal Staff Members; and
- e) Breach of the Code of Conduct for Councillors.

3.3. Officials and Councillors must ensure all instances of unauthorised, irregular expenditure as well as fruitless and wasteful expenditure is prevented where possible, and is detected and reported in a timely manner.

### **5 DEFINITIONS**

Except if otherwise indicated:

**“Councillor”** means member of municipal council of POLOKWANE MUNICIPALITY.

**“Fruitless and wasteful expenditure”** means expenditure that was made in vain and would have been avoided had reasonable care been exercised.

**“Financial Misconduct”** means any misappropriation, mismanagement, waste or theft of the finances of a municipality, and also includes any form of financial misconduct specifically set out in sections 171 and 172 of the Act.

**“Irregular expenditure”**, in relation to a municipality or municipal entity, means:

- a) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of this Act, and which has not been condoned in terms of section 170;
- b) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Municipal Systems Act, and which has not been condoned in terms of this Act;
- c) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the Public Office-Bearers Act, 1998, (Act 20 of 1998);
- d) expenditure incurred by a municipality in contravention of, or that is not in accordance with, a requirement of the supply chain management policy of POLOKWANE MUNICIPALITY or any of the municipality’s bylaws giving effect to such policy, and which has not been condoned in terms of such policy or by-law; or
- e) excludes expenditure by a municipality which falls within the definition of “Unauthorised expenditure”.

**“Official”**, in relation to a POLOKWANE MUNICIPALITY, means: a) an employee of

Polokwane Municipality;

- b) a person seconded to a Polokwane Municipality or to work as a member of the staff of the Polokwane Municipality; or
- c) a person contracted by a Polokwane Municipality to work as a member of the staff of the Polokwane Municipality or otherwise than as an employee.

**„Overspending”** means:

- a) in relation to the budget of a municipality, means causing the operational or capital expenditure incurred by the municipality during a financial year to



exceed the total amount appropriated in that year's budget for its operational or capital expenditure, as the case may be;

- b) In relation to a vote, means causing expenditure under the vote to exceed the amount appropriated for that vote; or
- c) In relation to expenditure under section 26, means causing expenditure under that section to exceed the limits allowed in subsection (5) of that section.

**“Political Office Bearer”** means the speaker, executive mayor, mayor, deputy mayor, or a member of the executive committee as referred to in the Municipal Structures Act.

**“Prohibited expenditure”** in relation to this policy means unauthorised, irregular, fruitless and wasteful expenditure;

**“Senior Manager”** has the meaning assigned to it in section 1 of the MFMA and in relation to Polokwane Municipality refers to Executive Managers and CFO.

**‘Unauthorised expenditure’**, means:

any expenditure incurred by a municipality otherwise than in accordance with section 15 or 11(3), and includes-

- a) overspending of the total amount appropriated in the municipality's approved budget;
- b) overspending of the total amount appropriated for a vote in the approved budget;
- c) expenditure from a vote unrelated to the department or functional area covered by the vote;
- d) expenditure of money appropriated for a specific purpose, otherwise than for that specific purpose;
- e) spending of an allocation referred to in paragraph (b), (c) or (d) of the definition of 'allocation' otherwise than in accordance with any conditions of the allocation; or
- f) a grant by Polokwane Municipality otherwise than in accordance with the MFMA.

**“Vote”** means:

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

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

## **6 UNAUTHORISED EXPENDITURE**

6.1. Polokwane Municipality may incur expenditure only in terms of an approved budget and within the limits of the amounts appropriated for the different votes in an approved budget.

6.2. Expenditure incurred within the ambit of POLOKWANE MUNICIPALITY's virement policy is not regarded as unauthorised expenditure.

6.3. Any expenditure that has not been budgeted for, expenditure that is not in terms of the conditions of an allocation received from another sphere of government, economic entity or organ of state and expenditure in the form of a grant that is not permitted in terms of the MFMA is regarded as unauthorised expenditure.

6.4. Unauthorised expenditure would include:

- a) Any overspending in relation to both the operational budget and capital budget of the municipality;
- b) Overspending in relation to each of the votes on both the operational budget and capital budget;
- c) Use funds allocated to one department for purposes of another department or for purposes that are not provided for in the budget;
- d) Funds that have been designated for a specific purpose or project within a departments vote may not be used for any other purpose;
- e) Any use of conditional grant funds for a purpose other than that specified in the relevant conditional grant framework is classified as unauthorised expenditure;
- f) Any grant to an individual or household unless it is in terms of the municipality's indigent policy, bursary scheme, corporate social responsibility policy, councillors discretionary grant or the grants-inaid ;
- g) Unforeseen and unavoidable expenditure not authorised within an adjustments budget within 60 days after the expenditure was incurred; and
- h) Any overspending on non-cash items, for example depreciation, impairments, provisions.

- 6.5. Officials and councillors must ensure that all instances of fruitless and wasteful expenditure are prevented where possible, and are detected and reported in a timely manner

**6.6. Expenditures that are NOT classified as unauthorized expenditure**

Given the definition of unauthorised expenditure, the following are examples of expenditure that are NOT unauthorised expenditure:

- i. Any over-collection on the revenue side of the budget as this is not an expenditure; and
- ii. Any expenditure incurred in respect of:
  - any of the transactions mentioned in section 11(1)(a) to (j) of the MFMA;
  - re-allocation of funds and the use of such funds in accordance with a council approved virement policy;
  - overspending of an amount allocated by standard classification on the main budget Table A2 (Budgeted Financial Performance: revenue and expenditure by standard classification), as long as it does not result in overspending of a „vote“ on the main budget Table A3 (Budgeted Financial Performance: revenue and expenditure by municipal vote) and Table A4 (Budgeted Financial Performance: revenue and expenditure (read in conjunction with supporting Table SA1) of the MBRR; and
  - overspending of an amount allocated by standard classification on the main budget Table A5 (Budgeted Capital Expenditure by vote, standard classification and funding) of the MBRR so long as it does not result in overspending of a „vote“ on the main budget Table A5.

6.6.1 Money withdrawn from a bank account under the following circumstances, without appropriation, in terms of an approved budget, is not regarded as unauthorised expenditure:

- a) To defray expenditure authorised in terms of section 26 (4) of the MFMA, [*Section 26: Consequences of failure to approve a budget before the start of the budget year*];
- b) To defray unforeseen/unavoidable expenditure circumstances strictly by Section 29 (1) of the MFMA [*Section 29: Unforeseen and unavoidable expenditure*], failing which the unforeseen /unavoidable expenditure is unauthorised;
- c) re-allocation of funds and the use of such funds by a council approved virement policy;

- d) Expenditure incurred from a special bank account for relief, charitable or trust purposes provided of course that it is done strictly in accordance with Section 12 of the MFMA [*Section 12: Relief, charitable, trust or other funds*];
- e) To pay over to a person or organ of state money received by the Polokwane Municipality on behalf of that person or organ of state, including—
  - (i) money collected by the Polokwane Municipality on behalf of that person or organ of state by agreement; or
  - (ii) any insurance or other payments received by the Polokwane Municipality for that person or organ of state;
- f) To refund money incorrectly paid into a bank account;
- g) To refund guarantees, sureties and security deposits;
- h) For cash management and investment purposes in accordance with section 13 [*Section 13: Cash Management and Investments*]; and
- i) To defray increased expenditure in terms of section 31 [*Section 31: Shifting of funds between multi-year appropriations*].

6.6.2 Any expenditure approved in terms the Municipal Budget and Reporting Regulations (MBRR).

## **7 IRREGULAR EXPENDITURE**

- 7.1. Irregular expenditure is expenditure that is contrary to the Municipal Finance Management Act (Act No.56 of 2003), the Municipal Systems Act (Act No.32 of 2000), and the Public Office Bearers Act (Act No. 20 of 1998) or is in contravention of the Municipality" supply chain management policy.
- 7.2. Irregular expenditure is actually expenditure that is in violation of some or other procedural/legislative requirement as specified in the MFMA.
- 7.3. Irregular expenditure excludes unauthorised expenditure.
- 7.4. Although a transaction or an event may trigger irregular expenditure, a Council will only identify irregular expenditure when a payment is made. The recognition of irregular expenditure must be linked to a financial transaction.
- 7.5. If the possibility of irregular expenditure is determined prior to a payment being made, the transgression shall be regarded as a matter of non-compliance.

**7.6. Remuneration of councillors**

7.6.1 Payments to POLOKWANE MUNICIPALITY councillors cannot exceed the upper limits of the salaries, allowances and benefits for those councillors as promulgated in the Public Officers Bearers Act.

7.6.2 Any remuneration paid or given in cash or in kind to a person as a councillor or as a member of a political structure of POLOKWANE MUNICIPALITY otherwise than in accordance with 7.6.1 including any bonus, bursary, loan, advance or other benefit, must be classified as irregular expenditure.

**7.7. Irregular staff appointments**

7.7.1 No person may be employed in POLOKWANE MUNICIPALITY unless the post to which he or she is appointed, is provided for in the POLOKWANE MUNICIPALITY's staff establishment of the municipality as approved by the council.

7.7.2 Any person who takes a decision contemplated in subparagraph (7.7.1) knowing that such decision is unlawful, will be held personally liable for any irregular or fruitless and wasteful expenditure that the municipality may incur as a result of such invalid decision.

7.8. Officials and councillors must ensure that all instances of fruitless and wasteful expenditure are prevented where possible, and are detected and reported in a timely manner.

**8 FRUITLESS AND WASTEFUL EXPENDITURE**

8.1. All officials and councillors must always act cautiously when spending public money and ensure that they abide by the public and accountability principles which are to promote "efficient, economic and effective use of resources and the attainment of value for money".

8.2. Fruitless and wasteful expenditure is expenditure that was made in vain and would have been avoided had reasonable care been exercised.

8.3. This type of expenditure is incurred where no value for money is received for expenditure or the use of resources. No particular expenditure is explicitly identified by the MFMA as fruitless and wasteful.

8.4. Expenditure incurred that has been budgeted for (authorised) and was not regarded as irregular expenditure could be classified as fruitless and wasteful expenditure.

8.5.1 An expense is only fruitless and wasteful in terms of this policy if:

- (i) It was made in vain (meaning that the municipality did not receive value for money) and;
- (ii) and would have been avoided had reasonable care been exercised (meaning that the official or councillor concerned did not carelessly or negligently cause the expenditure to be incurred by the municipality furthermore another official or councillor under the same circumstances would not have been able to avoid incurring the same expenditure).

8.5.2 In determining whether expenditure is fruitless and wasteful, officials and councillors must apply the requirement of reasonable care as an objective measurement to determine whether or not a particular expenditure was fruitless and wasteful, that is-

- a) Would the average man (in this case the average experienced official or councillor) have incurred the particular expenditure under exactly the same conditions or circumstances? and
- b) Is the expenditure being incurred at the right price, right quality, right time and right quantity?

8.6 Officials and councillors must ensure that all instances of fruitless and wasteful expenditure are prevented where possible, and are detected and reported in a timely manner.

## **9 REPORTING ON UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE**

- 9.1. Reporting of unauthorised, irregular, fruitless and wasteful expenditure must be done at the appropriate level, as this could constitute financial misconduct as follows:
- a) a Councillor of a municipality, must be reported to the Speaker of the council;
  - b) the municipal manager and speaker, must be reported to the mayor;
  - c) executive managers or the chief financial officer, or the chief operating officer of a municipality, must be reported to the municipal manager;
  - d) All cases of prohibited expenditure reported as per a), b) and c) above must be referred to MPAC for investigation unless the allegations are frivolous, vexatious, speculative or obviously unfounded; and
  - e) officials below executive management level of the municipality must be reported to the CFO unless in the professional opinion of the CFO or MM the nature or the amount of the prohibited expenditure warrants the case to be referred to MPAC.
- 9.2. All reports made by officials, councillors must be treated with utmost confidentiality.
- 9.3. The MM must promptly inform the Mayor, the MEC for local government in the Province and the Auditor-General, in writing, of any unauthorised, irregular or fruitless and wasteful expenditure incurred by the municipality:
- a) whether any person is responsible or under investigation for such unauthorised, irregular or fruitless and wasteful expenditure; and
  - b) the steps that have been taken:
    - To recover or rectify such expenditure; and
    - To prevent a recurrence of such expenditure.
- 9.4. All expenditure classified as unauthorised, irregular, fruitless and wasteful expenditure must be reported to:
- a) The Finance Portfolio Committee on a monthly basis;
  - b) Mayoral Committee on a monthly basis;
  - c) Council on a quarterly basis;

- d) MPAC on a quarterly basis; and
- e) Audit Committee on a quarterly basis.

9.5. In accounting for unauthorised, irregular, fruitless and wasteful expenditure, municipal manager or delegated officials (as may be relevant) must ensure that:

- a) All confirmed unauthorised, irregular, fruitless and wasteful expenditure must be recorded in separate account, in the accounting system of Polokwane Municipality, created for each of the above types of expenditure;
- b) All such expenditure is disclosed in the annual financial statements as required by the MFMA and treasury requirements; and
- c) Details pertaining to unauthorised, irregular, fruitless and wasteful expenditure must be disclosed in the Municipality's Annual Report.

## **10 MAINTAINING OF REGISTER FOR UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE**

10.1. Council must maintain a register of all incidents of unauthorised, irregular, fruitless and wasteful expenditure:

- a) This register will be maintained by the CFO for all officials other than the CFO and MM;
- b) A separate register must be maintained by the MM for expenditure incurred by CFO;
- c) A separate register must be maintained by the Mayor for expenditure incurred by the MM; and
- d) The Speaker will maintain a register for expenditure incurred by the Mayor and Councillors.

10.2. These registers must be updated on a monthly basis.

## **11 INVESTIGATION OF UNAUTHORISED AND IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE**

11.1. MPAC must institute an investigation of all prohibited expenditure reported in terms of clause 9.1. (d), above.



- 11.2. The CFO must seek the Municipal Managers approval to investigation all prohibited expenditure reported to him/her in terms of clause 9.1(e) unless the allegations are frivolous, vexatious, speculative or obviously unfounded.
- 11.3. Once the nature of the expenditure is confirmed as unauthorised, irregular, fruitless and wasteful expenditure, the person to whom the prohibited expenditure was reported in terms of clause 9.1 above must institute the necessary procedures which could include disciplinary as well criminal proceedings.
- 11.4. The user department responsible for initiation of the transaction shall be responsible for the UIF.

## **12 DISCIPLINARY AND CRIMINAL CHARGES FOR UIF IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE**

- 12.1. After having followed a proper investigation, as per paragraph 11 above, the MPAC or the Municipal Manger as the case may be must determine whether there is a prima facie case and that a Councillor or official made, permitted or authorized prohibited expenditure.
- 12.2. If a prima facie case has been established, as per paragraph 12.1 above, then MPAC, mayor or municipal Manager (as may be relevant) must institute disciplinary action as follows:
  - a) *Financial misconduct in terms of section 171 of the MFMA*: in the case of an official that deliberately or negligently:
    - (i) contravened a provision of the MFMA which resulted in prohibited expenditure; or
    - (ii) made, permitted or authorised an irregular expenditure (due to non- compliance with any of legislation mentioned in the definition of irregular expenditure);
  - b) *Breach of the Code of Conduct for Municipal Staff Members*: in the case of an official whose actions in making, permitting or authorizing an prohibited expenditure constitute a breach of the Code; and
  - c) *Breach of the Code of Conduct for Councillors*: in the case of a Councillor, whose actions in making, permitting or authorizing an irregular expenditure constitute a breach of the Code. This would also include instances where a councillor knowingly voted in favour or agreed with a

resolution before council that contravened legislation resulting in prohibited expenditure when implemented, or where the Councillor improperly interfered in the management or administration of the municipality.

12.3. The MPAC, mayor or municipal manager or delegated officials (as may be relevant) must promptly report to the SAPS all cases of alleged:

- a) Irregular expenditure that constitute a criminal offence; and
- b) Theft and fraud that occurred in the municipality.

12.4. The Mayor must take all reasonable steps to ensure that all cases referred to in the above paragraph are reported to the South African Police Service if:

- a) The charge is against the MM; or
- b) The MM fails to comply with the above paragraph.

### **13. RECOVERY UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE**

13.1. The MM or delegated person must recover unauthorised, irregular or fruitless and wasteful expenditure from the person liable for that expenditure unless the expenditure:

- a) in the case of unauthorised expenditure, is
  - I. authorised in an adjustment budget, OR
  - II. certified by the municipal council, after investigation by MPAC, as irrecoverable and is written off by council; and
- b) in the case of irregular or fruitless and wasteful expenditure, is after investigation by MPAC, certified by council as irrecoverable and written off by council.

13.2. Irregular expenditures resulting from breaches of the Public Office-Bearers Act must be recovered from the Councillor to whom it was paid.

13.3. Once it has been established who is liable for the unauthorised, irregular, fruitless and wasteful expenditure, the Municipal Manager must in writing request that the liable Councillor or official pay the amount within 30 days or in reasonable instalments.

13.4. Without limiting liability in terms of the common law or other legislation, the MM must recover any such expenditure, in full, from official or Councillor where:

- a) In the case of a Councillor, the Councillor knowingly or after having been advised by the MM that the expenditure is likely to result in unauthorised, irregular or fruitless and wasteful expenditure, instructed an official of Polokwane Municipality to incur the expenditure; and
- b) In case of the official, the official deliberately or negligently incurred such expenditure.

13.5. The fact that the Council may have approved the expenditure for writing off or deemed it to be irrecoverable is no excuse in:

- a) Either disciplinary or criminal proceedings against a person charged with the commission of an offence or a breach of the MFMA relating to such unauthorised, irregular or fruitless and wasteful expenditure; or
- b) Recovery of such expenditure from such person.

13.6. If the official or councillor fails to make satisfactory payment arrangements or fails to honour payment arrangements made, the amount owed for prohibited expenditure must be recovered through the normal debt collection process of the municipality.

## **14 CONSEQUENCES OF NON-COMPLIANCE**

14.1. Any official or councillor who does not comply with their reporting duties in terms of this policy could be found guilty of Financial Misconduct.

14.2. Any councillor or official of Polokwane Municipality will be committing an act of financial misconduct if that councillor or official deliberately or negligently makes or permits, or instructs another official of Polokwane Municipality to make, an unauthorised, irregular or fruitless and wasteful expenditure.

## **15 PROTECTIONS OF OFFICIALS OR COUNCILLORS WHO HAVE REPORTED UNAUTHORIZED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE**

15.1. If any official or councillor who has complied with this policy and as a result thereof has been subjected to intimidation, victimisation, threats, such official or councillor should immediately report such threats, victimisation or intimidation to the MM or the Mayor where applicable.

15.2. The MM or Mayor must immediately take appropriate action to ensure that protection of the official or councillor after receiving the above report.

15.3 Where the nature of the threats warrants such action, the threats should be reported to the SAPS by the official concerned, the MM or the Mayor, where applicable.

## **16 REVIEW OF POLICY**

- a) Annually in line with the budget cycle and submitted with the budget policies; or
- b) Sooner if new legislation, regulation, or circulars are issued that will impact this policy.

## **17 DATE OF IMPLEMENTATION**

This policy takes effect from 1 July 2025 and will be reviewed annually during the budgetary process of the Municipality.

# Annexure F:

## ENTITY- BUDGET RELATED POLICIES

# **HR POLICIES AND PROCEDURES**

## **DRAFT ACTING ALLOWANCE POLICY**

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## **Acting Allowance**

### **1. PURPOSE**

To provide guidelines on the criteria and process to be followed in temporarily filling positions on acting capacity.

### **2. AIMS AND OBJECTIVES**

The policy is intended to ensure that employees who consent and act in a higher post either as a result of the higher post being vacant or as result of a prolonged absence due to illness or maternity are rewarded. In respect of vacancies, the objective is to bridge the recruitment period until the vacancy is filled and to ensure work continuity. The appointment to act or to relieve does not create any right, obligations or expectation for the employee that is appointed to act, to be permanently placed in the acting position.

### **3. APPLICATION OF THE POLICY**

- a) This policy is applicable and binding to PHA employees and shall become operative on date on which it is approved by the Board; and
- b) This policy shall not be applicable to positions specifically created for the purpose of pursuing a special project undertaken by PHA.

### **4. DEFINITIONS**



**Acting Allowance:** Additional remuneration paid in respect of authorized work normally executed at a level senior to that of the incumbent's original appointment.

**All-inclusive Remuneration:** Remuneration package that includes basic salary, medical aid, pension, UIF, motor-vehicle where necessary and housing allowances but exclude Subsistence & Travelling and telephone allowances.

**Basic Salary:** Minimum salary constituting the 60% of the all inclusive all-inclusive remuneration package. This excludes all other benefits and incidental payments.

**Taxable:** Compulsory contribution to state revenue, levied by the government on personal income.

## **5. CRITERIA FOR APPOINTMENT IN AN ACTING CAPACITY**

- i. The appointment shall be made in writing detailing the duration for acting in a higher position.
- ii. Candidates for acting appointment shall generally be confined to the level of first direct report to the applicable acting position. Where exceptional circumstances dictate otherwise, deviation shall be justifiable.
- iii. Acting candidates must meet the minimum appointment requirements of the positions they are acting in as outlined in clause 7 of the Conditions of Service in terms of the Bargaining levels agreement for the Limpopo Division.

## **6. CRITERIA FOR PAYMENT OF ACTING ALLOWANCE**

- 6.1. An acting allowance shall be paid to an employee acting in a senior position in addition to his/her salary only if such an employee has been

acting for a period of not less than ten (10) consecutive working days subject to the following:

- a) The acting employee has been duly appointed by the CEO or his delegate;
- b) Any interruption of less than three (3) working days in total shall be deemed to form part of the acting period if occasioned by any of the following circumstances:
  - i. Illness supported by a medical certificate.
  - ii. Family bereavement supported by death certificate.
  - iii. Attendance at court as a witness, if subpoenaed.
- c) A public holiday falling within a period of acting shall be regarded as a working day for the purposes of calculating the allowance.
- d) Acting appointments to vacant posts shall be reviewed within three (3) months taking into consideration the existing operational requirements.
- e) Vacant posts on the permanent staff establishment should be filled within six (6) months.
- f) In line with the intention to ensure developmental exposure through acting appointments, acting appointments may rotate amongst the employees eligible for acting appointments.
- g) PHA reserves the right not to appoint anyone into an acting appointment except where there are exceptional reasons to appoint.
- h) There shall be no automatic duty to compel PHA to effect acting appointment as and when any higher post is temporarily vacated.
- i) Where operational requirements so permit and with the consent of the affected official, a senior official may be entrusted with the task of taking an additional responsibility of a temporarily unoccupied equivalent post subject to payment of an 'additional responsibility

allowance' which shall be calculated at a rate to be decided by the Board.

- j) If acting is required in a position that the appointed official is Partially-seconded by the shareholder, the acting allowance will be paid in line with the secondee's contract.
- k) Should the senior official decline the request stated in (i) above, that shall not constitute any ground for disciplinary action against such an official.

## **7. PAYMENT OF ACTING ALLOWANCE**

- a) A non-pensionable taxable Acting Allowance shall be paid to an employee acting against a senior position at an annual rate equal to the difference between such employee's salary and the commencing notch of the salary scale of the post, in respect of which he/she acts. In the case where the commencing notch of the position in which the employee is acting, is equal or less than the current notch of the employee, then the employee will receive an acting allowance on the next higher notch of the position in which the employee is acting.
- b) The calculation of acting allowance paid to employees performing acting duties against a Section 57 or other fixed-term-contractual posts shall be based on the 60% (basic salary) of total remuneration package of the Section 57 or other contractual post.
- c) The allowance will be paid upon completion of the acting period or month of acting – whichever comes first.

## **8. QUALIFYING STANDARDS**

### **8.1 Vacant Positions**

- a) The position must be vacated due to the incumbent being appointed in another vacant position or due to resignation, dismissal, retirement,

demise or any other reason recognized by law, which terminates the employment relationship – this includes suspension for longer than 10 consecutive working days. (The acting allowance is not payable when a new post has been created).

- b) The period of acting must be for at least ten (10) consecutive working days but not exceeding 65 (consecutive working days – to qualify for the payment of an acting allowance. Payment of the allowance will be retrospective for the entire period (maximum of 132 days) for which the employee has acted.
- c) The allowance is not payable to an employee who acts in a higher position as a result of that incumbent acting in another vacant higher position.
- d) The policy excludes students and employees on short-term contracts.
- e) Only employees who act in supervisory and managerial positions qualify for acting allowance.

## **8.2 Prolonged Absences**

- a) The employee must act or relieve in a higher position as a result of the incumbent of the higher position being absent from work due to prolonged absence such as illness, maternity leave or suspension.
- b) The period of acting/relieving must be for at least ten (10) consecutive working days and the allowance will be paid retrospectively for the entire period during which the employee has acted;
- c) Payment will be considered where an employee:
  - i. On the operational level acts in a vacant management position which includes managerial functions.
  - ii. The allowance is not payable to an employee who acts in a higher position as result of that incumbent acting in another higher position.
- d) Only employees who are officially appointed in a designated position

of PHA organogram shall qualify and this excludes students and employees on short-term period/contract.

## **9. PROCESS FOR THE PAYMENT OF AN ACTING ALLOWANCE**

### **9.1 Vacant Position**

When a vacancy occurs, line management must:

- a. Notify the Human Resources Management that a position is vacant due to termination of employment.
- b. Determine the need to fill the position.
- c. Obtain authority to fill the position in accordance with the Delegation of Authority.
- d. Inform the Human Resources Management of the need to advertise the position.
- e. Determine the need for an employee to act in the vacant position.
- f. If required, complete the notification to act form and forward the form to the Manager: Human Resources Management.
- g. On completion of the acting period inform the Human Resources Management (in writing) of the period acted and authorize the acting claim.

### **9.2 The Role of the Human Resources Management**

- a. Receives the notification of termination of employment from the Line Manager.
- b. Forwards the termination of employment file to Payroll.
- c. Receives the notification to act.
- d. Update the organogram indicating the position as vacant and capturing particulars of person acting.
- e. Notifies Payroll as soon as the position is filled.

### **9.3 The Role of Payroll Clerk: Vacant Position and Prolonged Absence**

- a. Receives the notification of termination of employment.
- b. Perform the following system validation checks:
  - i. Match position on form against vacant position on organogram;
  - ii. Verify qualifying period:
    - Vacancy : Minimum ten (10) consecutive working days
    - Prolonged absence: Minimum of ten (10) days
    - Claim is submitted after period of acting.
  - iii. Ensures that employee submitting the claim is a full time employee (in accordance with the policy)
  - iv. Reduces the days claimed with the days leave or any days absent during acting period
  - v. Calculates the number of days acted:
    - That acting was for a continuous period - no intermittent periods;
    - Rejects the submission if not in compliance with any of the above; and
    - Report on errors to the Human Resources Management.

### **9.4 Prolonged Absences**

On receiving notification of prolonged absence:

#### **9.4.1 Line Management must:**

- a. Notify the Human Resources Management of the prolonged absence.
- b. Determine the need for an employee to act in the position.

- c. Notify Human Resources Management of the need to act.
- d. On completion of the acting period approve the acting claim and submit to Manager: Human Resources Management.

#### **9.4.2 Human Resources Management**

- a. Receives the notification to act from line manager.
- b. Notifies Payroll Clerk to update Human Resources System indicating the position as prolonged absence and capturing the particulars of person acting.
- c. Notifies Payroll Clerk to update Payroll System when the incumbent has resumed duty.

### **10. Acting Allowance**

#### **10.1 Qualifying Period**

10.1.1 The qualifying period for the purpose of this section shall mean a continuous period of ten working days and shall include any public holiday.

10.1.2 When the qualifying period is broken by absence from duty for a period not exceeding five working days and the Manager: Human Resources Management is satisfied that such absence has been caused by circumstances beyond the control of the acting employee, the qualifying period shall not be regarded as having broken if the employee has in the aggregate acted for not less than the qualifying period.

10.1.3 An employee who, has served the qualifying period, takes annual leave, sick leave, compulsory service/training leave, maternity leave or study/examination leave not exceeding 10 working days, or is required to act in another higher post, will not be required to serve a further qualifying period before the allowance is again payable if immediately thereafter he continues to act in the original post or similar graded post.

## **10.2 Acting Period**

10.2.1 An employee may act in a funded higher graded position and shall perform the duties attached to the post in which he/she is acting as well as those for the position he/she is appointed on. The acting period shall not exceed six (6) months unless exceptional approval to do so is granted by the Chief Executive Officer.

10.2.3 No employee shall be allowed to act in the funded and graded position without prior approval by the Chief Executive Officer in agreement with the employee's line manager and Human Resources Management.

## **10.3 General**

10.3.1 The number of employees who may act, as a result of one higher post being vacant or an employee in a higher post being absent from duty shall be limited to three consecutive levels only.

10.3.2 If an employee undertakes the substantial portion of the duties of a higher grade post but fails to execute the full responsibilities of such higher post, he/she shall be paid an allowance equal to one half of that to which he would have been entitled and be released back into his/her original position.

10.3.3 An acting employee takes leave of any kind shall be paid the acting allowance up to and including the last working day before proceeding on leave and from the day on which he returns to duty.

10.3.4 Where an employee acts consecutively in more than one higher post for not less in the aggregate than qualifying period, he shall be paid the appropriate acting allowance pro rata to the period of each such acting appointment.

10.3.5 PHA shall send a communication through Human Resources Management to all staff informing them about acting appointments on a quarterly basis.



10.3.6 Only employees who have successfully completed their probation period shall be allowed to act in higher posts.

## **11. Approval and Maintenance**

11.1 All policy amendments and major changes will be presented for approval by the Board of Directors. Maintenance of the policy is the responsibility of the Manager Human Resources Management.

## **12. Risk Management**

- By having a detailed Acting Allowance Policy, the entity is able to ensure that a uniform and professional approach is adopted throughout the organization and the service delivered is compliant with law, best practice and internal policy.
- The risk of not having this policy in place is an absence of the above, the entity being open to mismanagement, bias, unfairness and inequality and poor reputation.

## **13. Compliance with Policy**

This policy is intended to ensure that PHA is in compliance with the following;

- BCEA
- Labour Relations Act

## **14. Departures from the policy**

Any departures from the approved policy will require the prior approval of the following persons:

- Manager: Human Resources Management, Chief Executive Officer, and Board of Directors.
- These approved amendments will be incorporated into the policy, if deemed to be necessary, at the next review of the policy.
- Failure to comply with the prescribed policies and procedures will result in the institution of disciplinary procedures in terms of the human resources policies and procedures manual.

#### **15. Changes to the policy**

It is absolute imperative that all proposed changes to the policy are properly and timeously submitted to the Human Resources Management and Chief Executive Officer.

The following procedures will be followed with respect to any Policy Document Management:

- A Register is to be maintained by the custodian at each Department, which records the latest versions of the policies currently in use.
- It is the responsibility of all employees who have access to the intranet to view the latest copy of the policy should they wish to obtain information about any formal policy. Hard copies of the policies will be made available on request to all employees who do not have access to the intranet.
- The Manager: Human Resources Management is to sign as evidence of receipt of the policy. The custodian will maintain a record of all issues of policies.
- All proposed changes must be recorded on a Change Form which is sequentially numbered, which would detail the suggested

amendments together with the reasons for such changes. All proposed changes must be supported by the Manager: Human Resources Management. The changes should be communicated by the Chief Executive Officer.

- Any changes to the policy must be approved by the Board of Directors following a request by the Human Resources Management and the Chief Executive Officer.
- Any amendments made will result in the policy document being re-issued in its entirety.
- Once the policy document has been amended and the new version issued, the custodian is responsible for notifying all the users to the new version of the policy.

This policy document will be available on the Intranet after approval.

#### **16. Monitoring of the policy**

Monitoring of compliance to the policy will be done on a regular basis taking into account reports from:

- Internal Audit
- External Audit
- Management and Ad hoc reports

#### **17. Policy review**

The policy will be reviewed on an ongoing basis. However, at minimum the policy will be reviewed at the beginning of each financial year to take into account any changes in business risk. Revision (if any) will be submitted to the Board of Directors for approval.

#### **18. Delegation of authority**

As much autonomy and devolution of powers as are possible and practicable are given to individual business units at PHA in terms of the Approved Delegated Authority Framework.

Full responsibility for internal controls within the business units rests with the Manager: Human Resources Management, who should ensure that appropriate and adequate policies including this one are complied with to safeguard all PHA resources.

Delegation of Authority, with regard to Acting Allowance Policy, in this document is per the Approved Delegated Authority Framework.

Advice on the interpretation of this policy document may be obtained from both the Chief Executive Officer and the Manager: Human Resources Management.

# **FINANCE POLICIES AND PROCEDURES**

## **DRAFT ASSET MANAGEMENT POLICY**

DRAFT

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## **Introduction**

This policy document is provided to assist management and employees of Polokwane Housing Association (PHA) in implementing and maintaining consistent, effective and efficient asset management principles.

This policy document supersedes all Fixed Asset management policy instructions that have previously been issued.

Failure to comply with the prescribed policies will result in the institution of disciplinary procedures in terms of the stipulated human resource policies and procedures of PHA.

## **Objectives**

The objective of this document is:

- i. to safeguard fixed assets of PHA and to ensure the effective use of the existing resources,
- ii. to emphasise a culture of accountability over fixed assets,
- iii. to ensure that effective controls are communicated to management and staff through clear and comprehensive written documentation, and
- iv. To provide a formal set of financial procedures that can be implemented to ensure that PHA's financial asset policies are achieved and are in compliance with the Public Finance Management Act.

## **Responsibility**

The responsibility of fixed asset management lies with the Chief Executive Officer and the Corporate Services Manager. The performance of this function can be delegated to the Accountant/Senior Administrators. The Chief Executive Officer will need to ensure that all the fixed assets are adequately insured against loss, theft and damage of any nature.

No amendments, deletions or additions to the fixed asset register shall be made other than by the Accountant or by an official acting under the instruction of the Accountant.

## **Fixed Asset**



It is a resource controlled by the enterprise as a result of past events and which future economic benefits are expected to flow to the enterprise. The cost would include transport costs, labour and any other cost incurred to bring the asset to its present location and condition.

Characteristics of a depreciable fixed asset are the following:

- i. It is estimated that the asset will be used for more than one financial period;
- ii. It has a limited useful life;
- iii. It is used in a process of delivering services;
- iv. The resource should provide future economic benefits;
- v. The future economic benefits should accrue to PHA;
- vi. The event giving rise to PHA's right to the resource and control over the future economic benefits must already have occurred; and
- vii. It should be possible to determine the cost of the asset reliably.

### **Intangible assets**

An intangible asset is an identifiable non-monetary asset without physical substance held for use in the production or supply of goods or services, for rental to others, or for administrative purposes.

No intangible item shall be recognised as a fixed asset, except that the Accountant/Senior Administrator, acting in strict compliance with the criteria set out in the GAAP statement dealing with research and development expenses may recommend to the entity that specific development costs be recognised as fixed assets.

### **Capitalisation and Valuation of Assets**

Assets whose individual value including VAT, is less than R5, 000.00 (five thousand rands) must be expensed in the month of purchase.

Every head of department must ensure that any item with a value in excess of R5, 000.00 (five thousand rands) including VAT, and with an estimated useful life of more than one year, shall be capitalised in the asset register.

### **Capital budget**

A capital budget must be compiled and approved for all capital acquisitions.

### **1.1 Guideline controls for the preparation of the capital budget:**

- i. Each Head of Department should obtain the necessary information from his/her staff;
- ii. The Chief Executive Officer together with the Accountant compiles this information into a concept capital budget;
- iii. The concept capital budget is discussed at a meeting involving the Chief Executive Officer, and all other head of departments, where needs are prioritised;
- iv. The concept capital budget is presented to the PHA Chief Executive Officer for approval;
- v. It is the presented to the Board of Directors for approval;
- vi. Only after the Board approves the budget and a report served before Board whereby approval for specific items is obtained, can capital items be purchased.

### **1.2 Guideline procedures for additions to fixed assets**

The Chief Executive Officer and Accountant/Senior Administrator should inform the Board of the acquisition or disposal of significant assets, and the relevant particulars of the transaction have to be submitted to the executive authority for approval.

It is the responsibility of the Procurement officer to inform Accountant of all asset purchases.

The following should be updated in the fixed asset register:

- i. Supplier's name
- ii. Cost of asset
- iii. Monthly depreciation
- iv. Accumulated depreciation
- v. Net book value
- vi. Asset description
- vii. Expected useful life
- viii. Depreciation rate
- ix. Method of payment and financing source
- x. Asset number
- xi. Cheque or transfer number; and

### **1.3 Capitalisation vs. Expenditure**

Subsequent expenditure relating to an item of property, plant and equipment that has already been recognised should be added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the enterprise.

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

#### **Disposal of assets**

Assets must be disposed in such a way that:

- i. In financial terms, such disposal is always to the benefit of PHA, and

Authorisation for disposal should be as per the department's delegation of authority. Proof of payment should be obtained before the asset is transferred to the new owner as per the relevant form.

Every head of department shall report in writing to the Chief Executive Officer on 31 December and 30 June of each financial year on all fixed assets controlled or used by the department concerned which such head of department is to dispose by public auction or public tender. The Chief Executive Officer shall thereafter consolidate the requests received from the various departments, and shall promptly report such consolidation information to the Board, and recommend the process of disposal to be adopted. Once the fixed assets are disposed, the Chief Executive Officer shall delete the relevant records from the fixed asset register.

If the proceeds on disposal are less than the carrying value recorded in the fixed asset register, such difference shall be recognised as a loss on disposal in the income statement of the department concerned. If the proceeds of the disposal are more than the carrying value of the fixed asset concerned, the difference shall be recognised as profit/gain on disposal in the income statement of the department concerned.

All gains realised on the disposal of fixed assets shall be appropriated annually to the PHA's asset financing fund. All losses on the disposal of fixed assets shall remain as expenses on the income statement of the department concerned. If, however, both gains and losses arise in any one financial year in respect of the disposal of the fixed assets of any department, only the net gain (if any) on the disposal of such fixed assets shall be appropriated.

when disposing the assets of the entity Polokwane Housing Association dispose such assets at market value, where market value cannot be determined or realised by the entity such assets be donated to Non-governmental organisations, schools or churches including Charitable Organisations within Polokwane municipality's Jurisdiction.

#### 1.4 Guideline procedures for disposal of fixed assets

If a department wants to dispose of an asset, the head of department must submit a motivation and an **Asset Disposal Requisition** (ADR) in duplicate to the accountant.

The Corporate Services Manager must recommend, by signature, the assets to be disposed of and submit the motivation to the Chief Executive Officer.

The Chief Executive Officer must recommend all disposals of assets and submit motivation to the Board after consultation with the department.

The Chief Executive Officer must authorise all disposals of fixed assets by signing the ADR. Once signed the ADR must be handed to the Board.

The assets officer must update his asset listing on receipt of the authorised ADR and file the ADR, and must submit the updated listing to the Financial Manager for approval.

The assets officer must update the fixed assets register, by detailing the date the assets were transferred for auction or sale on the register, and file the ADR in the date order.

The following information should be updated in the fixed asset register:

- i. Reason for disposal
- ii. Information relating to the buyer
- iii. Individual requesting disposal
- iv. Cost, book value and proposed selling price of the asset in question
- v. Date of sale
- vi. Method of payment
- vii. Receipt number; and
- viii. The entire relevant asset information e.g. number, type etc.

The Accounting records should be updated with information regarding the sale. The profit or loss should be recognised in the financial records of the department.

#### 1.5 Other write-offs of fixed assets

A fixed asset shall be written off only on the recommendation of the head of the department controlling or using the asset concerned. The head of department shall report to the Accountant/Senior Administrator on 31 December and 30 June of each financial year on any fixed assets that such department wishes to have written off, stating in full the reasons for such recommendation. The Chief Executive Officer shall consolidate all such reports, and shall promptly submit a recommendation to the Board on the fixed assets to be written off.

The only reason for writing off fixed assets shall be because of loss, theft, and destruction or material impairment of the fixed assets in question.

In every instance where a not fully depreciable fixed asset is written off, the Chief Executive Officer shall debit such department, as additional depreciation expense, the full carrying value of the asset concerned.

## **1.6 Guideline procedures for scrapping of fixed assets**

If a head of department wants to scrap off an asset, he/she must submit a motivation, an **Asset Scrapping Requisition (ASR)** in duplicate and the asset, where possible, to the assets officer.

The assets officer must physically inspect and recommend, by signature, the assets to be scrapped and submit the motivation to the Chief Executive Officer.

The Chief Executive Officer must recommend the scrapping and submit the motivation to the Board, after consultation with the Departmental.

The Chief Executive Officer must authorise all scrapings of fixed assets by signing the ASR. Once signed the ASR must be handed to the Board.

The assets officer must update his asset listing on receipt of the authorised ASR and file the ASR with the monthly register, and submit it to the Chief Executive Officer for approval.

On receipt of the authorised ASR the assets officer must update the fixed asset register, by detailing the scrapping date on the register, and file the ASR in date order.

The following information should be updated in the fixed asset register:

- i. Reason for disposal
- ii. Information relating to the buyer
- iii. Individual requesting disposal
- iv. Cost, book value and proposed selling price of asset in question
- v. Date of sale
- vi. Method of payment
- vii. Receipt number; and
- viii. The entire relevant asset information e.g. number, type etc.

## **1.7 Revision of useful life**

It may be necessary to review the useful life of assets, as the original estimate of useful life may become inappropriate. Such an adjustment is deemed to be a change in estimate and the depreciation charge for the current and future periods should be adjusted.

## 1.8 Guidelines for changes in accounting estimates

As a result of the uncertainties inherent in business activities, many financial items cannot be measured but can only be estimated. The estimation process is based on judgements based on the latest financial information available. Estimates may be required, for example bad debts, inventory obsolescence or the useful lives or expected pattern of consumption of economic benefits of depreciable assets.

An estimate may need to be revised if changes occur regarding the circumstances on which the estimate was based or as a result of new information, more experience or subsequent developments.

In practice the Accounts Department may decide to revise the useful life of an asset or a group of assets due to certain circumstances.

The effect of a change in accounting estimates should be included in the determination of net profit or loss in:

- i. The period of the change if the change affects the period only, or
- ii. The period of change and future periods, if the change affects both.

### Asset classes and depreciation periods

Assets are classified in terms of GAAP. Estimation of useful life is to be made using the best available information. Changes in useful life and depreciation rates are to be approved by the Chief Executive Officer.

#### The following are asset classes and depreciation periods

Average Asset useful life	
Office Equipment:	7-14
Computer hardware	5-14
Computer software	5-11
Motor Vehicles	5-8
Furniture and fittings	7-14
Buildings	50
Land	No depreciation

## 1.9 Asset information kept in the register

The following information should be kept in respect of each asset:

- i. Asset number
- ii. Asset type and description
- iii. Purchase price

- iv. Book value
- v. Depreciation current period
- vi. Accumulated depreciation
- vii. Disposal value & date

The fixed asset register shall be maintained in the format determined by the Chief Executive Officer, whose format shall comply with the requirements of (GAAP) and any other requirements prescribed, by law.

All heads of department under whose control any fixed asset falls shall promptly provide the Chief Executive Officer with any information required to compile the fixed asset register, and shall promptly advise the Chief Executive Officer of any material change which may occur in respect of such information.

In compliance with the requirements of GAAP, the Chief Executive Officer shall ensure that all fixed assets are classified under the following headings, and heads of department shall provide the Chief Executive Officer with such information or assistance as is required to compile a proper classification:

- ☐ Land
- ☐ Infrastructure assets
- ☐ Investment assets
- ☐ Donated assets
- ☐ Other assets

#### **1.10 Recognition of donated assets**

Where a fixed asset is donated to PHA, or where a fixed asset is acquired by means of an exchange of assets between the PHA and one or more parties, the asset concerned shall be recorded in the fixed asset register at such reasonable value as the Chief Executive Officer assigns to the asset in question.

#### **1.11 Asset verification**

To ensure the completeness and correctness of assets on the fixed asset register, all assets must be physically verified and confirmed at least twice in a financial year.

All fixed assets used by employees leaving the employment of the company must be verified on the day such employees leave.



## **Guideline procedures for the maintenance of the fixed asset register**

The Accountant must update the asset listing and fixed asset register with the approved asset requisitions, and submit it to the Chief Executive Officer for approval.

On a monthly basis the Accountant must perform reconciliation between the general ledger values and the fixed assets and inventory register.

The Accountant must check and sign the fixed assets and inventory reconciliation as correct.

The changes made to the fixed assets register should be printed and approved by the Chief Executive Officer on a monthly basis.

Depreciation rates used have to be approved by the Chief Executive Officer before they are applied to the assets.

The Accountant should allocate depreciation rates for each class of assets, and also ensure that the depreciation calculation are correctly applied and posted in the general ledger.

The Accountant must report on the physical verification once a year to the Chief Executive Officer who will thus check the report and approve to their satisfaction.

Once approved by the Chief Executive Officer the assets officer must file the report in the date order.

### **1.12 Physical security of fixed assets**

Every head of department shall be directly responsible for the physical safekeeping of any fixed asset controlled or used by their department.

In exercising this responsibility, every head of department shall adhere to directives issued by the Chief Executive Officer to the department in question, or generally to all departments, with regards to the control and safekeeping of EDC's fixed assets.

#### **Insurance of fixed assets**

The Chief Executive Officer shall ensure that all movable fixed assets are insured at least against fire and theft.

The Chief Executive Officer shall recommend to the Board, after consulting with the Accountant/Senior Administrator, on the basis of the insurance to be applied: either the carrying value or the replacement value of PHA's fixed assets. Such recommendation shall take due cognisance of the budgetary resources of the PHA.

## **Guideline controls over physical security of fixed assets**



### **1.13 Asset security**

All assets should be kept in a secure location, maintained regularly, insured against theft or destruction, utilized economically and efficiently.

The Chief Executive Officer together with the Accountant/Senior Administrator should inform the Board of the acquisition or disposal of significant assets, and the relevant particulars of the transaction have to be submitted to the executive authority for approval. The disposal of any of the PHA's major assets has to be approved by the Board

### **1.14 Assets identification**

A fixed assets and inventory register should be maintained, and all fixed assets should be numbered for reference to the fixed assets register.

### **1.15 Physical verification**

The Accountant must perform a physical verification of all assets once a year. A Statement of Existence (SOE) must be issued for assets declaring that all assets listed are on hand and are in a useful working condition. The SOE must be sent to the Chief Executive Officer.

### **1.16 Insurance cover**

The Accountant will arrange the necessary insurance cover, including cover for assets that are removed from Institution property.

### **1.17 Allocation of assets**

The Accountant should open an asset allocation register to monitor the use of assets. They should ensure that assets utilized are restricted to the activities of the Institution; by continually monitoring to whom, and for what purpose, the assets are allocated.

The relevant manager must approve assets that are used by officials not in their work place (e.g. laptops taken home).

The Chief Executive Officer must be notified of such assets leaving the workplace.

### **1.18 Items lost or stolen**

Assets/consumables lost or stolen should be reported to the Chief Executive Officer as soon as they are discovered. The following must be submitted:

- ❑ A full report of the incident
- ❑ Police case number

- Quotations for the replacement of the item

The Accountant will submit a claim to the insurance company.

## **Repairs and maintenance**

A schedule should be kept detailing the regular maintenance required for all relevant assets.

A schedule should also be kept detailing the Institution's rights and obligations in respect of all assets – including those under lease.

All assets should be maintained in accordance with the schedule.

Repairs should be made to assets as necessary to assets after first checking to assess whether any guarantees exist in respect of the assets.

Every head of department shall ensure that a maintenance plan in respect of every new asset with a value of R100 000 or more is promptly prepared and submitted to the Board for approval.

If so directed by the Chief Executive Officer, the maintenance plan shall be submitted to the Board prior to any approval being granted for the acquisition asset concerned.

The head of department controlling or using the asset in question, shall annually report to the Institution, detailing the extent to which the relevant maintenance plan has been complied with, and the likely effect of any non-compliance may have on the useful operating life of the asset concerned.

### **1.19 Deferred Maintenance**

If there is material variation between the actual maintenance expenses incurred and the expenses reasonably envisaged in the approved maintenance plan for any assets, the Chief Executive Officer shall disclose the extent of and possible implications of such deferred maintenance in an appropriate note to the financial statements. Such note shall also indicate any plans, which the Institution has approved in order to redress such deferral of the maintenance requirements concerned.

If no such plans have been formulated or are likely to be implemented, the Chief Executive Officer shall re-determine the useful operating life of the fixed asset in question, if necessary in consultation with the head of department controlling or using such asset, and shall recalculate the annual depreciation expenses accordingly.

### **1.20 Financial Disclosure requirements**

The financial statements should include disclosure in respect of assets as laid out in GAAP.

## Guidelines for financial disclosures

Financial statements should include the following disclosures:

- ❑ The measurement basis used for determining the gross carrying amount. When more than one basis has been used, the gross carrying amount for that basis in each category should be disclosed.
- ❑ The depreciation methods used.
- ❑ Depreciation charged in arriving at net profit or loss for the period.
- ❑ The gross carrying amount and the accumulated depreciation (aggregated with accumulated impairment losses) at the beginning and the end of the period.
- ❑ A reconciliation of the carrying amount at the beginning and end of the period showing:
  - ❑ Additions
  - ❑ Disposals
  - ❑ Acquisitions through business combinations
  - ❑ Increases or decreases during the period resulting from revaluations under paragraphs and from impairment losses recognized or reversed directly in equity under the statement on impairment of assets, if any.
  - ❑ Impairment losses recognized in the income statement during the period on impairment of assets, if any.
  - ❑ Impairment losses reversed in the income statement during the period under the statement on impairment of assets, if any.
  - ❑ Depreciation
- ❑ The net exchange differences arising on the translation of the financial statements of a foreign entity, and
- ❑ Other movements.

The financial statements should also disclose the following:

- ❑ The existence and amounts of restrictions on title, and property
- ❑ The accounting policy for the estimated costs of restoring the site of items of property, plant and equipment.
- ❑ The amount of expenditures on account of property, plant and equipment in the course of construction.

- ❑ The amount for the acquisition of property, plant and equipment.

The selection of the depreciation method, and the estimation of the useful life, is a matter of judgement. Therefore, disclosure of the methods adopted and the estimated useful lives or depreciation rates, provides financial statements with information, which allows them to review the policies selected by management and enables comparisons to be made with other enterprises. For similar reason, it is necessary to disclose the depreciation allocated in a period and the accumulated depreciation at the end of that period.

The Organisation must disclose the nature and effect of change in accounting estimates that has a material effect in the current period or which is expected to have a material effect in subsequent periods in accordance with the statement on net profit or loss for the period, fundamental errors and changes in accounting policies. Such disclosure may arise from changes in estimate with respect to:

- ❑ Residual values,
- ❑ The estimated costs of dismantling and removing items of property, plant or equipment and restoring the site,
- ❑ Useful lives, and
- ❑ Depreciation method.

When items of property, plant and equipment are stated at revalued amounts, the following should be disclosed:

- ❑ The basis used to revalue the assets
- ❑ The effective date of the revaluation
- ❑ Whether or not an independent valuer was involved
- ❑ The nature of any indices used to determine replacement cost
- ❑ The carrying amount of each class of property, plant and equipment that would have been included in the financial statements had the assets been carried under the benchmark treatment.
- ❑ The revaluation surplus, detailing:
  1. The movement for the period
  2. Any restrictions on the distribution of the balance to shareholders,
  3. The realized and unrealized portions thereof, and
  4. The outside shareholders' share thereof.

Financial statement users also find the following information relevant to their needs:

- ❑ The carrying amount of temporarily idle property, plant and equipment.
- ❑ The gross amount of any fully depreciated property, plant and equipment that are still in use.

- ❑ The carrying amount of property, plant and equipment retired from active use and held for disposal.
- ❑ Where the benchmark treatment is used, the fair value of property, plant and equipment where this is materially different to the carrying amount.

### **Risk management**

- By having a detailed Asset management Policy, the entity is able to ensure that a uniform and professional approach is adopted throughout the organization and the service delivered is compliant with law, best practice and internal policy.
- The risk of not having this policy in place is an absence of the above, the entity being open to mis-management, bias, unfairness and inequality and poor reputation.

### **Compliance with policy**

This policy is intended to ensure that PHA is in compliance with the following:

- GAAP, GRAP and IFRS

### **Departures from the policy**

Any departures from the approved policy will require the prior approval of the following persons:

- Chief Executive Officer, Accountant and Board of Directors.
- These approved amendments will be incorporated into the policy, if deemed to be necessary, at the next review of the policy.
- Failure to comply with the prescribed policies and procedures will result in the institution of disciplinary procedures in terms of the human resources policies and procedures manual.

### **Changes to the policy**

It is absolute imperative that all proposed changes to the policy are properly and timeously submitted to the Chief Executive Officer and Corporate Services Manager.

The following procedure is to be followed with respect to any Policy Document Management:

- A Register is to be maintained by the custodian at each Department, which records the latest versions of the policies currently in use.
- It is the responsibility of all employees who have access to the intranet to view the latest copy of the policy should they wish to obtain information about any formal policy. Hard copies of the policies will be made available on request to all employees who do not have access to the intranet.

- The Accountant who received a copy of a policy is to sign as evidence of receipt of the policy. The custodian will maintain a record of all issues of policies.
- All proposed changes must be recorded on a Change Form which is sequentially numbered, which would detail the suggested amendments together with the reasons for such changes. All proposed changes must be supported by the Accountant. The changes should be communicated by the Chief Executive Officer.
- Any changes to the policy must be approved by the Board of Directors following a request by the Chief Executive Officer and the Accountant.
- Any amendments made will result in the policy document being re-issued in its entirety.
- Once the policy document has been amended and the new version issued, the custodian is responsible for notifying all the users to the new version of the policy.

This policy document will be available on the Intranet after approval.

### **Monitoring of the policy**

Monitoring of compliance to the policy will be done on a regular basis taking into account reports from:

- Internal Audit
- External Audit
- Management and Ad hoc reports

### **Policy review**

The policy will be reviewed on an ongoing basis. However, at minimum the policy will be reviewed at the beginning of each financial year to take into account any changes in business risk. Revision (if any) will be submitted to the Board of Directors for approval.

### **Delegation of authority**

As much autonomy and devolution of powers as are possible and practicable are given to individual business units at PHA in terms of the Approved Delegated Authority Framework.

Full responsibility for internal controls within the business units rests with the Property Manager, who should ensure that appropriate and adequate policies including this one are complied with to safeguard all PHA resources.

Delegation of Authority, with regard to Selection and Allocation, in this document is per the Approved Delegated Authority Framework.

Advice on the interpretation of this policy document may be obtained from both the Chief Executive Officer and the Property Manager

DRAFT



## **FINANCE POLICIES AND PROCEDURES**

## **DRAFT BUDGET AND VIREMENT POLICY**



## **1 DEFINITIONS**

- 1.1 "Accounting Officer"- means a person appointed in terms of section 82(l) (a) or (b) of the Municipal Structures Act; Chief Executive Officer**
- 1.2 "Approved budget," means an annual budget-**
- (a) approved by a municipal council, or includes such an annual budget as revised by an adjustments budget in terms of section 28 of the MFMA;
- 1.3 "Budget-related Policy" means a policy of a municipal entity affecting or affected by the annual budget of the municipal entity, including-**
- (a) the credit control and debt collection policy, which the municipal entity must adopt in terms of section 96 of the Municipal Systems Act;
- 1.4 "Budget transfer" means transfer of funding within a function / vote.**
- 1.5 "Budget Year" means the financial year of the municipal entity for which an annual budget is to be approved in terms of section 87(3) of the MFMA;**
- 1.6 "Councillor" means a member of a municipal council;**
- 1.7 "creditor", means a person to whom money is owed by the municipal entity;**
- 1.8 "current year" means the financial year, which has already commenced, but not yet ended;**
- 1.9 "delegation", in relation to a duty, includes an instruction or request to perform or to assist in performing the duty;**
- 1.10 "financial recovery plan" means a plan prepared in terms of section 141 of the MFMA**

**1.11 "financial statements", means statements consisting of at least-**

- (a) a statement of financial position;
- (b) a statement of financial performance;
- (c) a cash-flow statement;
- (d) any other statements that may be prescribed; and
- (e) any notes to these statements;

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

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

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

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

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

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

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

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

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

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

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

Act (refer to the MSA for definition);

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

**1.24 "official", means-**

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

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

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

**1.25 "overspending"-**

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

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

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

**1.26 "Past Financial Year" means the financial year preceding the current year;**

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

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

(a) 1 July to 30 September;

(b) 1 October to 31 December;

(c) 1 January to 31 March; or

(d) 1 April to 30 June;

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

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

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

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

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

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

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

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

**1.32 "virement" means transfer of funds between functions / votes**

**1.33 "vote" means-**

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

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

## 2 INTRODUCTION

Subsection (87) of the MFMA states that the **board of directors of a municipal entity** must, for each financial year, approve an **annual budget** for the entity before the commencement of that financial year. According to **subsection (2)** of the Act, to comply with this requirement, the **parent municipality's mayor** must table the **municipal entity's annual budget** as part of the municipality's consolidated budget at a **council meeting at least 90 days before the start of the budget year**. This policy must be read, analyzed, explained, interpreted, implemented, and understood against this legislative background.

The budget of a municipal entity plays a critical role in ensuring financial sustainability and supporting the service delivery mandate of the municipality. The formulation of a municipal entity's budget must align with the **parent municipality's strategic objectives** and the government's **macro-economic and fiscal policy fundamentals**. In brief, the conceptualization and operationalization of the budget must be situated within the **national government's policy framework**, ensuring compliance with the financial management principles set out in the **Municipal Finance Management Act**.

## 3 OBJECTIVES OF POLICY

- a) The policy sets out the budgeting principles which Polokwane Housing Association will follow in preparing each annual budget. The policy aims to give effect to the requirements and stipulations of the Municipal Finance Management Act in terms of the planning, preparation and approval of the annual budgets.

- b) The policy shall establish and maintain procedures to ensure adherence to the budget processes

#### **4 BUDGETING PRINCIPLES**

- a) The municipal entity shall not budget for a deficit unless fully funded from realistic and legally complaint sources.
- b) Expenses may only be incurred in terms of the approved annual budget (or adjustments  
budget) and within the limits of the amounts appropriated for each vote in the approved budget.

#### **5 BUDGET PREPARATION PROCESS**

##### **5.1. Formulation of the budget**

- a) The Finance Manager and heads of department undertake the technical preparation of the budget.
- b) The budget must be in the format prescribed by National Treasury and must be divided into capital and operating budget.
- c) The budget must reflect the realistically expected revenues by major source for the budget year concerned.
- d) The budget must also contain the information related to the two financial years following the financial year to which the budget relates, as well as the actual revenues and expenses for the prior year, and the estimated revenues and expenses for the current year.

##### **5.2 Approval of the budget**

- a) Per legislation, Council shall consider the next medium term expenditure framework budget for approval not later than 31st May (at least 30 days before the start of the budget year).

- b) The annual budget must be approved before the start of the financial year.
- c) Should the municipal entity fail to approve the budget before the start of the budget year, the mayor must inform the MEC for Finance that the budget has not been approved.
- d) The budget tabled at Council for approval shall include, inter alia the following draft resolutions:
  - i. draft resolutions approving the budget and levying rental rates for the financial year concerned;
  - ii. draft resolutions approving any proposed amendments to the budget \_ related policies;

## **6 CAPITAL BUDGET**

- a) A Municipal entity may spend money on a capital project only if the money for the project has been appropriated in the capital budget.
- b) Before approving the capital budget, the council shall consider the following:
  - i. the impact on the present and future operating budgets of the municipality
  - ii. relation to finance charges to be incurred on external loans,
  - iii. depreciation of fixed assets,
  - iv. maintenance of fixed assets, and
  - v. any other ordinary operational expenses associated with any item on such capital budget.
  - vi. Council shall approve the annual or adjustment capital budget only if it has been properly balanced and fully funded.

### **6.1 Basis of Calculation**

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

## **7 OPERATING BUDGET**

- a) The municipal entity shall budget in each annual and adjustments budget for the contribution to:
- i. provision for accrued leave entitlements equal to 100% of the accrued leave
  - ii. entitlement of officials as at 30 June of each financial year,
  - iii. provision for bad debts in accordance with GRAP 104

## **8 VIREMENT BUDGET/ TRANSFERS**

Virement is the process of transferring budgeted funds from one line-item number to another, with the approval of the Chief Executive Officer and Finance Manager, to enable head of departments to amend budgets in the light of experience or to reflect anticipated changes. (Section 28 (2) (c) MFMA)

### **8.1 Financial Responsibilities**

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

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

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



## 8.2 Virement Restrictions

- a) No virement may commit the Municipal entity to increase recurrent expenditure, which commits the entity's resources in the following financial year, without the prior approval Board of Directors.

This refers to expenditures such as entering into agreements into lease or rental agreements such as vehicles, photo copiers or fax machines

- b) No virement may be made where it would result in unauthorised expenditure.  
c) If the virement relates to an increase in the work force establishment, then the Council's existing recruitment policies and procedures will apply.  
d) Virements are not allowed in respect of ring-fenced allocations.  
e) Virements are not allowed on the following items:

- Finance Charges,
- Depreciation,
- Debt Impairment,
- Contributions,
- Grant Expenditure and
- Income Foregone,
- Insurance

- f) Virement amounts may not be rolled over to subsequent years, or create expectations on following budgets. (Section 30 MFMA)  
g) Virements are not allowed between Expenditure and Income.  
h) Virements are not allowed between capital and operational budgets without approval in the adjustment budgets.  
i) Virements towards personnel expenditure and vice versa will not be permitted.  
j) No budget may be moved to or from a vote, programme or project etc. that will exceed 20% of that vote

- i. This refers to virement within a directorate that must not exceed 20% of that department's total approved budget of the following Sub-votes –  
Other

Materials, Contracted Services and Other Expenditure

- k) Any virement in excess of 20% should be approved by Council, however this threshold shall not apply in case of emergency

- l) No virement may be made where it would result in over expenditure (MFMA Section 32);
- m) Virement should only be allowed within a *m*SCOA function and its sub functions<sup>1</sup>, except for the following cases:
  - 1. A Project extending over/ incorporating more than one *m*SCOA function or sub function, then savings in the budgetary allocation in a function or sub-function may be applied across the functions and/ or sub-functions directly linked to the same Project and Funding Source;
  - 2. Where the Finance and Administrative function or sub function is directly linked to another Function or sub function, then savings in the linked function/ sub-function may be applied in the Finance and Administrative function or vice versa.
  - 3. Virements should not result in adding 'new' projects to the Capital Budget;

### **8.3 Virement Procedure**

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

All the virement on Capital budget must be approved by the Chief Executive Officer.

**9 A virement form must be completed for all Budget Transfers.**

**10 All documentation must be in order and approved before any expenditure can be committed or incurred.**

## 11. ADJUSTMENT BUDGET

- a) Each adjustments budget shall reflect realistic excess, however nominal, of current revenues over expenses.
- b) The Finance Manager shall ensure that the adjustments budgets comply with the requirements of the National Treasury reflect the budget priorities determined by the Mayor, and comply with all budget-related policies.
- c) Board of Directors and/or Council may revise its annual budget by means of an adjustments budget as regulated.
- d) The Accounting Officer must promptly adjust its budgeted revenues and expenses if a material under-collection of revenues arises or is apparent.
- e) The Accounting Officer shall appropriate additional revenues, which have become available but only to revise or accelerate spending programmes already budgeted for or any areas of critical importance identified by Council in compliance with Item 2 of Section 10.
- f) The Council shall in such adjustments budget, and within the prescribed framework, confirm unforeseen and unavoidable expenses on the recommendation of the Mayor.
- g) The Council should also authorise the spending of funds unspent at the end of the previous financial year, where such under-spending could not reasonably have been foreseen at the time the annual budget was approved by the Council.
- h) An adjustments budget shall contain the following aspects;
  - i. An explanation of how the adjustments affect the approved annual budget;
  - ii. Appropriate motivations for material adjustments; and
  - iii. An explanation of the impact of any increased spending on the current and future annual budgets.

## **12. BUDGET IMPLEMENTATION**

### **a. MONITORING**

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

## **13. REPORTING**

### **a. Monthly Reports**

The accounting officer with the assistance of the Finance Manager must, not later than ten working days after the end of each calendar month, submit to the Mayor and Provincial and National Treasury a report in the prescribed format on the state of the municipal entity's budget for such calendar month, as well as on the state of the budget cumulatively for the financial year to date.

The report must reflect the following:

- a) actual revenues per source, compared with budgeted revenues;
- b) actual expenses per vote, compared with budgeted expenses;
- c) actual capital expenditure per vote, compared with budgeted expenses
- d) actual borrowings, compared with the borrowings envisaged to fund the capital budget;

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

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

#### **b. Mid-year budget and performance assessment**

The Accounting officer must assess the budgetary performance of the municipality for the first half of the financial year, taking into account all the monthly budget reports for the first six months, the service delivery performance of the municipality as against the service delivery targets and performance indicators which were set in the service delivery and budget implementation plan.

The Accounting officer must then submit a report on such assessment to the Board of Directors and the Parent Municipality by 20 January each year and to Council, Provincial Treasury and National Treasury by 31 January each year.

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

#### **14. IMPLEMENTATION AND REVIEW OF POLICY**

This policy shall be implemented on 1<sup>st</sup> July 2024 and shall be reviewed on an annual basis to ensure that is in line with the municipality's strategic objectives and with legislation.

**HR POLICIES AND PROCEDURES**

**DRAFT CAR ALLOWANCE POLICY**

DRAFT



## Contents

1. Aim
2. Objectives
3. Allocation of Car allowance
4. Payment of car allowance
5. Termination of car allowance
6. Conditions
7. Choice of vehicle and purchase price
8. Implementation of the policy
9. Endorsement

## DEFINITIONS

In this policy:-

**“CEO”** means Chief Executive Officer;

**“PHA”** means Polokwane Housing Association

**“The Entity”** means Polokwane Housing Association

**“SBU”** means Strategic Business Unit;

**“Employee”** Official of Polokwane Housing Association

### 1. AIM

The aim of this policy is to regulate the granting of car allowance to the employees of Polokwane Housing Association.

### 2. OBJECTIVES

- a. To regulate payment of car allowance to PHA employees who have to travel in the execution of official duties.

- b. To establish uniform directives, procedures, conditions and limitations according to which the car allowance can be paid.
- c. To establish procedure and condition under which employees can use their private vehicle in the execution of the official duties.

### 3. ALLOCATION OF CAR ALLOWANCE

- a. The allocation of car allowance to employees is mainly informed by the functions and duties that they perform and must be recommended by the employee's immediate supervisor. However, the following positions shall automatically qualify for the allowances:
  - Manager
  - Assistant Manager
- b. The CEO has the latitude of structuring his/her car allowance as a condition of his/her employment contract.
- c. An employee may be considered for an allowance provided that the Strategic Business unit(SBU) manager for that employee, will, based on the function and duties of the position held by that employee.
- d. In order to make consideration for any request for the car allowance for other officials, the line manager's motivation should demonstrate that the position concerned is expected to be performing work activities outside the work premises on a regular basis. The application should further be recommended by the CEO.
- e. Allocation of car allowance to employees may be reviewed in case where the duties attached to the position changes.
- f. All employees allocated a car allowance must have a vehicle on which a car allowance is paid, available for the execution of official duties at all times.
- g. Officials receiving car allowance must consistently declare ownership of the vehicle being utilized.
- h. Manager must ensure that adequate budget provisions are made for all positions that qualify for a car allowance during the budget process.

### 4. PAYMENT OF CAR ALLOWANCE

The amounts as listed below will be adjusted in line with annual salary increase.

- a. Manager will receive a car allowance of **R12 000.00**
- b. Assistant Manager will receive a car allowance of **R10 000.00**
- c. Project Coordinator will receive a car allowance of **R5 000.00**

- d. Housing Supervisor will receive a car allowance of **R5 000.00**
- e. Artisans will receive a car allowance of **R5 000.00**

## **5. TERMINATION OF CAR ALLOWANCE**

- a. If an employee who is an incumbent of a position linked to a car allowance is transferred by the entity to another position not linked to a car allowance and such a transfer was not requested by the employee, the entity will give the employee six months written notice of its intention to withdraw the car allowance.
- b. During the six months period, the employee shall receive the full monthly car allowance as was applicable prior to the transfer.
- c. Payment of car allowance will be terminated immediately if the employee decides to dispose of the vehicle for which travel allowance was received.
- d. If an employee is demoted or transferred based on an act of misconduct, the entity will give such employee six months written notice for the termination of the allowance.
- e. The entity will terminate the travel allowance on termination of service by the employee.

## **6. CONDITIONS**

- a. An employee has to make sure that the car he/she is paid on, is registered with the entity and always available for use.
- b. An employee should inform his/her SBU manager in cases where he/she is not able to utilize his/her car due to the car being involved in an accident/gone for repairs.
- c. The unavailability of a car as alluded in (b) above should not exceed two months, anything above two months constitutes non availability of a car.

## **7. CHOICE OF VEHICLE AND PURCHASE PRICE**

- a. The decision about the choice of vehicle, rests with the employee, it should, however, be noted that such choice should be informed by the duties to be carried out.

## **8. FORMALITIES WHICH HAVE TO BE MET WHEN ALLOCATING THE CAR ALLOWANCE**

- a. Prior to granting of a car allowance the following formalities have to be met:
- b. The following documents must be submitted to HR before an allowance can be paid:
  - Certified copy of driver's license.
  - Certified copy of vehicle registration certificate.
  - Proof of ownership.

## **9. IMPLEMENTATION OF THE POLICY**

- a. The implementation of this policy is subject to its approval by the Board and availability of funds.

## **10. ENDORSEMENT**

- a. The policy shall come into effect on the date of endorsement and shall cease only in the event where changes/variations have been signed by the CEO.

# POLOKWANE HOUSING ASSOCIATION



## DRAFT COST CONTAINMENT POLICY 2022-2023

DRAFT

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12. Conferences, meetings & study tours
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15. Implementation & review process
16. Consequences for non-adherence to the cost containment measures

### 1. DEFINITIONS

**“Act”** means the Local Government: Municipal Finance Management Act, 2003(Act No.56 of 2003)

**“consultant”** means a professional person, individual partnership, corporation, or a company appointed to provide technical and specialist advice or to assist with a design and implementation of projects or to assist the municipality to achieve its objectives of local government in terms of section 152 of the Constitution.

**“cost containment”** the measures implemented to curtail spending in terms of this policy.

**“Entity”** refers to Polokwane Housing Association.

### 2. PURPOSE

The purpose of the policy is to regulate spending and to implement cost containment measures at Polokwane Housing Association.

### 3. OBJECTIVES OF THE POLICY

The objectives of this policy are to:

3.1 To ensure that the resources of the entity are used effectively, efficiently and economically;

3.2 To implement cost containment measures.

#### **4. SCOPE OF THE POLICY**

This policy will apply to all:

4.1 Board of Directors'; and

4.2 entity employees.

#### **5. LEGISLATIVE FRAMEWORK**

This policy must be read in conjunction with the -

5.1 **The Municipal Finance Management Act, Circular 97, published on 7 December 2016;**

5.2 Municipal Cost Containment Regulations, 7 June 2019; and

5.3 Travel and subsistence policy.

#### **6. POLICY PRINCIPLES**

6.1 This policy will apply to the procurement of the following goods and/or services:

- (i) Use of consultants
- (ii) Vehicles used for political office-bearers
- (iii) Travel and subsistence
- (iv) Domestic accommodation
- (v) Sponsorships, events and catering
- (vi) Communication
- (vii) Conferences, meetings and study tours
- (viii) Any other related expenditure items

#### **7. USE OF CONSULTANTS**

7.1 Consultants may only be appointed after an assessment of the needs and requirements have been conducted to support the requirement of the use of consultants.

7.2 The assessment referred to in 7.1 must confirm that the entity does not have requisite skills or resources in its full time employ to perform the function that the consultant will carry out.

7.3 When consultants are appointed the following should be included in the Service Level Agreements:

- (i) Consultants should be appointed on a time and cost basis that has specific start and end dates;



- (ii) Consultants should be appointed on an output-specific, specifying deliverables and the associated remuneration;
  - (iii) Ensure that cost ceilings are included to specify the contract price as well travel and subsistence disbursements and whether the contract price is inclusive or exclusive of travel and subsistence; and
  - (iv) ensure the transfer of skills by consultants to the relevant officials
  - (v) All engagements with consultants should be undertaken in accordance with the entity's supply chain management policy.
- 7.4 Consultancy reduction plans should be developed.
- 7.5 All contracts with consultants must include a retention fee or a penalty clause for poor performance.
- 7.6 The specifications and performance of the service provider must be used as a monitoring tool for the work that is to be undertaken and performance must be appropriately recorded and monitored.

## **8. TRAVEL & SUBSISTENCE**

### **8.1 An accounting officer:**

- (i) May only approve the purchase of economy class tickets for officials where the flying time for a flight is five (5) hours or less; and less; and
- (ii) For flights that exceed five (5) hours of flying time, may purchase business class tickets *only* for accounting officers, and persons reporting directly to accounting officers.

8.2 Notwithstanding 8.1, an accounting officer may approve the purchase business class tickets for officials with disabilities.

8.3 International travel to meetings or events will only be approved if it is considered critical to attend the meeting or event, and only the officials that are directly involved with the subject matter will be allowed to attend the meeting or event.

### **8.4 Officials of the entity must:**

- (i) Utilize the entity fleet, where viable, before incurring costs to hire vehicles;
- (ii) Make use of a shuttle service if the cost of such a service provider is lower than:
  - the cost of hiring a vehicle;
  - the cost of kilometres claimable by the employee; and
  - the cost of parking.
- (iii) not hire vehicles from a category higher than Group B; and
- (iv) where a different class of vehicle is required for a particular terrain or to cater for the special needs of an official, seek the written approval of the accounting officer before hiring the vehicle.

### **8.5 Use of private vehicle for official duties:**

Officials of the entity may use their private vehicle for official purpose.

- All trips must be approved by the CEO before traveling.
- Reimbursement of official kilometres travelled will be done using the fuel tariffs as determined by the National Department of Transport.
- Toll fees to be paid upon receipts of proof payment.

## **9. DOMESTIC ACCOMMODATION**

- 9.1 An accounting officer must ensure that costs incurred for domestic accommodation and meals are in accordance with the maximum allowable rates for domestic accommodation and meals, as communicated by National Treasury, from time to time, and the travel and subsistence policy of the entity.

;

## **10. SPONSORSHIPS, EVENTS & CATERING**

- 10.1 The entity may not incur catering expenses for meetings that are only attended by persons in the employ of the entity, unless prior written approval is obtained from the CEO.
- 10.2 Catering expenses may be incurred by the accounting officer for the following, if they exceed five (5) hours:
- (i) Hosting of meetings;
  - (ii) Conferences;
  - (iii) Workshops;
  - (iv) Courses;
  - (v) Forums;
  - (vi) Recruitment interviews; and
  - (vii) Board Meetings
- 10.3 Entertainment allowances of officials may not exceed two thousand rand (R2000,00) per person per financial year, unless otherwise approved by the accounting officer.
- 10.4 Expenses may not be incurred on alcoholic beverages.
- 10.5 Social functions, team building exercises, year-end functions, sporting events, budget speech dinners and other functions that have a social element must not be financed from the entity budget or by any supplier or sponsor such as but not limited to:
- staff year-end functions
  - staff wellness functions
- 10.6 Expenditure may not be incurred on corporate branded items like clothing or goods for personal use of officials, other than uniforms, office supplies and tools of trade, unless the costs thereto are recovered from the affected officials.

## **11. COMMUNICATION**

- 11.1 All entity related events must, as far as possible, be advertised on the municipal website, instead of advertising in magazines or newspapers.
- 11.2 Publications such as internal newsletters must be designed internally and be published quarterly in an electronic media format and on the municipal website/intranet.
- 11.3 Newspapers and other related publications for the use of officials must be discontinued on the expiry of existing contracts or supply orders.

11.4 The acquisition of mobile communication services must be done by using the transversal term contracts that have been arranged by the National Treasury.

11.5 Provision of diaries be limited to secretaries and electronic diaries be kept by directorates.

## **12. CONFERENCES, MEETINGS & STUDY TOURS**

12.1 Appropriate benchmark costs must be considered prior to granting approval for an official to attend a conference or event within and outside the borders of South Africa.

12.2 The benchmark costs may not exceed an amount determined by National Treasury.

12.3 When considering applications from officials to conferences or events within and outside the borders of South Africa, the accounting officer must take the following into account:

- (i) The official's role and responsibilities and the anticipated benefits of the conference or event;
- (ii) Whether the conference or event will address the relevant concerns of the entity;
- (iii) The appropriate number of officials to attend the conference or event, not exceeding three officials; and
- (iv) Availability of funds to meet expenses related to the conference or event.

12.4 The amount referred to in 12.2 above excludes costs related to travel, accommodation and related expenses, but includes:

- (i) Conference or event registration expenses; and
- (ii) Any other expense incurred in relation to the conference or event.

12.5 When considering the cost for conferences or events the following items must be excluded, laptops, tablets and other similar tokens that are built into the price of such conferences or events.

12.6 Attendance of conferences will be limited to one (1) per annum with a maximum of two (2) delegates.

12.7 Meetings and planning sessions that entail the use of entity funds must, as far as practically possible, be held in-house.

12.8 The entity can identify central venue and facilities to be utilized for conferences, board meetings and strategic planning sessions.

12.9 The entity must take advantage of early registration discounts by granting the required approvals to attend the conference, event or study tour, in advance.

## **13. OTHER RELATED EXPENDITURE ITEMS**

13.1 All commodities, services and products covered by a transversal contract by the National Treasury must be procured through that transversal contract before

approaching the market, in order to benefit from savings and lower prices or rates that have already been negotiated.

#### **14. ENFORCEMENT PROCEDURES**

- 14.1 Failure to implement or comply with this policy may result in any official of the entity or Board Members who has approved, authorized or incurred any expenditure contrary to those stipulated herein being held liable for financial misconduct as set out in Chapter 15 of the MFMA.

#### **15. IMPLEMENTATION & REVIEW PROCESS**

- 15.1 This policy will be reviewed at least annually or when required by a Board of Directors, or when an update is issued by National Treasury.

#### **16. CONSEQUENCES FOR NON-ADHERENCE TO THE COST CONTAINMENT MEASURES**

- 16.1 Any person must report an allegation of non-compliance to the cost containment policy to the accounting officer of the Entity.
- 16.2 The accounting officer must investigate the allegations and if frivolous, speculative or unfounded, terminate the investigations.
- 16.3 If the accounting officer determines the allegations are founded, a full investigation must be conducted by the disciplinary board.
- 16.4 After completion of a full investigation, the disciplinary board must compile a report on the investigations and submit a report to the accounting officer on:
- Findings and recommendations; and/or
  - Whether disciplinary steps should be taken against the alleged transgressor.
- 16.5 The accounting officer must table the report with recommendations to the municipal council.
- 16.6 Subject to the outcome of the council decision the accounting officer must implement the recommendations.

POLOKWANE HOUSING ASSOCIATION

DRAFT CREDIT CONTROL AND DEBT COLLECTION  
POLICY

DRAFT

## PREAMBLE

Whereas Section 96(a) of the Local Government: Municipal Systems Act, No 32 of 2000 (hereinafter referred to as the "Systems Act"), obliges the Polokwane Housing Association (hereinafter referred to as "POLOKWANE HOUSING ASSOCIATION") to collect all money that is due and payable to it, subject to the provisions of that Act and any other applicable legislation;

And whereas Section 96(b) of the Systems Act requires the POLOKWANE HOUSING ASSOCIATION to adopt, maintain and implement a credit control and debt collection policy, which is consistent with its rates and tariff policies and complies with the provisions of the Act;

And whereas Section 97(1) of the Systems Act stipulates what a credit control and debt collection policy must provide for;

Now therefore the following is adopted as the Credit Control and Debt Collection Policy of POLOKWANE HOUSING ASSOCIATION (hereinafter referred to as "this Policy") as set out hereunder.

## 1. INTERPRETATION AND APPLICATION:

1.1 Except to the extent to which the context may otherwise require, this Policy shall be construed in accordance with the following provisions of this sub-paragraph:

1.1.1 Any word or expression importing any gender or the neuter shall include both genders and the neuter;

1.1.2 Words importing the singular only also include the plural, and visa versa, where the context requires;

1.1.3 The following words shall have the meanings hereby assigned to them-

(i) "collection charges" means collection charges which may be recovered by POLOKWANE HOUSING ASSOCIATION in terms of the Local Government Laws Amendment Act, 2002;

(ii) "law" includes a by-law;

(iii) "rateable property" means property on which POLOKWANE HOUSING ASSOCIATION is

empowered to impose rates.

1.2 This policy shall apply only in respect of money due and payable to POLOKWANE HOUSING ASSOCIATION for

1.2.1 rates, if any

1.2.2 fees, surcharges on fees, charges and tariffs in respect of the provision of water, refuse removal, sewerage and the removal and purification of sewerage, electricity (hereinafter referred to collectively as "services") in cases where POLOKWANE HOUSING ASSOCIATION is responsible for the rendering of accounts in relation to any one or more of the services and for the recovery of amounts due and payable in respect thereof, irrespective of whether the services, or any of them, are provided by POLOKWANE HOUSING ASSOCIATION itself or by a service provider with which it has contracted to provide a service on its behalf;

1.2.3 interest which has or will accrue in respect of any money due and payable or which will become due and payable to POLOKWANE HOUSING ASSOCIATION in regard to rates or services;

1.2.4 collection charges.

## 2. OBJECTIVES OF THIS POLICY:

2.1 The objectives of this Policy are to –

2.1.1 ensure that all money due and payable to POLOKWANE HOUSING ASSOCIATION in respect of rates, fees for services, surcharges on such fees, charges, tariffs, interest which has accrued on any amounts due and payable in respect of the foregoing and any collection charges are collected efficiently and promptly;

2.1.2 provide for credit control procedures and mechanisms and debt collection procedures and mechanisms;

2.1.3 provide for indigent debtors;

2.1.4 provide for the setting of realistic targets consistent with generally recognized practices and collection ratios and also the estimates of income set in the annual budget of POLOKWANE HOUSING ASSOCIATION less an acceptable provision for bad debts;

2.1.5 provide for interest on overdue amounts;

2.1.6 provide for collection charges on the payment of any overdue amount;



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~~2.1.7 provide for extension of time for the payment of overdue amounts;~~

2.1.8 provide for the termination of services or for restrictions on the provision of services when payments are overdue;

2.1.9 provide for matters relating to the unauthorized consumption of services, theft and damages.

## 2.2 Qualifying scope covered by the Credit Management/Control Policy

Qualifying beneficiaries must meet the following requirements:

- ✓ For Social Housing Scheme: Qualifications in terms of the Consolidated Capital Grant with a combined income from R1850.00 and a Maximum of up to R22 000.00 gross/basic monthly Income;
- ✓ For Institutional subsidy scheme: Beneficiaries earning a combined monthly income from R3500.00 and Maximum income of R22 000.00
- ✓ For Community residential units (C.R.U): the minimum combined monthly income of R800.00 and up to Maximum of R 7500.00 gross/basic income.
- ✓ Affordability/ Ability to pay(determined through the review of the client's income and expenditure account and the three months bank statement).
- ✓ Willingness to pay (behavioural patterns). NB: PHA use credit bureau listing as an exclusive means of disqualifying clients.
- ✓ Be a South African citizen.

## 2.3 Impairment of Debtors

It must also be noted that the entity will use guideline on impairment of debtors as provided for in GRAP 104, attached to the policy is the methodology (Annexure A) that the entity follows to impair debtors at year end.

## 3. IMPLEMENTATION

This policy shall be implemented by those officials whose duties relate to the rendering of accounts and the collection of money due and payable to POLOKWANE HOUSING ASSOCIATION on respect of rental and services, and who have contact with members of the public in relation to payments to the POLOKWANE HOUSING ASSOCIATION for rental and services (hereinafter referred to as Designated Officials).

## 4. RESPONSIBILITY FOR CREDIT CONTROL

4.1 The POLOKWANE HOUSING ASSOCIATION CEO shall as supervisory authority:

4.1.1 Oversee and monitor:



The implementation and enforcement of the POLOKWANE HOUSING ASSOCIATION's credit control and debt collection policy and any by-laws enacted: and  
The performance of the CFO in implementing the policy and any by-laws.

4.1.2 When necessary, evaluate, review or adapt the policy and any by-laws, or the implementation of the policy and any such by-laws, in order to improve efficiency of its credit control and debt collection mechanisms, processes and procedure, and

4.1.3 Report monthly to a meeting of the Board.

4.2 The Finance Manager shall as implementing authority:

4.2.1 Implement and enforce the POLOKWANE HOUSING ASSOCIATION's credit control and debt collection policy and any by-laws enacted in terms of the Municipal Systems Act:

4.2.2 In accordance with the credit control and debt collection policy and any such by-laws establish effective administrative mechanisms, processes and procedures to collect money that is due and payable to the POLOKWANE HOUSING ASSOCIATION, and;

4.2.3 Report the prescribed particulars monthly to a meeting of the supervising authority.

## 5. CODE OF ETHICS

All POLOKWANE HOUSING ASSOCIATION officials shall embrace the spirit of Batho Pele and treat all debtors with dignity and respect at all times. Employees shall execute their duties in an honest and transparent manner whilst protecting the confidentiality of information in accordance with the Access to Information Act.

## 6. CUSTOMER REGISTRATION (Service contract)

POLOKWANE HOUSING ASSOCIATION must ensure that the registration of new and existing customers is efficiently performed in regard to the following:

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~~6.1 New customer registrations must be correctly administered with the~~

fully completed legal contracts being duly signed. These contracts must be retained and be readily accessible to authorized persons only.

6.2 Full and concise details must be provided on application for a consumer agreement. All staff with customer contact must endeavor to update personal records whenever customers liaise with our offices.

6.3 Certified copies of identity documents, company registration and resolutions are necessary for registration purposes and are used to determine, at the time of application, whether:

6.3.1 Other accounts are currently held and;

6.3.2 Debts are still outstanding on previous accounts.

6.4 Upon registration, new debtors must pay a pre-determined deposit and lodge additional security, commensurate with risk as determined.

6.5 The POLOKWANE HOUSING ASSOCIATION will verify through its billing system that the prospective account holder/owner does not have an outstanding account in respect of another property. Should there already be an arrear account, this account will have to be paid before a new account can be opened

## 7. ACCOUNTS

The POLOKWANE HOUSING ASSOCIATION may:

7.1 Consolidate any separate accounts of debtors liable for payments to POLOKWANE HOUSING ASSOCIATION,

7.2 Credit any payment by such a debtor against any account of that debtor, and

7.3 Implement any of the debt collection and credit control measures provided for in these regulations in relation to any arrears on any of the accounts of such a debtor.

## 8. ACCOUNT ADMINISTRATION

8.1 POLOKWANE HOUSING ASSOCIATION will endeavor to ensure:

8.1.1 Accurate up-to-date customer information.

8.1.2 Accurate monthly billing with the application of appropriate correct tariffs and service charges.

8.1.3 Ensuring the timely dispatch of accounts.

8.1.4 Adequate provision and the efficient operation of pay facilities throughout the POLOKWANE HOUSING ASSOCIATION.

8.1.5 Arrangements with third party institutions to accept payments on behalf of the POLOKWANE HOUSING ASSOCIATION. Responsibility to ensure that payments are reflected on the account is vested with the debtor.

8.1.8 Appropriate hours of business to facilitate account payments.

8.2 Although the POLOKWANE HOUSING ASSOCIATION must render an account for the amount due by a debtor, failure thereof shall not relieve a debtor of the obligation to pay this amount.

## 9. ACTIONS TO SECURE PAYMENT

9.1 The POLOKWANE HOUSING ASSOCIATION or its duly appointed agents may, in addition to the normal civil legal procedures to secure payment of accounts that are in arrears, take the following action to secure payment for municipal rates and services:

9.1.1 Termination and/or restriction of the provisions of services:  
and

9.1.2 Allocating a portion of payments or pre-payments to service charges arrears or future charges Credit control will commence from the conclusion of the consumer agreement.

9.2 Credit control methods will include, inter alia, the following:

9.2.1 Evaluation of Application

9.2.2 Reference Checking

9.2.3 Credit bureau, Deeds Office, Registrar Stands

9.2.4 Deposits

9.2.5 Binding Consumer Agreements

9.2.6 Monthly Statements

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9.2.7 Statement Messages

9.2.8 Telephone Calls

9.2.9 Final Notices

9.2.10 Letter of Demand

9.2.12 Lock Out and/or Termination/restriction of Services

9.2.13 Legal Action

10. INTEREST CHARGES

Interest will be charged on all overdue accounts by due date at the prevailing prime rate.

11. COST TO REMIND DEBTORS OF ARREARS

For any action taken in requesting payment from the debtor or reminding the debtor, by means of telephone, fax, e-mail, letter or otherwise, that his/her payments are due, an administrative fee may be levied against the account of the debtor in terms of POLOKWANE HOUSING ASSOCIATION's tariff provisions.

12. COST FOR TERMINATION OF SERVICES

Where any service is terminated as a result of non-compliance with these regulations by the debtor, the POLOKWANE HOUSING ASSOCIATION shall be entitled to levy and recover the standard credit control fees as determined by the POLOKWANE HOUSING ASSOCIATION, from time to time, from the occupier/owner of the premises where the services were levied.

13. POWER TO RESTRICT OR TERMINATE SUPPLY OF SERVICES

13.1 The POLOKWANE HOUSING ASSOCIATION may cause and/or be party to Municipality's restriction or termination act of the supply of water or discontinuation of any other

service to any premises whenever a user of any service:

13.1.1 Fails to make full payment on the due date or fails to make acceptable arrangements for the repayment of any

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amount for services, rates or taxes or other amounts due;

- 13.1.2 Fails to comply with a condition of supply determined by the POLOKWANE HOUSING ASSOCIATION;
- 13.1.3 Obstructs the efficient supply of electricity, water or any other municipal services to another customer;
- 13.1.4 Supplies such municipal service to a customer who is not entitled thereto or permits such service to continue;
- 13.1.5 Causes a situation which in the opinion of the POLOKWANE HOUSING ASSOCIATION is dangerous or a contravention of relevant legislation;
- 13.1.6 Is placed under provisional sequestration, liquidation or judicial management, or commits an act of insolvency in terms of the Insolvency Act no 24 of 1936; and
- 13.1.7 If an administration order is granted in terms of section 74 of the Magistrate court Act, 1944 (Act 32 of 1944) in respect of such user.

13.2 The POLOKWANE HOUSING ASSOCIATION shall issue a reconnection and/or restoration letter to municipality for full levels of supply of any of the restricted or discontinued services only after the full amount outstanding and due, including the costs of such disconnection and reconnection, if any, have been paid in full, or acceptable arrangements have been made for payment of such outstanding amounts in terms of paragraph 16 below, or any other condition or conditions of this credit Policy have been complied with.

13.3 The right to restrict, disconnect or terminate service due to non-payment shall be in respect of any service rendered by the POLOKWANE HOUSING ASSOCIATION and shall prevail notwithstanding the fact that payment has been made in respect of any specific service and shall prevail notwithstanding the fact that the person who entered into agreement for supply of services with the POLOKWANE HOUSING ASSOCIATION and the owner are different entities or parties, as the case may be.

#### 14. RECONNECTION OF SERVICES

The Designated Official shall authorize municipality to reconnect

services or reinstate service delivery after satisfactory payment and/or arrangement for payment has been made according to paragraph 16 of

## 15. FULL AND FINAL SETTLEMENT OF AN ACCOUNT

- 15.1 The POLOKWANE HOUSING ASSOCIATION shall be at liberty to appropriate monies received in respect of any of its debt at its sole discretion including the deposit held.
- 15.2 Where the exact amount due and payable to the POLOKWANE HOUSING ASSOCIATION has not been paid in full, any lesser amount tendered to and accepted by a POLOKWANE HOUSING ASSOCIATION employee, except when duly accepted in terms of a delegation of power, shall not be in final settlement of such an account.
- 15.3 The provision above shall prevail notwithstanding the fact that such lesser payment was tendered and/or accepted in full settlement.
- 15.4 Only once the Designated Official has, in terms of the powers delegated to him, accepted in writing payment of such lesser amount, shall such payment be regarded as a payment in full and final settlement.

## 16. ARRANGEMENTS TO PAY ARREARS

- 16.1 A debtor may enter into a written agreement with the POLOKWANE HOUSING ASSOCIATION to repay any over due amount to the POLOKWANE HOUSING ASSOCIATION under the following conditions:
- 16.1.1 40% of the outstanding balance, costs and any interest thereon shall be paid before monthly instalment/s payment arrangement is considered and;
- 16.1.2 The current monthly amount must be paid in full on or before due date and;
- 16.1.3 Where the deposit held has been used to offset the outstanding account, that the deposit be re-instated in full.
- 16.1.4 The written agreement has to be signed on behalf of the POLOKWANE HOUSING ASSOCIATION by a duly

authorized official.



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16.2 To ensure the continuous payment of such arrangement the

amount determined must be affordable to the debtor, taking into account that payment of the monthly current account is a prerequisite for concluding an arrangement. The main aim of an agreement will be to promote full payment of the current account and to address the arrears on a consistent basis.

16.3 Should any dispute arise as to the amount owing, the debtor will continue to make regular payments, based on the average charges for the preceding three months prior to the dispute, plus interests.

## 17. INTEREST ON ARRANGEMENTS

Once an agreement has been concluded the amount in arrears will be reflected as current and no further interest will be added. In the event of default, interest will again be levied from date of default.

## 18. AGENTS, ATTORNEYS AND OTHER COLLECTION AGENTS

18.1 The POLOKWANE HOUSING ASSOCIATION shall compile a list of all external agents acting on behalf of the POLOKWANE HOUSING ASSOCIATION which list shall inter alia contain their names, details and contact information. All such agents shall be supplied with a copy of the credit control measures.

18.2 Clear instructions to agents and other arrangements must be given for the customer's benefit. Under no circumstances may agents negotiate terms, extend payment periods or accept cash on behalf of the POLOKWANE HOUSING ASSOCIATION, unless specifically instructed in writing to do so. The agent, on request of the debtor, must produce this instruction.

18.3 The cost to the POLOKWANE HOUSING ASSOCIATION and to the debtor must be detailed for each stage of the credit control measures and for all possible actions. The liability for the costs of legal action and other credit control actions will be for the account of the debtor where appropriate.

## 19. LEGAL FEES

All legal costs, including attorney-and-own-client costs incurred in the recovery of amounts in arrears shall be levied against the arrears account of the debtor and/or recovered directly by the duly appointed agent.

## 20. FRAUD, TAMPERING AND OTHER CRIMINAL ACTIVITY

The POLOKWANE HOUSING ASSOCIATION shall at its discretion be entitled to withhold the supply water or electricity to a debtor who is found guilty of fraud, theft or any other criminal action relating to the supply of water and electricity, or if it is evident that fraud, theft or any other criminal action has occurred relating to such supply, until the total

costs, penalties, other fees, tariffs and rates due to the POLOKWANE HOUSING ASSOCIATION have been paid in full.

## 21. CREDIT CONTROL AND DEBT COLLECTION PROCEDURES FOR SERVICES

Where debtors fail to pay their rental account on/or before the due date as indicated on the statement.

21.1 Final demands/statements may be delivered or posted after the due date. The final notice/statement will advise that the client may arrange to pay the outstanding balance in terms of paragraph 16. The final notice/statement shall constitute a final notice and failure to settle the account on the due date will lead to disconnection of services at any date thereafter, without further notice.

21.2 An acknowledgement of debt must be completed and all arrangements for paying off arrear accounts must comply with the format set out on Annexure A to this policy. Copies must be handed to the debtor.

21.3 Debit orders/stop orders shall be completed for the monthly repayment of the agreed amount. If the arrangement is dishonored, the full balance will immediately become payable.

21.4 Only account holders with positive proof of identity or an authorized agent with a Power of Attorney will be allowed to complete an Acknowledgement of Debt.

21.5 Where cheques are dishonored after an arrangement has been made the full balance will immediately become payable. Water supply to such clients will immediately be disconnected without notice until the full amount is paid in cash, per bank cheque, credit card or debit card at POLOKWANE HOUSING ASSOCIATION offices.

21.6 No person will be allowed to enter into a second agreement if the



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first agreement was dishonored, except in merit cases.

21.7 Merit cases, where special circumstances prevail, must be treated individually and could amongst others include the following categories:

21.7.1 Deceased estates

21.7.2 Liquidated companies

21.7.3 Private persons under administration

21.7.4 Outstanding enquiries on accounts, for example, misallocated payments, water leaks, journals, incorrect levies, etc.

21.7.5 Pensioners

21.7.6 Any other case not mentioned which can be regarded as merit cases due to the circumstances pertaining to such case.

21.8 Payment of arrears in respect of merit cases shall not exceed 60 months (5 years).

21.9 When disconnection of electricity and/or water supply takes place due to non-payment, the debtor will be required to provide additional security to the satisfaction of the designated official.

21.10 Where the consumer has not entered into an arrangement with the POLOKWANE HOUSING ASSOCIATION, water and/or electricity may be disconnected until such time as a service agreement has been signed, the applicable deposits paid, the account billed to date of occupation and arrears paid in full.

21.11 Where services are illegally restored criminal action will be taken.

21.12 Where water and electricity amounts are not paid on or before the due date, without response, services will be terminated, deposits will be appropriated, securities will be applied and accounts will be handed over for legal action. In such an event, the relevant debtors will have to make further arrangements at the attorneys for payment of the arrear amounts. The current monthly accounts must be paid directly to the POLOKWANE HOUSING ASSOCIATION.

21.13 An account handed over for collection may be withdrawn at the POLOKWANE HOUSING ASSOCIATION's discretion.

21.14 After installation of a prepaid meter, water and/or electricity will not be sold to debtors, unless an agreement for the arrears has been concluded.

21.15 Where applicable, the provisions of paragraph 16 above shall apply mutatis mutandis to this paragraph 21.

## 22. PAYMENT OF DEPOSITS

22.1 All consumers shall pay a deposit the equivalent of 1 (One) months of the current rental charge.

22.2 Any sum deposited by or on behalf of a consumer shall, on being claimed, be refunded within 30 (Thirty) days after the termination of the consumer's agreement, after deducting any amount due by the consumer to the POLOKWANE HOUSING ASSOCIATION.

22.3 POLOKWANE HOUSING ASSOCIATION will be exempt from paying any interest to the tenant on the deposit held. The tenant agrees to waive its rights to any interest earned which will accrue to POLOKWANE HOUSING ASSOCIATION.

# **FINANCE POLICIES AND PROCEDURES**

## **DRAFT CREDIT MANAGEMENT POLICY**

DRAFT

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## **Introduction**

Credit management function involves credit evaluation and risk assessment of prospective customers applying to use PHA assets. It also requires the ongoing assessment and monitoring of existing customer accounts, and their financial position to ensure that appropriate measures are taken to ensure timely payments of outstanding balances as well as to safeguard against risk of unrecoverable debts.

## **Objectives**

This policy is intended to provide guidelines to manage and mitigate credit risk on property debtors, in PHA's accounts. The other objective is to ensure that PHA accommodates beneficiaries that qualify in terms of the criteria set by the organisation and amend periodically taking into account the nature of the project/development. That is, whether a project is subsidised through the use of institutional subsidies or unsubsidized.

## **Credit management policy**

Qualifying beneficiaries must meet the following requirements:

- ✓ Qualifications in terms of the institutional subsidy scheme for beneficiaries earning a combined monthly income of up to R3500.00 and Maximum income of R15 000.00
- ✓ For Community residential units (C.R.U) the minimum combined monthly income is R1 800.00 up to maximum of R3 500.00
- ✓ Affordability/ Ability to pay(determined through the review of the client's income and expenditure account and the three months bank statement).
- ✓ Willingness to pay (behavioural patterns). NB: PHA use credit bureau listing as an exclusive means of disqualifying clients.
- ✓ Be a South African citizen.

## **Arrears Management and Recoveries**

The following process must be followed in managing arrears:

- ✓ Statements of accounts are issued to tenants by the 25<sup>th</sup> of every month; if the 25<sup>th</sup> falls on the weekend or public holiday the statements will be sent on the next business day.
- ✓ Tenants who are still in arrears by the 7<sup>th</sup> of the month are issued with letters of demand;
- ✓ Tenants are given seven(7) days to effect payment or to make an arrangement/ rental relieve with the finance department;
- ✓ All arrangements are approved by Accountant and the CEO;
- ✓ In the absence of Accountant the Credit Control Officer and CEO approve the arrangements.
- ✓ The maximum period allowable for arrangement or relieve is three(3) months;
- ✓ If no payment is made by the 14<sup>th</sup> of the month, the tenant is notified that the lease has been cancelled.

## **Impairment of Debtors**

It must also be noted that the entity will use guideline on impairment of debtors as provided for in GRAP 104, attached to the policy is the methodology( Annexure A) that the entity follows to impair debtors at year end.

### **Legal and Eviction Procedures**

An external attorney is appointed to handle legal proceedings against defaulting tenants for collection and eviction. On the 16<sup>th</sup> of the month, the credit controller prepares a list of defaulting tenants, the CEO sign it off for legal action. Summonses, particulars of claim and a notice in terms of section 4 of the Prevention of illegal Eviction from and unlawful Occupation of Land Act no 19 of 1998(PIE Act) are prepared and processes of eviction unfolds in court.

### **Risk management**

- By having a detailed Rental Policy, the entity is able to ensure that a uniform and professional approach is adopted throughout the organization and the service delivered is compliant with law, best practice and internal policy.
- In addition this policy will help minimize rent loss.
- The risk of not having this policy in place is an absence of the above, the entity being open to mis-management, bias, unfairness and inequality and poor reputation.

### **Compliance with policy**

This policy is intended to ensure that PHA is in compliance with the following:

- Accounting Policy and
- PIE Act

### **Departures from the policy**

Any departures from the approved policy will require the prior approval of the following persons:

- Chief Executive Offer, Accountant and Board of Directors.
- These approved amendments will be incorporated into the policy, if deemed to be necessary, at the next review of the policy.
- Failure to comply with the prescribed policies and procedures will result in the institution of disciplinary procedures in terms of the human resources policies and procedures manual.

### **Changes to the policy**

It is absolute imperative that all proposed changes to the policy are properly and timeously submitted to the Chief Executive Officer and Property Manager.

The following procedure is to be followed with respect to any Policy Document Management:

- A Register is to be maintained by the custodian at each Department, which records the latest versions of the policies currently in use.

- It is the responsibility of all employees who have access to the intranet to view the latest copy of the policy should they wish to obtain information about any formal policy. Hard copies of the policies will be made available on request to all employees who do not have access to the intranet.
- It is the responsibility of all employees who have access to the intranet to view the latest copy of the policy should they wish to obtain information about any formal policy. Hard copies of the policies will be made available on request to all employees who do not have access to the intranet.
- The Accountant who received a copy of a policy is to sign as evidence of receipt of the policy. The custodian will maintain a record of all issues of policies.
- All proposed changes must be recorded on a Change Form which is sequentially numbered, which would detail the suggested amendments together with the reasons for such changes. All proposed changes must be supported by the Accountant. The changes should be communicated by the Chief Executive Officer.
- Any changes to the policy must be approved by the Board of Directors following a request by the Chief Executive Officer and the Accountant.
- Any amendments made will result in the policy document being re-issued in its entirety.
- Once the policy document has been amended and the new version issued, the custodian is responsible for notifying all the users to the new version of the policy.

This policy document will be available on the Intranet after approval.

### **Monitoring of the policy**

Monitoring of compliance to the policy will be done on a regular basis taking into account reports from:

- Internal Audit
- External Audit
- Management and Ad hoc reports

### **Policy review**

The policy will be reviewed on an ongoing basis. However, at minimum the policy will be reviewed at the beginning of each financial year to take into account any changes in business risk. Revision (if any) will be submitted to the Board of Directors for approval.

### **Delegation of authority**

As much autonomy and devolution of powers as are possible and practicable are given to individual business units at PHA in terms of the Approved Delegated Authority Framework. Full responsibility for internal controls within the business units rests with the Accountant, who should ensure that appropriate and adequate policies including this one are complied with to safeguard all PHA resources.



Delegation of Authority, with regard to Selection and Allocation, in this document is per the Approved Delegated Authority Framework.  
Advice on the interpretation of this policy document may be obtained from both the Chief Executive Officer and the Accountant.

DRAFT



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Polokwane Housing association

# DRAFT EMPLOYEE PERFORMANCE MANAGEMENT POLICY

Policy

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## **DEFINITION OF PERFORMANCE MANAGEMENT**

Performance management is the process through which a manager or supervisor meets or discusses with a staff member to support the Entity and personal development goals. Performance management involves quarterly review processes with regular communication to check in on progress towards strategic goals and performance improvement, and an annual appraisal process to assess performance against strategic goals.

### **1. IMPORTANCE OF PERFORMANCE MANAGEMENT**

- 1.1 Performance management affects financial performance, productivity, employee retention and the Entity culture.
- 1.2 Greater efficiency, accountability and staff member satisfaction.
- 1.3 The performance management process links strategic objectives with individual and team goals.
- 1.4 It motivates staff members to feel connected to the Entity goals and their continuous improvement.

### **2. PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM**

- 2.1 Performance management and development system is a standardized performance management tool and process put in place for goal- setting and measuring individual and team performance.
- 2.2 Performance management and development system aligns the Entity culture and strategy.
- 2.3 It helps with talent management.
- 2.4 It serves as a performance appraisal tool for managers, staff members and teams.
- 2.5 Performance management is a tool used to identify skills gaps, reflect on good management techniques, and provide data for development.

### **3. UTILISATION OF PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM IN POLOKWANE HOUSING ASSOCIATION**

- 3.1 Polokwane Housing Association will utilize performance management and development system policy for management decision-making, whereby the appraisal information is used as a basis for paying performance bonuses.
- 3.2 Employee development, whereby the appraisal information is used to guide training needs, and employee mentoring.

## **4. POLOKWANE HOUSING ASSOCIATION PERFORMANCE MANAGEMENT PROCESS**

### **4.1 Performance Planning**

- 4.1.1 Polokwane Housing Association's performance management cycle is aligned to the financial year, 1 July to 30 June each year.
- 4.1.2 Managers will have sessions with staff members, as individuals and /or as teams, where the performance plans are going to be discussed.
- 4.1.3 Expected performance will be explained for the performance cycle.
- 4.1.4 If necessary, review employees and communicate expected behaviors.
- 4.1.5 Communicate Polokwane Housing association strategic direction and goals.
- 4.1.6 Identify employees' development needs to improve service delivery and customer satisfaction.
- 4.1.7 Alignment of strategic goals and individual performance.
- 4.1.8 IDP strategic goals shall be translated and cascaded into more refined goals and expectations at the management and individual levels.
- 4.1.9 Cascading shall be as follows:
  - 4.1.9.1 Managers first develop departmental goals that align with the Entity's IDP goals.
  - 4.1.9.2 Managers develop SBU goals that align with the departmental goals.
  - 4.1.9.3 Supervisors develop teams and individual goals.
- 4.1.10 IDP strategic goals, Departmental goals and SBU goals should:
  - 4.1.10.1 Clearly define the end results to be accomplished
  - 4.1.10.2 Link to Entity's success factors or goals
  - 4.1.10.3 Goals to be achieved in order to motivate performance and
  - 4.1.10.4 Goals to be set in no more than three areas
- 4.1.11 A performance plan will be used to capture the performance expectations (i.e., results and behaviors) of each individual, or team of staff members.
- 4.1.12 Performance plan is an instrument containing a mutual agreement between a staff member, or team and their direct superior or supervisor to achieve results according to standards or measures which are aligned with the IDP

### **4.2 REGULAR PERFORMANCE FEEDBACK TO EMPLOYEES**

- 4.2.1 Managers and supervisors should discuss performance feedback and performance behaviors on an ongoing basis
- 4.2.2 Performance feedback should happen throughout the performance rating cycle of the employees.
- 4.2.3 Feedback is to be provided whenever exceptional or ineffective performance is observed.

4.2.4 Performance feedback should be timely, specific, positive and constructive.

### **4.3 EMPLOYEES PERFORMANCE INPUTS**

- 4.3.1 Employees must prepare performance statements of their key results and accomplishments at the end of the performance/ rating period.
- 4.3.2 Employees' performance statements assist in predicting whether employees will be successful in performing in higher job levels.
- 4.3.3 Employees' performance statements assist communicating to managers and supervisors about the performance results achieved by the employees.
- 4.3.4 Employees' performance statements should include specific actions that employees took to achieve their targets, Further, the impact of the achievement of the goals of the Entity.

### **4.4 PERFORMANCE REVIEW**

- 4.4.1 Employee performance will be reviewed quarterly.
- 4.4.2 Employee performance assessment will be done using a performance assessment template containing rating scales, standards or measures and weight assigned to the key performance areas and outputs according to the time spent and/or priority to deliver that specific output.
- 4.4.3 In reviewing behaviors, Polokwane Housing Association will use the competency model as basis, competency include technical, leadership and interpersonal.
- 4.4.4 Competency expectations change at different job levels, such as entry-level staff member, experienced staff member, and managers.
- 4.4.5 Competencies communicate performance factors.
- 4.4.6 Competency shows distinctions in effectiveness levels that help supervisors explain why a staff member was evaluated in a particular way.

## **5. 1 EMPLOYEE PERFORMANCE/ ASSESSMENT RESULTS**

5.1.1 Employee performance results to be achieved will vary depending on the nature of the employee's job

5.1.2 Service delivery employees will have production/ output results.

5.1.3 Support services employees in the entity will have programmes and system implementation results.

5.1.4 Further, support service employees will have a level of satisfaction results.

## **5.2. EMPLOYEE RESULTS MEASUREMENTS**

5.2.1 Managers and supervisors must measure employee results using the entity performance objectives indicators

## **5.3 PERFORMANCE APPRAISAL**

5.3.1 Performance appraisal follows the feedback of individual assessments.

5.3.2 Performance appraisal will be awarded in line with the performance results achieved.

5.3.3 Managers and supervisors must have a performance appraisal meeting to discuss and agree on individual performance results and ratings.

5.3.4 Managers and supervisors must use performance appraisals to plan and developmental interventions for employees' based on their ratings

## **5.4 PERFORMANCE INCENTIVE SYSTEM**

5.4.1 Polokwane Housing Association will use the top-down approach to awarding performance incentives

5.4.2 Employee with the highest performance ratings/score will receive the highest performance incentives (Performance bonus).

5.4.3 Performance ratings for KPA's and competencies are calculated using the 5 points rating scale\_

- KPA ratings are calculated where individual ratings have been assigned to each KPI using the 5 points rating scale.
- No rounding of calculations is allowed, and 2 decimal points must be used
- Table below reiterates the 5 points rating scale applied to score overall performance

<b>LEVEL</b>	<b>TERMINOLOGY</b>	<b>DESCRIPTION</b>
5	Outstanding performance	Performance far exceeds the standard expected of a staff member at this level. The appraisal indicates that the staff member has achieved above full

		effective results against all performance criteria and indicators as specified in the performance agreement and performance plan and maintained this in all areas of responsibility throughout the year.
4	Performance significantly above expectations	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the staff members have achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.
3	Fully effective performance	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the staff members have fully achieved effective results against all significant performance criteria and indicators as specified in the performance agreement and performance plan.
2	Performance not fully effective	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/assessment indicates that the staff has achieved below fully effective results against more than half the key performance criteria and indicators as specified in the performance agreement and performance plan.
1	Unacceptable performance	Performance does not meet the standard required by the job. The review/ assessment indicates that the staff member has achieved below fully effective results against almost all of performance criteria and indicators as specified in the performance agreement and performance plan. The staff member has failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvements.

#### EMPLOYEE PERFORMANCE ASSESSMENT CALCULATOR

RATING	1	2	3	4	5
PERCENTAGE	0%-66%	67% -99%	100% -132%	133%-166%	167%

#### EMPLOYEE PERFORMANCE BONUS CACULATOR



PERCENTAGE OVER PERFORMANCE	PERCENTAGE BONUS
133- 133.8%	5%
133.9 -137.6%	6%
137.7- 141.4%	7%
141.5- 145.2%	8%
145.3- 149%	9%
150- 153.4%	10%
153.5 – 156.8%	11%
156.9- 160.3%	12%
160.4 – 163.6%	13%
163.7%- 167%	14%

## HOW TO CALCULATE EMPLOYEE RATINGS WITH WEIGHTING

The calculator template of employee ratings and weighting is provided for in annexure E. The template provides guidance on how rating and weighting scores should be calculated, calculation steps:

Step 1: Evaluate employees for every KPA's and KPI's. Once that is done, you will have an item numeric rating column ready

Step 2: Add the maximum numeric rating

Step 3: The calculator will divide these ratings by the maximum numeric rating (5), to get decimal score: E.g.  $3/5 = 0,6$ , and so on.

Step 4: The calculator will automatically show you the weighted score, by multiplying the decimal score by its weight: E.g.  $0.6 \times 25 = 15.0$  and so on. You will have the sum of weighted score

## 5.5 PERFORMANCE APPEALS PROCEDURE

5.5.1 Polokwane Housing Association will use the performance appeals procedure as a guideline for managing all disagreements on the achievement of specific outputs and on assessment/ rating score

## 5.6 PERFORMANCE MODERATING PROCEDURE

5.6.1 Polokwane Housing Association will utilise the performance moderating procedure as a guideline to manage and ensure performance planning, staff member and team inputs, quarterly performance reviews and annual performance appraisal compliance and objective implementation.

## 6 TEAM -BASED PERFORMANCE MANAGEMENT

### 6.1 Team-based performance management in context

6.1.1 Team-based performance management is an approach to holding teams responsible for plans and results, where action plan, and performance metrics are structured around teams rather than individuals.

6.1.2. Polokwane Housing Association may adopt a team-based performance management approach for a group of employees depending on the nature of the operation.

## **6.2 Applying team-based performance management**

6.2.1 Team-based performance management will be the same as individual performance including applying the performance management tools and instruments

6.2.2 The distinction between team-based and individual performance is that the Manager or supervisor will facilitate team-based discussions to set goals and key performance indicators.

6.2.3 The Manager or supervisor of a team shall facilitate mid-year team-based performance discussions and annual performance reporting.

6.2.4 Teams shall initially self-assess their own performance, while the Manager and supervisor moderates, ensuring independent validation of scores and facilitate discussion based on the evidence of progress.

6.2.5 Individual employees in the team will do self-evaluation, self-monitor and self-regulation to identify areas where they can improve their contribution to the team.

6.2.6 Team shall carry out peer evaluations to assess each other's strength and weakness, and collectively discuss how team performance can be improved.

6.2.7 Managers and supervisors must identify learning areas that will be associated with team goals.

6.2.8 Managers and supervisors, when they assess teamwork, must focus on team goals, quality of work and successful working standards

## **7 PERFORMANCE MANAGEMENT OF STAFF MEMBERS WHO ARE IN ACTING POSTS**

7.1 If a staff member is required to act in a post for a period that exceeds three (3) months, the supervisor to whom the acting staff member is reporting must review the KPA's and KPI's in consultation with the acting staff member and include the KPA's and KPI's in the staff member's amended performance agreement.

## **8 LEGAL CONSIDERATIONS**

8.1. Polokwane Housing Association will be evaluated on factors that are relevant to their jobs.

8.2 Employees must be informed about what is expected of them and the standards against which they will be evaluated at the beginning of the performance cycle

8.4 Executive management, SBU manager, supervisors and employees to be trained in the performance management process and relevant skills required to implement the process effectively:

8.4.1 Managers to keep records to document example of effective and, especially, ineffective staff member performance to substantiate their evaluations.

8.4.2 Managers to be held accountable for discussing performance issues with employees or teams and providing them with feedback in a timely manner during the performance rating cycle.

8.4.3 Performance evaluation of employees to be reviewed by a moderating committee.

8.4.4 Appeal procedure to be provided whereby staff members can formally comment on and appeal their performance evaluations.

8.4.5 Performance evaluation decisions to be consistent with decision-making, such as ensuring that individuals who receive higher performance incentives have higher performance ratings than those who receive lower performance incentives.

8.4.6 Performance management system and software to be as user-friendly, straight forward and easy to use as possible.

## **9. POLICY REVIEW**

9.1 Polokwane Housing Association's individual performance management and development system will be aligned with the entity's IDP.

9.2 SBU managers, Assistant managers, supervisors and all employees will use the system in a manner that adds value to performance planning, development, feedback and achievement of organizational goals.

9.3 Polokwane Housing Association will review the individual performance management policy as and when necessary to align it with the entity plans and any legislative changes that might arise.

## **ANNEXURE A: SETTING/ DETERMINATION OF PERFORMANCE OBJECTIVES AND TAREGETS**

<b>SETTING/DETERMINATION OF PERFORMANCE OBJECTIVES AND TARGETS</b>				
<b>NO</b>	<b>PROCEDURE STEPS</b>	<b>ACTORS</b>	<b>AVERAGE TIME TAKEN PER TRANSACTION</b>	<b>AVERAGE TRANSACTIONS PER MONTH (OR YEAR)</b>
1	Define KPAs, KPIs and performance standard of each KPI, targets dates weight of KPI			
2	Set realistic performance targets			

3	Agree to the outputs, activities and inputs			
4	Specify what the staff member/ team need to do to achieve the desired outcomes and impacts			
5	Complete prescribed performance agreement template and sign it			
6	Send signed copy to HRM unit			
7	Keep one copy of the signed copy for the staff member/ team, and one for the supervisor			

#### **ANNEXURE B: MANAGEMENT OF PERFORMANCE REVIEWS (QUARTERLY OR HALF-YEARLY) FOR INDIVIDUAL AND TEAMS**

<b>SETTING/DETERMINATION OF PERFORMANCE OBJECTIVES AND TARGETS</b>				
<b>NO</b>	<b>PROCEDURE STEPS</b>	<b>ACTORS</b>	<b>AVERAGE TIME TAKEN PER TRANSACTION</b>	<b>AVERAGE TRANSACTIONS PER MONTH (OR YEAR)</b>
1	Based on entity performance review cycle, send reminder to all managers to carry out performance review of using the prescribed templates.			
2	Convene performance review session with the staff member or team, and discuss the performance review outcomes			
3	Agree or disagree on the performance review information and rating and sign the performance review template/ report			
4	Send the signed performance review template/ report to HRM unit and keep copy for record purposes			
5	Follow-up or facilitate any recommended personal development aspects arising out of performance reviews			

6	Address performance reviews complaints and facilitate appeals			
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# **ANNEXURE C: MANAGEMENT OF ANNUAL PERFORMANCE APPRAISAL FOR INDIVIDUALS AND TEAMS**

<b>SETTING/DETERMINATION OF PERFORMANCE OBJECTIVES AND TARGETS</b>				
<b>NO</b>	<b>PROCEDURE STEPS</b>	<b>ACTORS</b>	<b>AVERAGE TIME TAKEN PER TRANSACTION</b>	<b>AVERAGE TRANSACTIONS PER MONTH (OR YEAR)</b>
1	Managers to carry out annual performance appraisal of staff using the prescribed templates			
2	Convene a performance appraisal session with staff members or team and discuss the performance review outcomes			
3	Agree or disagree on the performance appraisal information and rating and sign the performance appraisal template/ report			
4	Send the signed performance appraisal template/ report to HRM unit, and keep copy for record purposes			
5	Convene moderating committee meeting and record proceedings, recommendations and decisions on performance appraisal			
6	Determine financial implications and seek approval of the performance appraisal recommendations from CEO			
7	Issue performance appraisal letters to all staff members / team members			
8	Address performance appraisal complaints and facilitate appeals			

9	Implement performance appraisal incentives and performance improvement interventions			
10	Implement (or facilitate implementation of) Performance improvement interventions			

#### ANNEXURE D: PERFORMANCE MODERATION

SETTING/DETERMINATION OF PERFORMANCE OBJECTIVES AND TARGETS				
NO	PROCEDURE STEPS	ACTORS	AVERAGE TIME TAKEN PER TRANSACTION	AVERAGE TRANSACTIONS PER MONTH (OR YEAR)
1	Assess the SMART-ness of performance objectives and their alignment to the IDP and Long-term strategic plan objectives			
2	Identify the defined performance ratings, weights and scores for teams and individuals to ensure consistency in standards			
3	Assess team and individual performance as per portfolio of evidence or performance reports of business units against the set performance objectives			
4	Assess team and individual performance ratings/ scores in relation to portfolio of evidence/ performance reports of business units against the set performance objectives			
5	Identify any inconsistencies and abnormalities in individuals or teams' performance ratings			
6	Assess justifications of inconsistencies and abnormalities for such ratings			
7	Adjust ratings, scores and weights			

8	Recommend and submit proposals for approval			
9	(After approval, or rejection, or approval with amendments) Implement adjustment required			

## **ANNEXURE F: PERFORMANCE MANAGEMENT AND DEVELOPMENT SYSTEM PHASES**

### **Performance Management and Development System Phases**

**Performance Management and development is the systematic process of-**

- Planning work and setting expectations of the entity from staff members or teams
- Continually monitoring performance of staff members or teams
- Developing the capacity of staff members or teams to perform optimally
- Periodically rating performance of staff members and team
- Rewarding outstanding performance

The performance management and development system of the entity must consist of different phases relating to performance planning, coaching, review and reward as provided in these guidelines

**The performance management and development system must consist of the following phases:**

Phase	Timeframe	Activities
Planning	Occurs annually at the start of the financial year or the starting date in a specific post	<ul style="list-style-type: none"> <li>Supervisor schedules a meeting with a staff member or team to discuss and agree on the performance objectives for the year</li> <li>Supervisor and staff member or team are required to prepare for this meeting</li> <li>Performance agreement must be signed or processed electronically where applicable by the supervisor and a staff member or a team within (sixty) 60 days after the commencement of the performance cycle</li> </ul>

Monitoring, Coaching and feedback	<ul style="list-style-type: none"> <li>▪ The mid-year review must occur at the end of the second quarter. The details of the engagement must be in writing and</li> <li>▪ Annual performance evaluation must occur at the end of the fourth quarter (After the end of the performance cycle)</li> <li>▪ Annual performance evaluation must occur within 60 days after the end of the performance cycle. The details of the performance evaluation must be in writing clearly outlining the staff members careers development needs</li> </ul>	<ul style="list-style-type: none"> <li>▪ The supervisor must set up a formal mid-year evaluation with a staff member or a team within one (1) month after the end of quarter two (2), inclusive of formal documented engagement to provide feedback on targets achieved to date of staff member or team</li> <li>▪ At mid-year review, interventions and corrective actions must be identified in relation to achievement / under achievement of performance outputs/ outcomes</li> <li>▪ During the annual performance evaluation each staff member must be afforded an opportunity to complete self-rating and provide evidence to support rating</li> <li>▪ The supervisor must set up the formal final performance evaluation with a staff member or team after the end of the fourth quarter</li> <li>▪ The final performance evaluation scores must be recorded as a formal engagement between staff member and supervisor; and</li> <li>▪ The supervisor must formally provide verbal and written feedback to the staff member or team</li> </ul>
Reward and recognition	<ul style="list-style-type: none"> <li>▪ After the formal annual performance assessment; and</li> <li>▪ After moderation by the entity moderation committee and approval by CEO</li> </ul>	Rewards shall be dealt with as stipulated chapter 4 of the Local Government Municipal staff regulations



## Planning

### During the planning phase-

- a) The supervisor and staff member must jointly identify the organizational, departmental as well as the performance expectations of a staff member or team and secure the staff member or teams commitment to achieve the performance expectations
- b) The supervisor must explain to the staff member how the performance agreement and PMDS operates
- c) All staff members, including management, must be capacitated through training on-
  - i. What the process entails
  - ii. Why the entity uses the PMDS process
  - iii. How the PMDS works, including the phases, purpose of linkage with the competency framework and how performance of competencies is measured
  - iv. The expectations from a staff member in a specific role
  - v. When the performance will be evaluated and reviewed
- d) The entity must ensure that every supervisor has undergone training to acquire the relevant coaching skills needed for ongoing implementation of PMDS
- e) The supervisor and staff members must develop a performance agreement wherein the performance standards will be defined in terms of quality, quantity, time and process. The following documents can assist-
  - i. Staff member's job description
  - ii. The IDP and annual performance plan
  - iii. The supervisor's performance agreement, where applicable
  - iv. The staff member's performance assessment, where applicable; and
  - v. Any other documents considered relevant to the process
- f) Planned KPAs, KPIs and targets as contained in the performance agreement must meet the SMART criteria as outlined in the table below

<b>S</b>	Specific, clear and understandable
<b>M</b>	Measurable in terms of quantity and if possible, quality, money and time. It must be possible to determine whether the activity took place and decide how well it was done
<b>A</b>	Attainable in that the activities to be performed have been agreed upon and must be within the capabilities and under control of the staff member
<b>R</b>	Relevant in that the task should be related directly to the functional areas or specific projects assigned to the staff member
<b>T</b>	Time-based in that the supervisor and staff member should be able to track progress against specified target dates and timeframes and assessment can take place within the annual reporting cycle of the performance agreement

- g) Job specific competencies can be selected from the relevant occupational streams as prescribed in the Local Government competency framework attached to the regulations as Annexure A, including any other specific functional competency requirements as may be identified.

**The following document will assist in the performance planning process-**

- a) Performance agreement

**Monitoring, Coaching, Feedback and Review**

Effective performance monitoring, Coaching and feedback must be monitored continuously throughout the performance cycle

Performance monitoring, coaching and feedback involve ongoing collaborative engagement between the supervisor and staff member, or team aimed at improving a staff member's skill and competencies to meet or exceed the set standards of performance through-

- a) Observation, motivation and encouraging the staff member
- b) Frequent and infrequent exchanges of feedback about staff member 's performance
- c) Regular evaluation of whether the staff member performs according to the set objectives as outlined in the performance agreement
- d) Formal coaching and informal performance evaluation sessions
- e) Reinforcing the discussions that took place during the planning phase culminating in the performance agreement
- f) Affording the supervisor, the opportunity to encourage the development of the staff member or team
- g) Proactive identification of challenges and solutions to enable achievement
- h) Identification of accomplishments or challenges by the staff member or team that have been resolved, which otherwise may not have come to the supervisor's attention
- i) Coaching that reinforces effective performance or brings the performance of the staff member closer to the expected standards; and
- j) A staff member or team who participated in several coaching sessions being aware of what is required of him or her to meet performance outcomes

The entity must ensure that every supervisor has received adequate training in performance coaching processes and is capable of effectively assessing progress and evaluating the performance of a staff or team

Development needs of staff identified during performance monitoring and coaching processes must be evaluated and addressed to encourage good performance, improve job-related skills and competencies that support staff to keep up with challenges in the workplace.

## **Mid-year performance review**

The mid-year performance review-

- a) As a formal bi-annual performance appraisal where a staff member or a team is given feedback on his or her performance.
- b) Must be recorded
- c) Offers an opportunity-
  - i. Between the supervisor and staff member to assess the staff member or team's performance against set performance objectives
  - ii. For the supervisor to monitor, coach and provide feedback to ensure effective performance
  - iii. For supervisor and staff member to-
    - Jointly identify performance challenges and agree on solutions to overcome identified challenges
    - Agree on the developmental needs of the staff and address such needs
    - Review performance targets resulting from workplace changes beyond the staff member team's control; and
  - iv. To reinforce good performance

If the review of the performance agreement is warranted-

- a) The regulations and items 2 of these guidelines apply;
- b) The mid-year performance review will be based on the existing performance agreement
- c) The amended performance agreement or addendum must be co-signed by the supervisor and staff member; and
- d) A record of the amendments must be kept for the purposes of annual performance assessment

## **Annual performance evaluation**

The objectives of performance evaluation are to-

- a) Formally discuss the performance outcome achieved by the staff members against agreed performance indicators and targets based on the work performed during performance cycle of 12 months.
- b) Rate the performance of a staff member or team against each measurable KPI using the five-scale rating scale
- c) Recognise positive achievements and provide feedback on unsatisfactory performance; and
- d) Identify areas of improvement and develop action plans to be included in personal development plans to address identified areas for improvement

Every staff member or team must be subjected to an annual performance assessment at the end of the performance cycle of the entity

The annual performance evaluation must be preceded by the staff member's self-rating against predetermined objectives and where necessary supported by a portfolio of evidence

Rating entail evaluating the staff member or team's performance against performance standards in a staff member's performance plan and assigning a numeric rating for each KPI

The supervisor and staff member must-

- a) Formally and objectively confirm the staff member's performance outcomes against agreed KPAs, KPIs and job specific competencies
- b) Rate the performance of each staff member or team against each measurable KPI and job specific competencies using the 5-point rating scale
- c) Recognise positive achievement
- d) Identify deficient performance
- e) Identify the staff member's developmental needs, which will inform the personal development plan of the staff member; and
- f) Sign the final annual performance assessment

At the end of the performance cycle a rating scale is used which has a bearing on rewarding and recognizing performance as fully effective

The supervisor must submit the final annual performance assessment, performance scores and any related evidence supporting performance to Human Resources.

Performance ratings for KPAs and competencies are calculated using the 5-point rating scale-

- a) KPA ratings are calculated using where individual ratings have been assigned to each KPI using the 5-point rating scale
- b) No rounding of calculations is allowed, and 2 decimal points must be used.
- c) The table below reiterates the 5-point rating scale applied to score overall performance-

LEVEL	TERMINOLOGY	DESCRIPTION
5	Outstanding performance	Performance far exceeds the standard expected of a staff member at this level. The appraisal indicates that the staff member has achieved above full effective results against all performance criteria and indicators as specified in the performance agreement and performance plan and maintained this in all areas of responsibility throughout the year.

4	Performance significantly above expectations	Performance is significantly higher than the standard expected in the job. The appraisal indicates that the staff members have achieved above fully effective results against more than half of the performance criteria and indicators and fully achieved all others throughout the year.
3	Fully effective performance	Performance fully meets the standards expected in all areas of the job. The appraisal indicates that the staff members have fully achieved effective results against all significant performance criteria and indicators as specified in the performance agreement and performance plan.
2	Performance not fully effective	Performance is below the standard required for the job in key areas. Performance meets some of the standards expected for the job. The review/ assessment indicates that the staff has achieved below fully effective results against more than half the key performance criteria and indicators specified in the performance agreement and performance plan.
1	Unacceptable performance	Performance does not meet the standard required by the job. The review/ assessment indicates that the staff member has achieved below fully effective results against almost all of performance criteria and indicators as specified in the performance agreement and performance plan. The staff members have failed to demonstrate the commitment or ability to bring performance up to the level expected in the job despite management efforts to encourage improvements.

#### **ANNEXURE G: TEAM BASED PERFORMANCE**

A supervisor working in collaboration with individual team members must-

- Rate the performance of a staff member working within a team-based performance agreement; and
- Identify challenges relating to individual staff members working within a team and identify appropriate interventions aimed at improving the staff member's performance.

The following template will assist in the PMDS process-

- Team registration Annexure N; and
- Team performance agreement Annexure O

## **ANNEXURE H: PERFORMANCE EVIDENCE**

The submission of evidence is subject to the following-

- a) During the planning phase, agreement must be reached on what evidence is to be used with the aim of minimizing time and effort; and
- b) Evidence must be gathered during the course of the performance cycle as this will inform and substantiate the scores according to the rating scale

The staff member or team must gather, collate and present evidence against the measurable KPIs and where applicable, job specific competencies as contained in the performance agreement-

- a) It is particularly important to ensure that the evidence is gathered during the performance cycle in preparation for mid-year performance review and annual performance evaluation, as it will be used to substantiate scores related to achievement of KPIs and job specific competencies; and
- b) The ultimate accountability for the submission of the portfolio of evidence rests with the staff member or team being evaluated.

The nature of work must determine the type of evidence that should be provided this may, inter alia; include-

- a) Official records
- b) Confirmation by supervisor
- c) Inspection or viewing of evidence by supervisor such as filing system, memorandum, reports; etc

A supervisor may, at least by mid-year review-

- a) Accept other evidence that substantiate achievement of KPIs or competencies and assist staff member or team to obtain such achievement

## **ANNEXURE I: PERFORMANCE MODERATION COMMITTEE**

The entity performance moderation committee-

- a) Must be constituted as follows:
  - Chief executive officer
  - Manager responsible for PMDS
  - Manager responsible for organizational development
  - Manager responsible for organizational performance
  - A representative from finance
  - A representative from the internal audit where applicable
  - Two members of organized labour (SAMWU) as observers

Department representatives-

- a) Will be invited to attend the performance moderation committee to present on the results of their respective departments
- b) Must be on senior management level
- c) May request a specialist in the department performance management to provide technical advice where needed.

Members should collectively possess the necessary expertise and must demonstrate knowledge and competencies-

- a) Local government
- b) Human Resources environment
- c) Corporate governance practices
- d) Corporate strategy
- e) Performance management and performance system
- f) Organisational development
- g) Financial management
- h) Operation management and
- i) Leadership

The main objectives of the committee are to –

- a) Ensure fair and consistent application of the PMDS
- b) Ensure that the integrity of the PMDS is projected
- c) Ensure that the performance is evaluated consistently
- d) Ensure that individual ratings reflect the overall performance of the department
- e) Advice on financial affordability for the entity and
- f) Recommend performance awards to the CEO for approval

The committee may-

- a) Develop and approve terms of reference
- b) Review performance management and development system across the entity and make recommendations regarding implementation; monitor the performance evaluation process by obtaining an overall sense of whether norms and standards are being applied realistically and consistently both horizontally and vertically across the entity
- c) Determine the overall performance of departments and align that with the summary results based on individual performance
- d) Moderate scores of a department or a unit
- e) Recommend reward levels for performance
- f) Make recommendations regarding actions to be considered where supervisors do not implement the system properly
- g) Provide oversight in terms of the application of the PMDS

- h) Prepare a comprehensive report, based on its observations, reflecting the performance of staff members or teams and the applicable reward levels; and ensure that the minutes and supporting information on matters dealt with by the panel shall be available for examination upon authorization by the Chief Executive Officer

## **ANNEXURE J: MANAGING SUBSTANDARD PERFORMANCE**

### **Purpose**

These procedures are intended to-

- a) Create an enabling environment to facilitate effective performance by the staff members
- b) Provide the staff members with access to skills development and capacity building opportunities in order to promote efficient and effective performance
- c) Provide remedial and developmental support to assist the staff members to deal with substandard performance and
- d) Ensure that the Board of directors and staff members work collaboratively to generate solutions to problems and improve the performance of the staff members

### **POLICY AND PRINCIPLE**

These procedures must be read in conjunction with the Regulations. The code of good practice provides for in schedule 8 of the labour relations Act, 1995, constitutes part of these procedures, in respect of poor work performance

The entity must evaluate the staff member's performance by considering-

- a) The extent to which the substandard performance impacts on the work of the entity and the achievement of the entity's goals
- b) The extent to which the staff members fail to meet the required performance standards set by the entity
- c) The extent to which the staff member lacks the necessary skills, competencies and expertise to meet the performance objectives and targets for his or her post as contained in the performance agreement; and
- d) The nature of the staff member's work and responsibilities



### **Procedures for dealing with substandard performance**

If the entity has reason to believe that a staff member is not performing in accordance with the minimum performance standards of his or her post, the supervisor must-

- a) Convene a meeting to give feedback to the staff member on his or her performance
- b) Furnish staff member with the reasons why it is necessary to initiate this procedure

During the meeting contemplated in paragraph (a), the supervisor must-

- a) Explain the requirements, level, skills and nature of the post
- b) Evaluate the staff member's performance in relation to the performance agreement; explain the reasons why the performance is considered substandard; and
- c) Afford the staff member his or her representative an opportunity to respond to the performance outcome referred to in paragraph(c); and after considering the staff member's reasons, the supervisor may, if necessary-

- a) Initiate a formal programme of counselling and training to enable the staff members to meet the required standard of performance, which must include-
  - i) Assessing the time that it will take for the staff member to deal with substandard performance
  - ii) Establishing realistic timeframes within which the staff member is expected to meet the required performance standard; and
  - iii) Identifying and providing appropriate training for the staff members to reach the required standard of performance
- b) Establish ways to address any factors that may affect the staff member's performance that lie beyond the staff member's control

If the staff member fails to meet the required performance standard for post after being subjected to a formal programme of counselling and training as contemplated in paragraph (3), the supervisor, may-

- a) Regularly evaluate the staff member's performance; or
- b) Provide further remedial or developmental support to assist the staff members to eliminate substandard performance

If the staff member's performance does not improve after he or she receives appropriate performance counselling and the necessary support and the reasonable time to improve his or her performance as contemplated in paragraph (4), or he or she refuses to follow a formal programme of counselling and training contemplated therein-

- a) The supervisor must bring the allegations of substandard performance against the staff member to the attention of the chief executive officer in the form of a report

- b) The supervisor must table the report contemplated in subparagraph (a) before the Chief Executive Officer

If the Chief Executive Officer is satisfied that sufficient evidence exists to institute disciplinary proceedings against the staff member on the basis of the alleged substandard performance the chief executive officer, must furnish the staff member with written reasons why it is necessary to initiate this procedure in accordance with applicable procedures.

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# **HR – POLICIES AND PROCEDURES**

## DRAFT OVERTIME POLICY

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## **1. Purpose of the Policy**

To regulate the compensation of an employee through time off or additional pay where he/she is expressly required to work in excess of the ordinary applicable working hours per week or month.

## **2. Scope**

- 2.1** This policy applies to all employees not earning more than the determined threshold for overtime payment and or according to SALGA's stipulated minimum amount for overtime payment.
- 2.2** This policy excludes those whose job descriptions or conditions of service specifically provide for shifts or irregular working hours.
- 2.3** This policy does not apply to hourly-paid workers.
- 2.4** Employees who received the overtime allowance but due to annual increments fall above the determined threshold shall be excluded.

## **3. Accountability and Responsibility**

- 3.1** Human Resources Management is responsible and accountable for implementing this policy within PHA.
- 3.2** The responsibility may be delegated to line managers who must be given the required authority to ensure that the policy is implemented in the most effective, efficient and timely manner.

## **4. Policy Assumptions**

- 4.1** It is expected of staff to complete their duties during working hours. Should an employee not be able to complete his duties during working hours for whatever reason, voluntary hours worked will not be regarded as overtime.
- 4.2** No overtime payment will be granted, unless it is requested prior to the commencement of the overtime being worked and authorized by management
- 4.3** However, due to the operational requirements of the organization, it may be necessary for an employee to work overtime.
- 4.4** Every employee agrees to work such overtime as the employer may require, subject to the following provisions:
  - 4.4.1** Section 10 (1) of the Basic Conditions of Employment Act, No 75 of 1997 stipulates that an employer may not require or permit an employee to work more than ten (10) hours overtime in any week, except by agreement between the employer and employee; on

condition further that no such agreement may compel an employee to work more than twelve (12) hours overtime per week.

**4.4.2 Overtime work, Weekdays, Saturdays, Sundays and Public Holidays.**

**4.4.3** Any overtime worked in excess of an employee's ordinary weekly working hours, irrespective of when additional time is worked, will constitute overtime only:

4.4.3.1 If the working of such additional time is requested or authorized by the responsible manager; and

4.4.3.2 If such additional time, which brings the total hours worked by the employee in that week to more than forty-five (45) hours (irrespective of the ordinary weekly working hours stipulated in an employee's contract of employment, the employee will be deemed to be working overtime only once he works more than forty-five (45) hours in a particular week).

**5. Approval of Overtime**

**5.1** All overtime work must be approved in advance in writing by the manager whose budget will carry the costs incurred. Such budget must have been approved in advance so that other funds are not diverted for this purpose.

**5.2** Overtime should be sought only for a short-term project or predetermined tasks.

**5.3** Overtime must be approved in advance by the relevant manager prior to such overtime being worked. **(See Annexure A: Application Form)**

**5.4** In genuine emergencies, staff should endeavour to obtain the required prior authorization whenever possible. Should this not be possible, the staff member must report such overtime to the line manager as soon as possible in order to obtain the necessary authorisation.

**5.5** Overtime which has not been approved by the Department Head will not be paid.

**5.6** Managers may only approve overtime which is operationally required and which cannot be performed during normal working hours.

**5.7** An employee who is absent from duty during the normal/ordinary working hours/days shall not be permitted to perform overtime duties.

**5.8** Overtime should be performed as far as possible at the normal place of work.



## **6. Remuneration for Overtime or Time off:**

- 6.1** Overtime will be remunerated in terms of the Basic Conditions of Employment Act (1.5 hours for every hour worked and 2 hours for every hour worked on Sundays and Public Holidays).
- 6.2** Overtime will be remunerated at the occupational level at which it is performed.
- 6.3** Overtime may **not** be claimed or paid in advance, but will be paid in arrears.
- 6.4** Time off in lieu of hours worked occurs at the rate of an hour and a half off for an hour worked and two hours off for every hour worked on Sundays and public holidays, or
- 6.5** A combination of time off and payment for overtime may be chosen by the employee.
- 6.6** Managers should only agree on time-off if an employee wants to and if working circumstances permit, or when funds are limited.

## **7. Overtime Procedure**

- 7.1** Line managers determine operational need for overtime after determining that there is no viable alternative to such overtime being worked.
- 7.1** Line managers obtain prior approval for such overtime from relevant Department Head.
- 7.2** In case of genuine emergencies, supervisor allows overtime to be worked and then obtain approval from Department Head as soon as possible.
- 7.3** Staff work overtime in compliance with maximum overtime periods permissible i.e. 3 hours per day to a maximum of 10 hours per week except in the case of genuine emergencies.
- 7.4** Employee signs the overtime sheet at starting and finishing time which is controlled by the responsible manager (**Refer Annexure B**)
- 7.5** Once worked, overtime sheet is approved by Head of Department who authorized such overtime.
- 7.6** Overtime schedule is forwarded to Human Resources Management on or before 1<sup>st</sup> day of the following month for checking of overtime levels worked.
- 7.7** Human Resources Management refers any queries regarding overtime worked to the relevant Head of Department.
- 7.8** Human Resources Management will process the overtime payment on the payroll.

## **8. Approval and Maintenance**

- 8.1 All policy amendments and major changes will be presented for approval by the Board of Directors. Maintenance of the policy is the responsibility of the Manager: Human resources management.

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## Annexure A

### OVERTIME APPLICATION

Department: \_\_\_\_\_ Unit/Section: \_\_\_\_\_

Date	Employee Name	Indicate the day of week (Mon, Tues, Wed, Thurs, Friday, Saturday, Sunday, Holiday)	Hours	Reason for Overtime	Signed By Line Manager/Supervisor

Signed Head of Department: \_\_\_\_\_

Date: \_\_\_\_\_

### Annexure : B OVERTIME RECORD SHEET

Employee : \_\_\_\_\_ Position : \_\_\_\_\_

Department : \_\_\_\_\_ Unit : \_\_\_\_\_

Date	Indicate the day of week (Mon, Tues, Wed, Thurs, Friday, Saturday, Sunday, Holiday)	Times		No. Of Hours	Reason for Overtime	Signed By Line Manager/Supervisor
		From	To			

Signed Head of Department: \_\_\_\_\_ Date: \_\_\_\_\_

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*"A Promise Delivered"*

**POLOKWANE HOUSING ASSOCIATION**

**DRAFT PERFORMANCE MANAGEMENT  
POLICY**

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## GLOSSARY OF TERMS

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



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

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

## **SECTION A: ORGANIZATIONAL PERFORMANCE**

### **1. INTRODUCTION**

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

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

### **2. THE LEGISLATIVE FRAMEWORK FOR PERFORMANCE MANAGEMENT**

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

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

The Minister responsible for local government published the Municipal Planning and Performance Management Regulations (2001) in terms of the Municipal Systems Act setting out in detail the requirements for a municipal PMS. The Regulations also contain the general indicators prescribed

by the Minister responsible for local government. In 2006 the Minister published a further set of Regulations dealing with Performance Management for Municipal Managers and Managers Directly Accountable to Municipal Managers.

It is also important to note that the MFMA contains various important provisions related to Entity performance management. It requires Entities to annually adopt an Annual Performance Plan with service delivery targets and performance indicators. Whilst considering and approving the annual budget the Entity must also set measurable performance targets for each revenue source. The Entity must lastly compile an annual report, which must include a performance report compiled in terms of the Systems Act. In terms of a circular issued by National Treasury provision.

### **3. PERFORMANCE MANAGEMENT AND MEASURES AT VARIOUS LEVELS**

Performance management can be applied to various levels within any organization. The legislative framework as set out above provides for performance management at various levels in an entity including organizational level.

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

### **4. OBJECTIVES OF THE PERFORMANCE MANAGEMENT SYSTEM**

As indicated in the previous chapter the Entities PMS is the primary mechanism to monitor, review and improve the implementation of its Long Term Strategic Plan and to gauge the progress made in achieving the objectives as set out in the Long Term Strategic Plan.

In doing so, it should fulfill the following functions:

- ***Facilitate increased accountability***

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

- ***Facilitate learning and improvement***

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

- ***Provide early warning signals***

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

- ***Facilitate decision-making***

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

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

## **5. PRINCIPLES GOVERNING THE PMS OF POLOKWANE HOUSING ASSOCIATION**

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

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

out in its Long Term Strategic Plan.

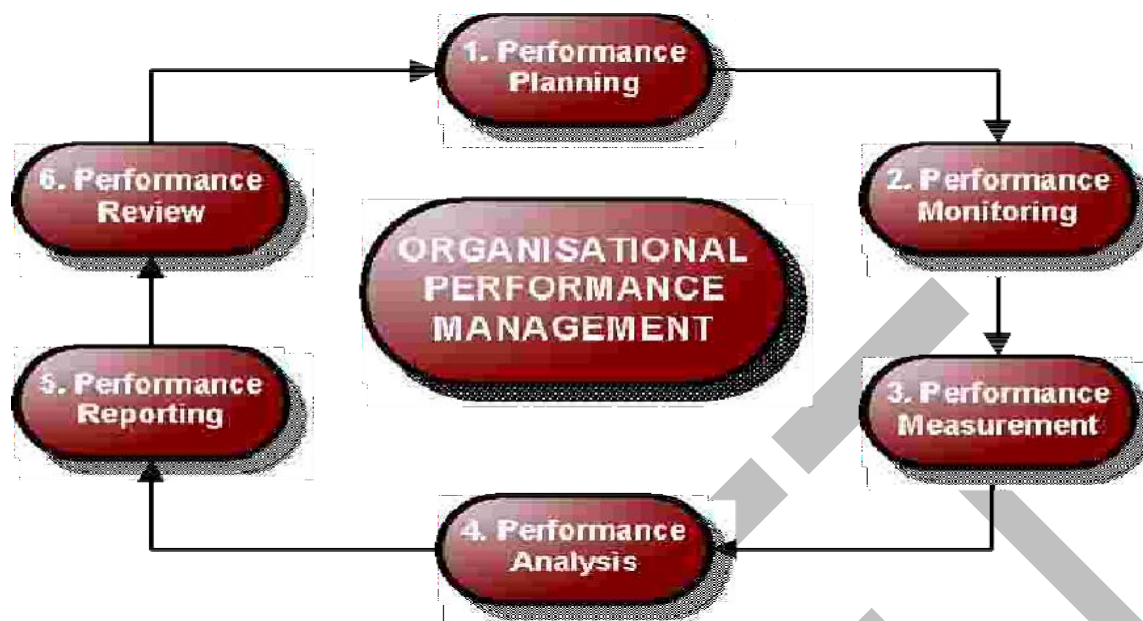
## **6. PREFERRED PERFORMANCE MANAGEMENT MODEL FOR POLOKWANE Housing Association**

A performance management model can be defined as the grouping together of performance indicators, sometimes based on the type of indicator, into logical categories or groups (often called perspectives), as a means to enhance the ability of an organization to manage and analyze its performance. As such a model provides a common framework for what aspects of performance is going to be measured and managed. It further ensures that a balanced set of measures are employed that are not relying on only one facet of performance and therefore not presenting a holistic assessment of the performance of an organization.

A number of performance models are available and any of them could be applied by the Entity. The available models include the Municipal Scorecard, Balanced Scorecard and the Key Performance Area Model. The Entity has chosen the Key Performance model. The said Model therefore enables the Entity to assess its performance based on its own local key performance areas.

## **7. THE PROCESS OF MANAGING PERFORMANCE**

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



### ***Performance Planning***

The performance of Polokwane Housing Association is to be managed in terms of its Long Term Strategic Plan and the process of compiling an Long Term Strategic Plan and the annual review thereof therefore constitutes the process of planning for performance. It should be noted that the last component of the cycle is that of performance review and the outcome of such a review process must inform the next cycle of the planning processes on those areas in which the Entity has under-performed.

### ***Performance Monitoring***

Performance monitoring is an ongoing process by which the Manager accountable for a specific indicator as set out in the organizational scorecard (and a service delivery target contained in a Annual Performance Plan) continuously monitors current performance against targets set. The aim of the monitoring process is to take appropriate and immediate interim (or preliminary) action

where the indication is that a target is not going to be met by the time that the formal process of performance measurement, analysis, reporting and review is due

In the instance of Polokwane Housing Association organizational performance is monitored on quarterly basis to the Board. Performance monitoring requires that in between the said formal cycle of performance measurement appropriate action be taken should it become evident that a specific performance target is not going to be met.

### ***Performance Measurement***

Performance measurement refers to the formal process of collecting and capturing performance data to enable reporting to take place for each key performance indicator and against the target set for such indicator. The SBU Managers are responsible for reporting on each indicator and the CEO is accountable for the overall monitoring of the performance.

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

### ***Performance Analysis***

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

In practice the aforementioned entails that SBU Managers are responsible for each indicator will have to, after capturing the performance data against targets on the organizational or departmental scorecards, analyze the underlying reasons why a target has/has not been met and



capture a summary of his/her findings on the scorecard. The SBU Manager will thereafter have to compile a draft recommendation in terms of the corrective action proposed in instances where a target has not been achieved and also capture this on the relevant scorecard. Provision has been made on the reporting format of the organizational and scorecards to capture both the 'reason for the performance challenges (in other words the results of the analysis undertaken) and the 'corrective action' proposed.

The analysis of the organizational and APP scorecards by senior management should also ensure that quality performance reports are submitted to the Board through the Board Committee, and that adequate response strategies are proposed in cases of poor performance.

### ***Performance Reporting and Review***

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

#### ***In-year Performance Reporting and Review***

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

#### ***Annual Performance Reporting and Review***

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

- All municipalities/municipal entities for each financial year compile an annual report
- The annual report be tabled within 6 months after end of the financial year
- The annual report immediately after it has been tabled to the Board, it be sent to the parent

municipality and also be presented in its Annual General Meeting

## 8. THE AUDITING OF PERFORMANCE MEASURES

### *The role of Internal Audit In -terms of Performance Management*

The MFMA requires that Polokwane Housing Association must establish Internal Audit section which service could be outsourced depending on its resources and specific requirements. Section 45 of the Municipal Systems Act stipulates that the results of the Entities performance measures must be audited by the said internal audit section as part of the internal auditing process and annually by the Auditor-General.

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

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

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

- **Functionality**

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

- **Compliance**

To comply can be defined as to act in the way that someone else has commanded or wished (Chambers Handy Dictionary). In this respect it is clear that the legislature wishes to ensure

that the Polokwane Housing Association PMS complies strictly with the requirements of the Systems Act, Regulations and the MFMA. This compliance check would require that the Entities 's Internal Audit Unit, at least on an annual basis, verifies that the Entities PMS complies with the said legal requirements.

- **Reliability**

To rely could be defined as to trust or depend (upon) with confidence. Reliability in the context of PMS refers to the extent to which any performance measures reported upon could be seen as being reliable, e.g. if the performance target was to build 500 houses and it is reported that the target has been met or exceeded, it must be established whether the information is factually correct or only an estimation or even worse, purposeful misrepresentation. Undertaking a reliability audit will entail the continuous verification of performance measures and targets reported upon. This will require that Polokwane Housing Association place a proper information management system (electronically or otherwise) so that the internal audit section is able to access information regularly and to verify its correctness.

The Polokwane Housing Association Internal Auditors must submit quarterly reports on the audits undertaken to the Chief Executive Officer and the Audit Committee.

Polokwane Housing Association is utilizing a shared service agreement with the parent municipality whereby the parent is providing for the Internal Audit function.

#### **Audit and Performance Audit Committee**

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

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

- review the quarterly reports submitted to it by the internal audit unit.

- review the entities PMS and make recommendations in this regard to the Council/Board of the Municipality/Entity.
- at least twice during a financial year submit an audit report to the municipal Council.

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

- Communicate directly with the council, municipal manager/chief executive officer or the internal; and external auditors of the municipality/entity concerned;
- Access any entity records containing information that is needed to perform its duties or exercise its powers;
- Request any relevant person to attend any of its meetings, and, if necessary, to provide information requested by the committee; and
- Investigate any matter it deems necessary for the performance of its duties and the exercise of its powers.

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

Polokwane Housing Association is utilizing a shared service agreement with the parent municipality whereby the parent is providing for the Audit Committee function.

### **Performance Investigations**

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

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

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

## **9. GENERAL ISSUES RELATING TO PERFORMANCE MANAGEMENT**

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

### ***Annual Review of the Performance Management System***

One of the functions of the audit and performance audit committee is to on at least an annual basis, review the PMS of the Entity. It is envisaged that after the full cycle of the annual review and reporting is complete and the audit and performance audit committee has met as required; the Internal Audit unit will compile a comprehensive assessment/review report on whether the Entities PMS meets the system objectives and principles as set out in this Policy and whether the system complies with the Systems Act, PMS Regulations and the MFMA. This report then needs to be considered by the audit and performance audit committee and any recommendations on amendments or improvements to be made to the PMS, submitted to Council/Board for consideration.

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

### ***Integrating PMS with the Council's Existing Management Cycle***

International best practice indicates that PMS stand the best chance to succeed if it is integrated with the current management cycle of the Entity. The purpose of such a cycle would be to guide the integration of important processes such as the strategic planning or development process in terms of the IDP and Long -Term Strategic Plan methodology, the annual budget process and the formal process of evaluating.

### ***Institutional Arrangements***

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

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

## **10 STANDARD OPERATING PROCEDURE (SOP)**

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

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

## **11. TECHNICAL INDICATOR DESCRIPTION MANUAL**

The entity must develop the Technical Indicator Description Manual for each indicator that appears in the institutional/entity's scored as captured in the Top-Layer Service Delivery and Implementation Plan. The purpose of the Technical Indicator Description Manual is to explain how the collection,

calculation and interpretation of the data of each indicator is to be done. The Technical Indicator Description Manual must be aligned to the Top-Layer SDBIP and must have same indicator reference number and should reflect the financial year that the indicators are applicable to be measured.

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

Indicator Number/SDB IP Number	Indicator or Title	Short Definition	Purpose of the Indicator	Source/collecti on of data	Method of calculation	Data limitation	Type of Indicator	Reporting Cycle	Indicator Responsible Person/Directorate
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## CONCLUSION

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



## **POLOKWANE HOUSING ASSOCIATION**

# ***DRAFT PROPERTY MAINTENANCE MANAGEMENT AND PROCEDURES***



## GLOSSARY OF TERMS

- I. “PHA” means Polokwane Housing Association
- II. “SCM” means Supply Chain Management Policy review
- III. “MFMA” means Municipal Finance Management Act
- IV. “TEFMA” means Tertiary Education Facilities Management Association
- V. “HSV” means Housing Supervisor
- VI. “MO” means Maintenance Officer
- VII. “EOL” End of Life

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# 1. INTRODUCTION

## 1.1 *CONTEXT*

The POLOKWANE HOUSING ASSOCIATION (PHA) needs assets that excel in meeting the needs of tenants and will create a distinctive environment that will attract tenants to meet projected growth targets.

The proactive maintenance of such assets is very important as it ensures that suitable maintenance and capital works resources will be deployed to obtain the best possible outcome for the PHA. Decisions about assets, including acquisition, maintenance, operating costs, and disposal costs will need to be made on information on the existing asset base and on the projected needs of the PHA.

By engaging in a strategic approach to maintenance we increase and enhance the effective use of the PHA physical assets. At the same time, we decrease the risk of a reduction in services and future financial burdens that will occur as a result of the lack of maintenance.

## 1.2 *PURPOSE*

The purpose of this policy is to provide a means for PHA to ensure that all buildings are managed and maintained in a way that ensures efficient and optimal running, as well as to ensure that tenants are satisfied with the condition of the units. Because maintenance is such a crucial aspect of the efficient running of the company, a policy ensuring proper maintenance is needed. This policy will set out the activities related to maintenance, as well as the persons responsible for each part of the maintenance.

## 1.3 *AIMS AND OBJECTIVES*

This policy is to provide the structure within which to strategically manage the maintenance and to assist in managing optimisation of the life cycle of the PHA's assets in accordance with the business needs of the PHA and service delivery requirements. The policy also aims at assisting PHA to deliver high-quality repairs and maintenance services, having regard to available resources. Its key aims and objectives are:

- Assets are maintained to perform at optimum levels during their life cycle, reducing service disruptions and losses due to failure.
- Meet statutory obligations in relation to the maintenance of dwellings
- Protect and enhance the investment value of dwellings and through this the value of the public housing stock
- Critical areas and risks are identified and managed.
- Facilitate and encourage tenant participation in the housing maintenance service
- Secure the well-being of tenants
- Performance of assets is reviewed to suit core business service delivery and to ensure assets are fit for purpose.
- Maximise the physical life of each dwelling
- Identify performance indicators which will help to assess the quality of the service on an ongoing basis
- The cost of maintaining assets over their life cycle is quantified.
- Information is gathered to assist future decision-making and budgeting.
- To ensure that tenants are satisfied about the condition of the units, and the way in which maintenance has been carried out (Ensure accountability to the tenants in the management of the service)
- Establish management information systems in order to collate the information necessary for performance measurement
- Maximise the efficiency and effectiveness of housing maintenance staff, provide appropriate opportunities for staff training and development, and facilitate and encourage staff participation in decision-making regarding the management of the service

#### **1.4 REFERENCE DOCUMENTS**

This policy must be read in conjunction with the following documents:

- Credit Management/Control Policy Policy of the PHA
- Supply Chain Management (Procurement) Policy of the City of Polokwane
- Municipal Finance Management Act (MFMA)

## **1.5 REVIEW AND MAINTENANCE OF THE POLICY**

This policy will be reviewed annually or as and when required. The annual review shall be undertaken before the beginning of the new financial year and presented before the Projects, Contract and Property Committee for ratification and subsequently to the Board of PHA for approval. *Ad hoc* reviews to the policy shall also follow the same approval process, vis-a-vis

## **1.6 DISCRETIONARY POWERS**

Discretion is also granted to the CEO of PHA to make decisions related to the maintenance of the property of PHA that is not adequately addressed in the policy; provided the Chairperson of the Projects, Contract and Property Committee has sanctioned such a decision. In such instances the Company Secretary of the PHA shall document the decision by the CEO and ensure that the Chairperson of the Projects, Contract and Property Committee is consulted and that the Chairperson of the Board is informed of such a decision prior to the implementation.

## 2. PRINCIPLES, TECHNICAL STANDARDS AND LIFE CYCLE COSTING

### 2.1 PRINCIPLES

Maintenance programs and plans must be developed in line with the technical standards for maintainable assets and aligned with the business planning and service delivery requirements of the PHA being the foremost driver. Maintenance must be managed to ensure the most efficient and effective expenditure of limited resources to optimise life-cycle costs of assets. Maintenance funding allocations is prioritised within allocated resources as follows:

- Statutory compliance
- Occupational Health and Safety
- Business Needs
- Cost of asset
- Asset life cycle
- Consequential loss or damage

The basins, sinks, toilets, flushing systems and waste pipes; water pipes; electrical wiring, including sockets and switches, will be installed by PHA. PHA will not be responsible for maintaining any installations that it has not installed. PHA will charge a levy per tenant for maintaining communal parts of blocks of flats, such as corridors, stairways and entrances; open gardens, grass, and landscaping; structures or installations for individual or communal use, e.g. post boxes, washing lines, refuse collection centres, play areas, benches, etc; and roads, pathways, etc.

### 2.2 SERVICE STANDARDS

Technical standards cover the units, the buildings, and the environment in which they are located, as described in the following list: drains, gutters and external pipes; roof; foundations, outside walls, outside doors, window sills, and window frames; internal walls, floors and ceilings, doors, door frames, and skirting boards excluding internal painting or decorating; boundary walls and fences.

The standard of the service delivered is determined by two factors: quality and timeliness of the service delivery, and client-orientation of the service delivery. The services delivered by or on behalf of PHA will be: delivered on time; delivered in a professional manner; and delivered in a customer-oriented manner.

Standards will be set by the PHA (in line with guarantees and other certificates), in consultation with the supplier for all items covered by the supplier.

These technical standards will be used to ensure that the buildings are all of a sufficiently high standard, in terms of quality and efficiency in use. The decision on deviating from these standards will always be taken by the Head of the Property Management Department in conjunction with the CEO/Financial Manager.

### **2.3 LIFE CYCLE COSTING**

In acquiring or developing an asset, PHA will take into account the whole of life costs of an asset. This includes procurement, operating and maintenance and disposal costs. An asset will deteriorate over its life-time. During this process some part or elements of the asset will fail before others. An effective maintenance program will ensure that the asset is maintained to achieve its full life potential by a preventive maintenance program that preserves and by a corrective program that restores and replaces the elements which have failed.

An effective maintenance program assists in maintaining the value of an asset during its lifetime, but it will not be able to maintain the asset indefinitely in an 'as new' condition. Maintenance expenditure will increase as the asset ages and elements fail. At the same time, improvements to the asset may be required to meet changed service requirements. As an asset ages or becomes outmoded, decisions will need to be made as to the cost/benefit of expenditure in maintaining the asset, refurbishing, replacing or disposing. Such decisions must take into account the life cycle costs of the current asset and alternative maintenance solutions. End of Life (EOL) replacements are common when an asset starts to fail on a regular basis. Early replacement not only saves ongoing maintenance expenditure but has the added benefit of providing a new asset warranty period.

## **3. MAINTENANCE RESPONSIBILITIES OF PHA**

### **3.1 RESPONSIBILITIES OF PHA**

PHA is responsible for overall management and planning of the maintenance of maintainable assets within the PHA's buildings and associated infrastructure.

The responsibilities of PHA and the tenant differ in certain respects, with regard to maintenance. The maintenance responsibilities of PHA are as follows:

- Drains, gutters, and external pipes
- Roof
- Foundations, outside walls, outside doors, window sills, and window frames
- External walls, floors and ceilings, doors, door frames and skirting boards, but not internal painting or decorating
- Boundary walls and fences, if provided by PHA
- Water pipes
- Communal parts of blocks of flats, such as corridors, stairways, and entrances.
- External Electrical Fixtures
- Fire extinguishers
- Pest control and fumigation of the units and exterior of the premises annually

Where the repair is the responsibility of the tenant, such as a broken window, the tenant should make arrangements for the work to be carried out as soon as possible to prevent further deterioration of the property. If PHA has to complete a repair that is the tenant's responsibility, the tenant will be charged the cost of this work.

### **3.2 RESPONSIBILITIES OF TENANTS**

The maintenance responsibilities of the tenant are as follows:

- To keep the interior in a clean, neat and tidy condition,
- Keeping all basins, sinks, cisterns, sanitary fittings, drains and gully's clean and unblocked,
- Replacing toilet seats, lids, sink plugs and chains and tap washers
- Providing replacement or additional door lock keys
- Repairing all boundary fences that have not been provided by the landlord
- Replacement of window glass that has been broken through misuse



- Electrical fuses and light bulbs
- Any damage to the premises caused by the tenant, members of their household, family or friends.
- The maintenance of any installations, improvements and additions not made by PHA
- Internal decorations
- Electrical wiring, including sockets and switches, if installed by the tenant. PHA will not be responsible for the maintenance of any electrical installations that it has not installed.

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## **4. SAFETY AND SECURITY**

### **4.1 SAFETY & SECURITY OF PREMISES**

Safety and security of tenants and property are a key concern of PHA. PHA will ensure that it complies, at all times, with the regulations of the Occupational Health and Safety Act to ensure the safety of its staff, as well as the safety of tenants.

Staff responsible for the maintenance of any particular complex must ensure that tenants are aware of all safety precautions, including emergency evacuation. This means that they know what to do in the event of fire, damage caused by natural disasters, and any other cause that is a threat to the tenant's safety.

PHA will deal with any maintenance issues that threaten the safety of any tenant immediately, should such a situation arise in line with policy and the discretion of the PHA will be applied in all instances.

PHA has employed security officers. PHA has the power to intervene in any issue, if it feels that the security of any tenant is at risk. The security officers will enforce the rules and regulations of PHA.

Based on regular reports from the security company, PHA will evaluate the security of the tenants. The Property Management Department and the tenants' committee for each complex will participate in the evaluation of the security on a regular basis.

### **4.2 TYPE OF SECURITY TO BE PROVIDED**

PHA has outsourced the guarding of its premises to a security firm whose functions are to:

- Control access to the premises through gate control
- Guards, patrol the perimeters and designated areas of the premises
- The security company will provide back up to the guards deployed on the premises of PHA should the need arise.

## 5. MAINTENANCE OF PUBLIC/Common Areas/FACILITIES

### 5.1 PREAMBLE

The areas around PHA's properties, as well as any public areas are the showcase of each social housing project, and therefore need to be well maintained. Developments also need to be attractive to tenants who live there. Poorly maintained and neglected environments will attract vandalism and crime. PHA will therefore be responsible for carrying out the following tasks at all developments:

### 5.2 CLEANING

The cleaning of the public spaces, galleries, staircases, entrances, parking bays, etc. will be done according to a *cleaning and Gardening schedule* that will specify at least the following: how often public areas are cleaned; which parts are to be cleaned in which way; and how the supervision of the cleaning is managed.

The cleaning is done in-house or outsourced to a cleaning company. PHA will, in consultation with tenants, decide to what extent tenants can be involved in these activities. The housing caretaker/Site Supervisor is responsible for supervision of the cleaning and reports to the Property Manager on a quarterly basis.

### 5.3 GARDENING

Gardening (cutting grass, weeding, trimming, etc.) will be done according to a *Cleaning and Gardening schedule* that will specify at least the following: how often gardening is done; what is done, and when; and how the gardening is supervised.

The gardening is done in-house or outsourced to a gardening company. PHA will, in consultation with tenants, decide to what extent tenants can be involved in these activities. The housing caretaker/Site Supervisor is responsible for supervision of the gardening, and reports to the Property Manager on a quarterly basis.

### 5.4 REFUSE REMOVAL

Refuse removal will be the responsibility of the Municipality. PHA will liaise with the Municipality to make arrangements. Tenants will be informed about times and conditions for refuse removal. In certain cases, PHA may at its discretion contract with independent waste collectors.

### 5.5 OTHER

Any other matter related to the upkeep of public areas will be dealt with as it occurs.

## **6.1 DEFINITION**

Reactive maintenance is done at the request of the tenant or a staff member. All damage or non-functional components should be reported to PHA as soon as possible. This can be done by telephone, in writing, via email, or by calling at PROPERTY's offices. Damages or non-functional components may also be reported to any staff visiting the development.

## **6.2 REPORTS**

All maintenance requests are received by the receptionist and recorded on a maintenance log book/form which format shall be changed from time to time to suit PHA's reporting requirement.

## **6.3 INSPECTIONS ON REPORTED MAINTENANCE QUERIES**

The Maintenance Officer decides on what needs to be done with the request, within a week of the request being received. Decisions on how to proceed with a maintenance job are usually only made after an inspection.

## **6.4 REPAIR CATEGORIES AND RESPONSE TIMES**

### **6.4.1 Assessment for repairs and maintenance**

All repairs will be assessed to establish whether they are the responsibility of PHA or the tenant. For repairs that are the PROPERTY's responsibility, a further assessment will be carried out to establish:

- Whether the repair is an emergency, urgent, or non-urgent repair
- If assessed as a "non-urgent" repair, whether it is already included in a planned maintenance programme to start within six months. If the repair is included in such a programme, no work will be carried out at the time.

Whenever possible the tenant will be informed of the date that the repair will be carried out. When the work has been finished, the tenant will be asked to sign the maintenance form to confirm that it has been satisfactorily completed.

PHA has the following categories of unplanned maintenance, each of which has specific response times.

### **6.4.2 Emergency Repairs**

Emergency repairs are defined as follows: serious leaks to internal water pipes and systems; damage to external doors or windows, if there is a security risk; graffiti on buildings; any other faults that compromise the health and safety of residents. All emergency repairs should be carried out **within 48 hours**. The tenant will be expected to ensure that there is access to the property.

**Response time**

*Emergency repairs:* make safe immediately and target completion of all key works within two working days.

**6.4.3 Urgent Repairs**

Urgent repairs are defined as: loss of hot water supply; loss of electrical supply; plumbing defects; glazing repairs (when not a security risk).

**Response time**

*Urgent repairs:* make safe immediately and target completion of all key works within five to ten working days of the defect being reported to PHA.

**6.4.4 Non-urgent Repairs (Routine)**

Non-urgent repairs are defined as follows: repairs to fittings; wall/ceiling plaster defects; repairs to internal doors, door frames; other repairs.

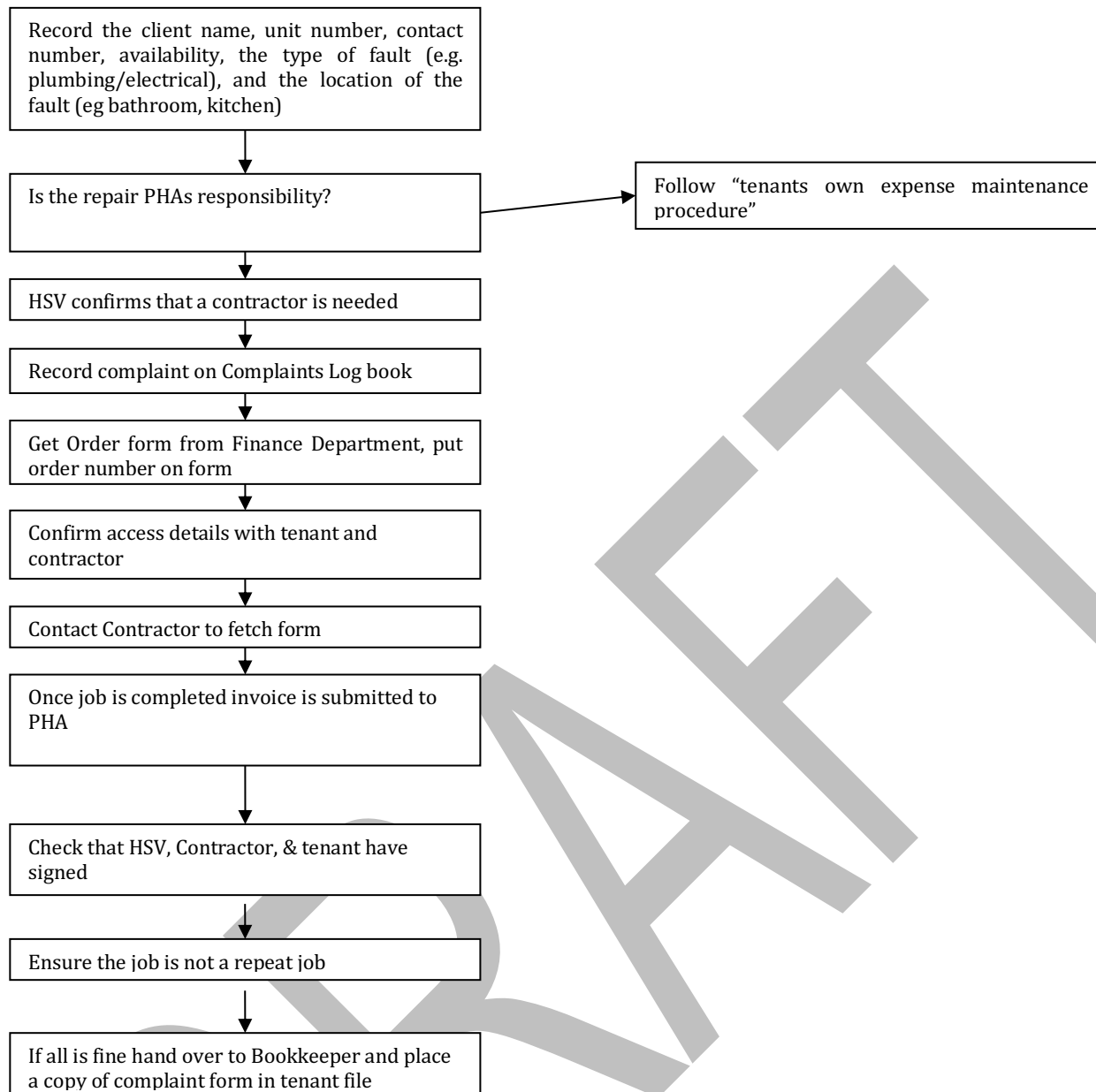
**Response time**

*Routine Repairs:* target completion of all key works within eight to twelve weeks of the defect being reported to PHA, unless covered by yearly maintenance within six months of date of complaint.

**6.5 REACTIVE MAINTENANCE PROCEDURES**

<b>1</b>	<p>Tenant calls/HS Calls/Tenant visits office; we record the following:</p> <p>Name</p> <p>Unit Number</p> <p>Contact Number</p> <p>Availability</p> <p>Type: Plumbing/Electrical</p> <p>Location: Bathroom/Kitchen</p>
<b>2</b>	<p>Call HS to check on the problem.</p> <p>Determine if it is PHA's responsibility or the tenant's responsibility.</p> <p>Apply wear and tear procedure in determining responsibility.</p> <p>If tenants responsibility follow "tenants own expense maintenance procedure"</p> <p>The Storeman authorises &amp; dispatch materials when the responsibilities are for PHA, if they for tenants the Storeman does not authorise materials.</p>
<b>3</b>	HS confirms that a contractor is needed
<b>4</b>	Record Complaint on Log book
<b>5</b>	<p>Get Order form from Finance Department</p> <p>Put order number on form</p>
<b>6</b>	Contact Contractor to fetch form
<b>7</b>	Confirm Access Details with Tenant and Contractor
<b>8</b>	Once job is completed invoice is submitted to PHA
<b>9</b>	Check HS, Contractor & tenant has signed
<b>10</b>	Ensure the job is not a repeat job
<b>11</b>	If all is fine hand over to Bookkeeper
<b>12</b>	

## Flowchart 1 – Reactive Maintenance Procedure

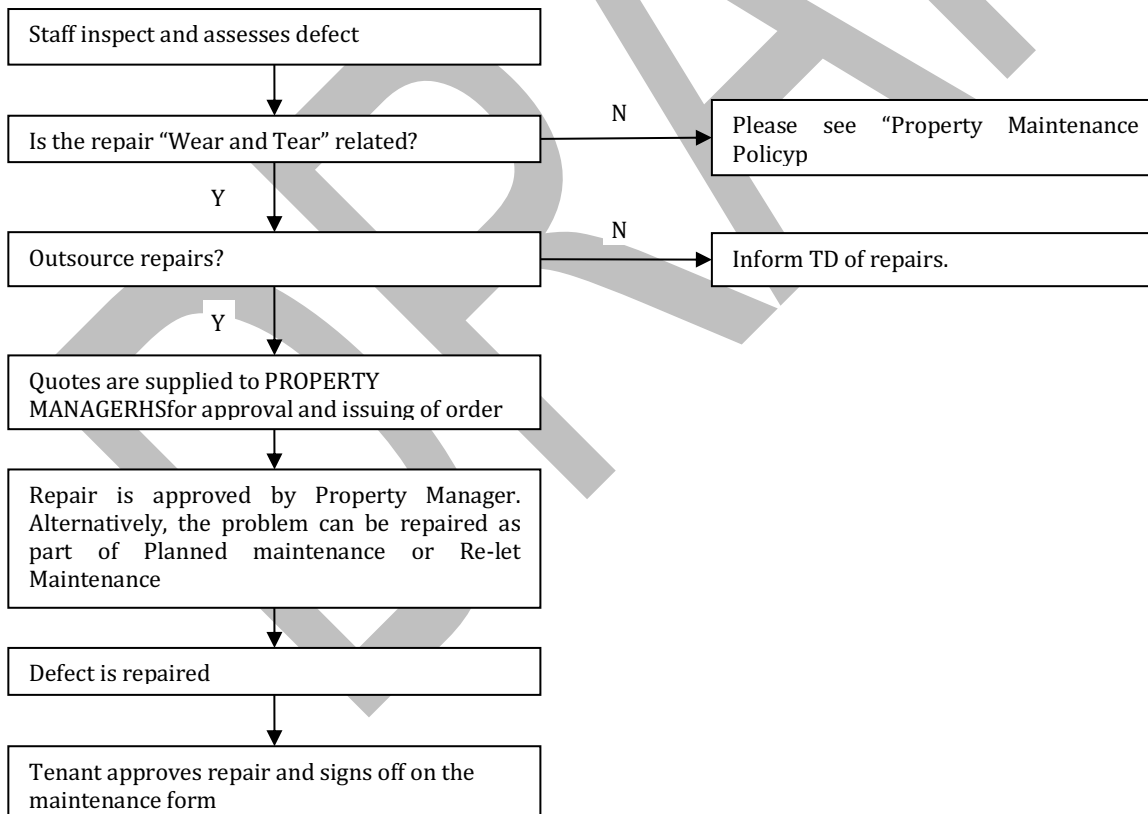


## 6. GENERAL MINOR MAINTENANCE PROCEDURE

The general minor maintenance procedures provide guidance on how to carry out this type of maintenance and identify the role players:

- Staff inspects and assesses defect.
- Decision is made whether the repair is indeed “Wear and Tear” related, if not please see “Tenants Own Expense Maintenance Procedure”
- Decision is taken whether to fix problem using own staff or outsource.
- Quotes are supplied to Housing SupervisorPROPERTY MANAGERHS) for approval and issuing of order number
- Repair is approved by maintenance manager. Alternatively, the problem can be repaired as part of planned maintenance or Re-let Maintenance.
- Defect is repaired.
- Tenant approves repair and signs off on the maintenance form.

### Flowchart 2 – Wear and Tear Maintenance Procedure



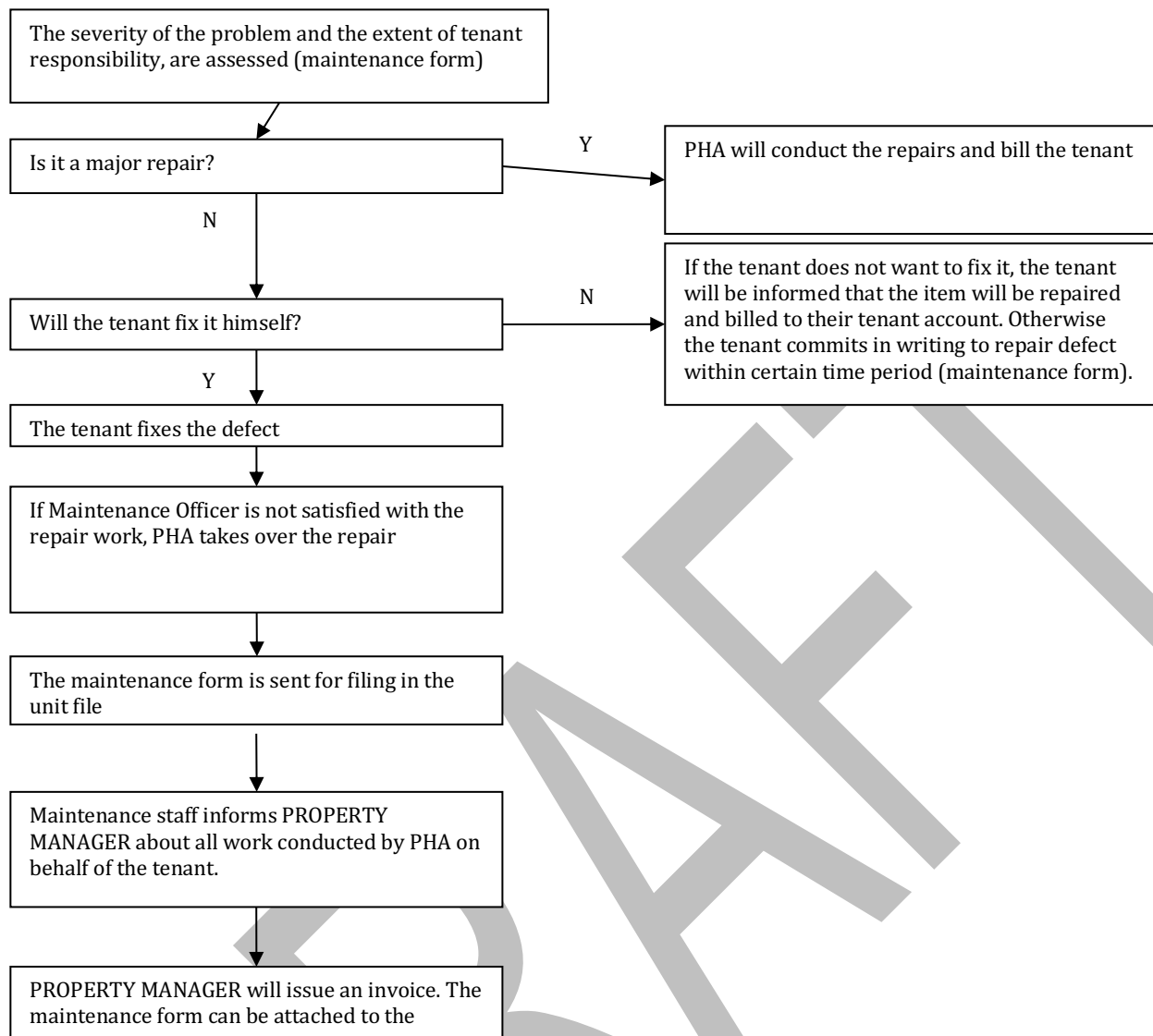


## 7. TENANT'S OWN EXPENSE MAINTENANCE PROCEDURE

Tenants may from time to time carry out maintenance . In such cases a baseline or point departure must be agreed upon:

- The severity of the problem is assessed and it will be determined to what extent the tenant is responsible for the repair and how much s/he has to pay for repairing it (maintenance form).
- If the problem is major, PHA will conduct the repairs and bill the tenant. If the problem is minor, the tenant is given the opportunity to fix it himself.
- If the tenant does not want to fix it, the tenant will be informed that the item will be repaired and billed to their tenant account. Otherwise the tenant commits in writing to repair defect within certain time period (maintenance form).
- The tenant fixes the defect
- If Maintenance Officer is not satisfied with the repair work, step 4 applies or PHA takes over the repair
- The maintenance form is sent for filing in the unit file.
- Maintenance staff informs PROPERTY MANAGER about all work conducted by PHA on behalf of the tenant. PROPERTY MANAGER will issue an invoice. The maintenance form can be attached to the invoice.

### Flowchart 3 – Tenant’s Own Expense Maintenance Procedure

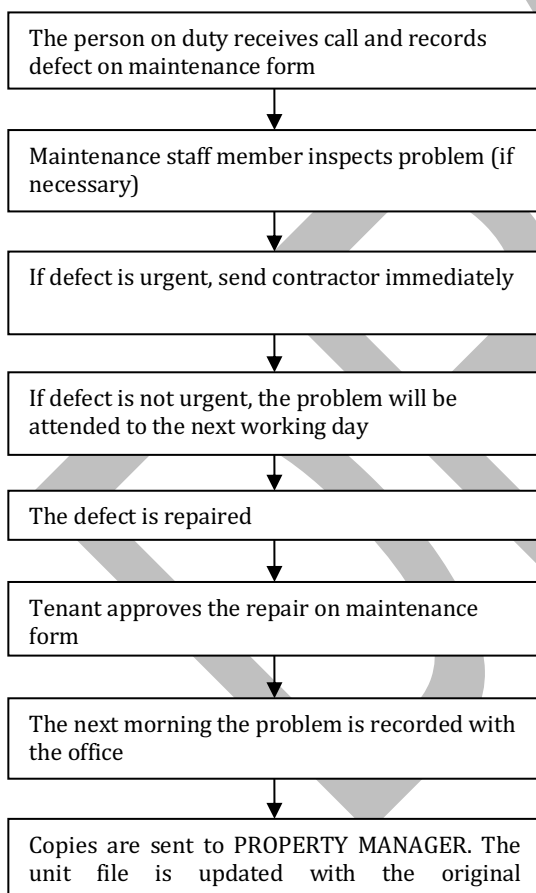


## 8. AFTER HOURS MAINTENANCE PROCEDURE

The maintenance procedures for after-hours is important as the tenants may receive attention from the PHA:

- The person on duty receives call and records defect on maintenance form (maintenance Log form/book).
- Maintenance staff member inspects problem (if necessary).
- If defect is not as urgent as tenant believes, the problem will be attended to the next working day.
- If defect is urgent, send contractor and/or available staff member immediately
- The defect is repaired.
- The next morning the problem is recorded with the office. Copies are sent to PROPERTY MANAGER. The unit file is updated with the original maintenance form

**Flowchart 4 - After Hours Maintenance Procedure**



## 9. RE-LET MAINTENANCE

### 10.1 CONTEXT

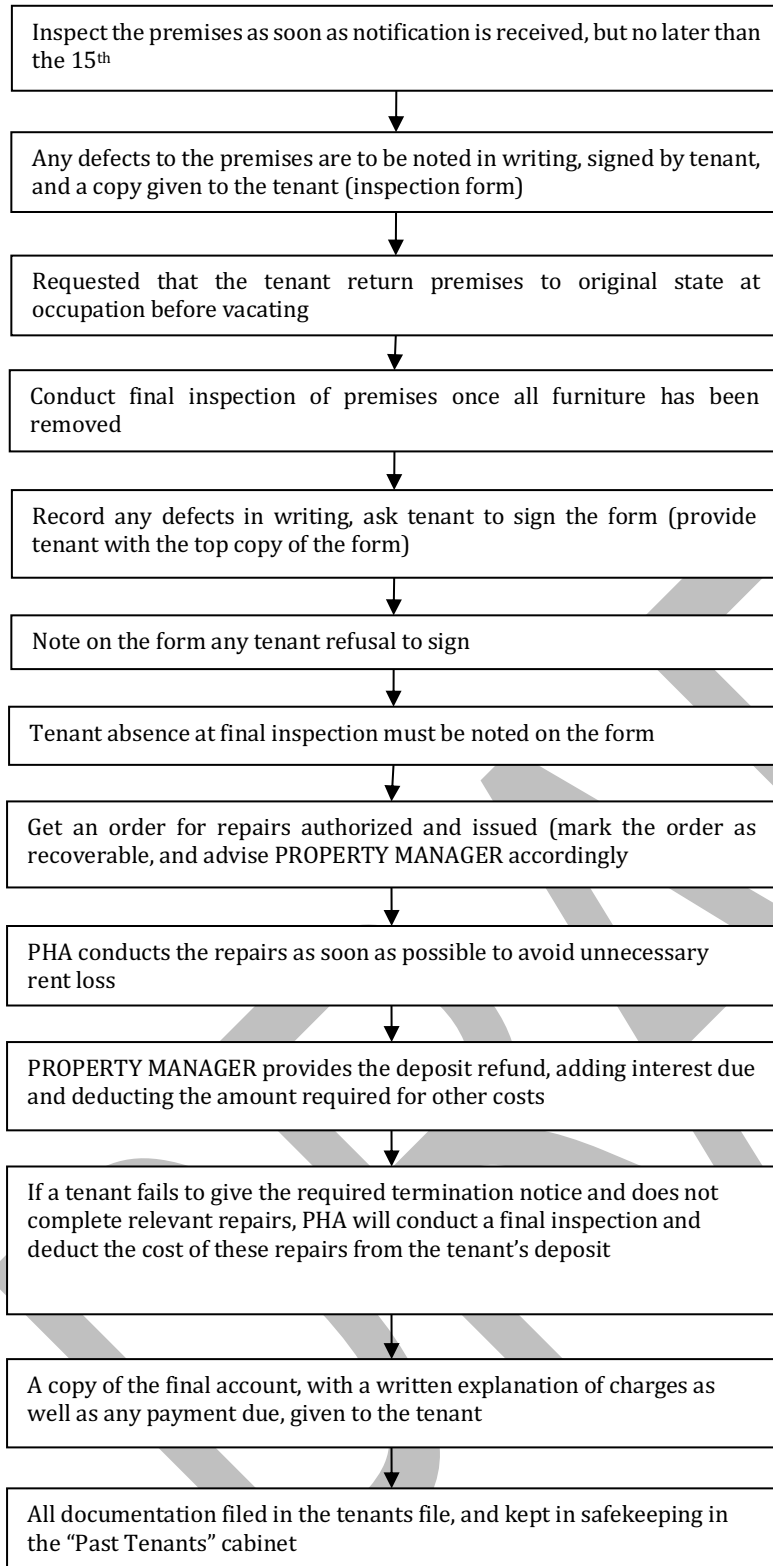
PHA aim is to minimize the time that units are empty. All vacant units must be re-let as soon as possible, to avoid unnecessary rent loss and the risk of vandalism.

Residents are expected to give one calendar months' notice of their intention to terminate their tenancy. The following procedure must be followed once a termination notice has been received.

### 10.2 RE-LET MAINTENANCE PROCEDURE

- The tenant must be requested to return the premises to the original state at occupation, before vacating.
- The repairs that are the tenant's responsibility will be agreed upon with the tenant at the time of the inspection, and confirmed in writing and signed on the inspection form.
- The tenant will be required to complete the repairs that are their responsibility before vacating the premises.
- An inspection of the premises will be done once all furniture has been removed. Any defects will once again be recorded in writing on the Post-Inspection form, and the tenant will be asked to sign the form acknowledging that the costs will be debited from his account. Should the tenant refuse to sign the form, this should be noted on the document.
- If a tenant is not at the outgoing inspection due to a fault on their part, then this is to be noted on the outgoing inspection form.
- The inspection form will be given to the PROPERTY MANAGER the next day and an order for the repairs should then be authorized and issued. The order will be marked as recoverable.
- PHA then conducts the repairs as soon as possible to avoid unnecessary rent loss.
- Where a tenant fails to give the required termination notice and leaves the property without completing the relevant repairs, PHA will conduct a final inspection and deduct the cost of these repairs from the tenant's deposit.
- Tenants who leave a property in an unsatisfactory condition will be charged the cost of repairing the property.
- Costs - PHA will have a price list of the most common maintenance jobs, in which material costs and labour are specified.

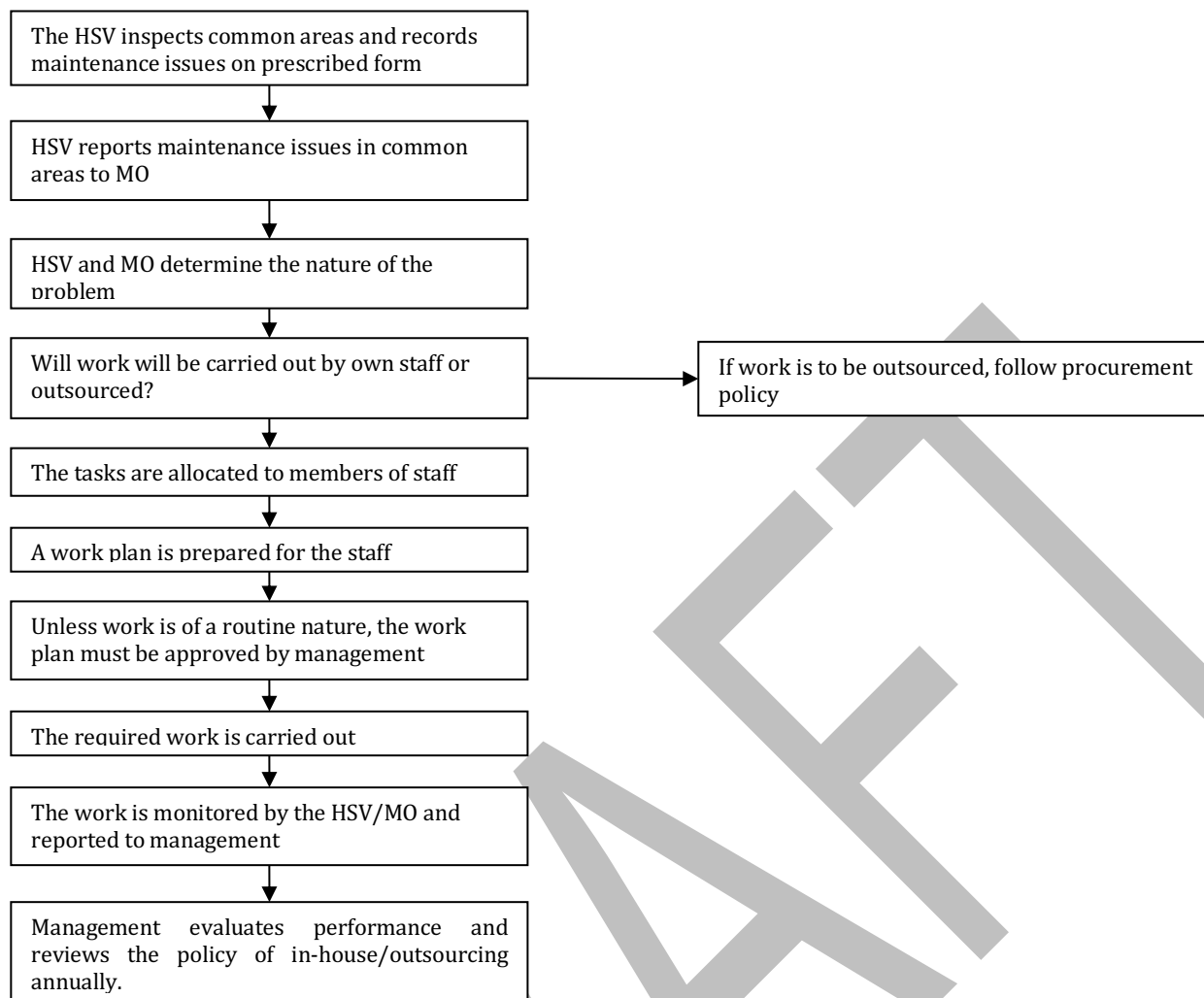
## Flowchart 5 – Re-let Maintenance



## 10. COMMON AREA MAINTENANCE PROCEDURE

- The HS inspects common areas and records maintenance issues on prescribed forms.
- HS reports maintenance issues in common areas to MO. If not from HS, it could also be that during other maintenance jobs, areas for maintenance work are identified.
- Determine the nature of the problem.
- Decision is taken if work will be carried out by own staff or outsourced to a company. If the work is done in-house, proceed with step 4. If work is to be outsourced, follow procurement policy.
- The tasks are allocated to members of staff.
- A work plan is prepared for the staff. If work is of a routine nature, steps 5 and 6 can be skipped (work plan).
- The work plan must be approved by management
- The required work is carried out.
- The work is monitored by the HS/Maintenance Officer and reported to management.
- Management evaluates performance and reviews the policy of in-house/outsourcing annually.

## Flowchart 6 – Common Area Maintenance Procedure



## 11. CRITERIA FOR PLANNED VERSUS UNPLANNED REPAIRS

Depending on the urgency of a request for maintenance, the PHA can decide to postpone certain unplanned maintenance jobs, and instead, make them part of a planned maintenance schedule.

Factors that determine the outcome of the decision are:

- The costs involved (e.g. economies of scale can bring costs down)
- The inconvenience for the tenant
- The seriousness of the problem
- The ability to fix it temporarily

The decision to repair will be taken by staff, management, or Board, depending on the costs involved. The CEO must be informed and or consulted on all decisions of undertaking unplanned maintenance, prior to the maintenance being effected. Planned maintenance shall follow the process that has been set down in this policy.



## **12. PLANNED/SCHEDULED MAINTENANCE**

### **12.1. EXPLANATION**

PHA will introduce a planned maintenance programme for all its properties. The input for this comes from the maintenance schedules produced during the development of the complex, and the Building Condition Audits.

The aim of the planned maintenance programme is to enable preventative maintenance to be carried out on properties before a specific component fails or deviates from an acceptable standard. Planned maintenance is the best way of ensuring the maximum life of a building, and reduces the need for ad-hoc repairs. It also assists with future financial planning, as it enables PHA to budget for its future repair obligations. It is the policy of the PHA to carry out most repairs as part of its planned maintenance programme, so as to minimize the number of ad-hoc repairs it completes.

In compiling a planned maintenance programme, a schedule of components will be compiled for each property type that PHA owns or manages. The schedule will list the estimated life of each component (to determine replacement times), as well as the estimated replacement cost of each component (including labour costs).

This information will allow a detailed annual maintenance programme to be produced, and will enable PHA to budget for future maintenance expenditure. The planned maintenance programme covers a period of 5 years (long term plan), and includes a budget. It is reviewed on the fourth year after the Building Condition Audit.

### **12.2. PLANNED MAINTENANCE PROCEDURE – EXISTING UNITS**

- A Building Condition Audit is conducted every four years to determine the level of wear and tear on the building in question
- Based on this information a plan is drafted which takes into account the urgency of the repairs as well as the approximate cost
- Other items that are long term in nature might be raised from time to time by the management of the organization. Plans may be changed/altered to accommodate these findings.

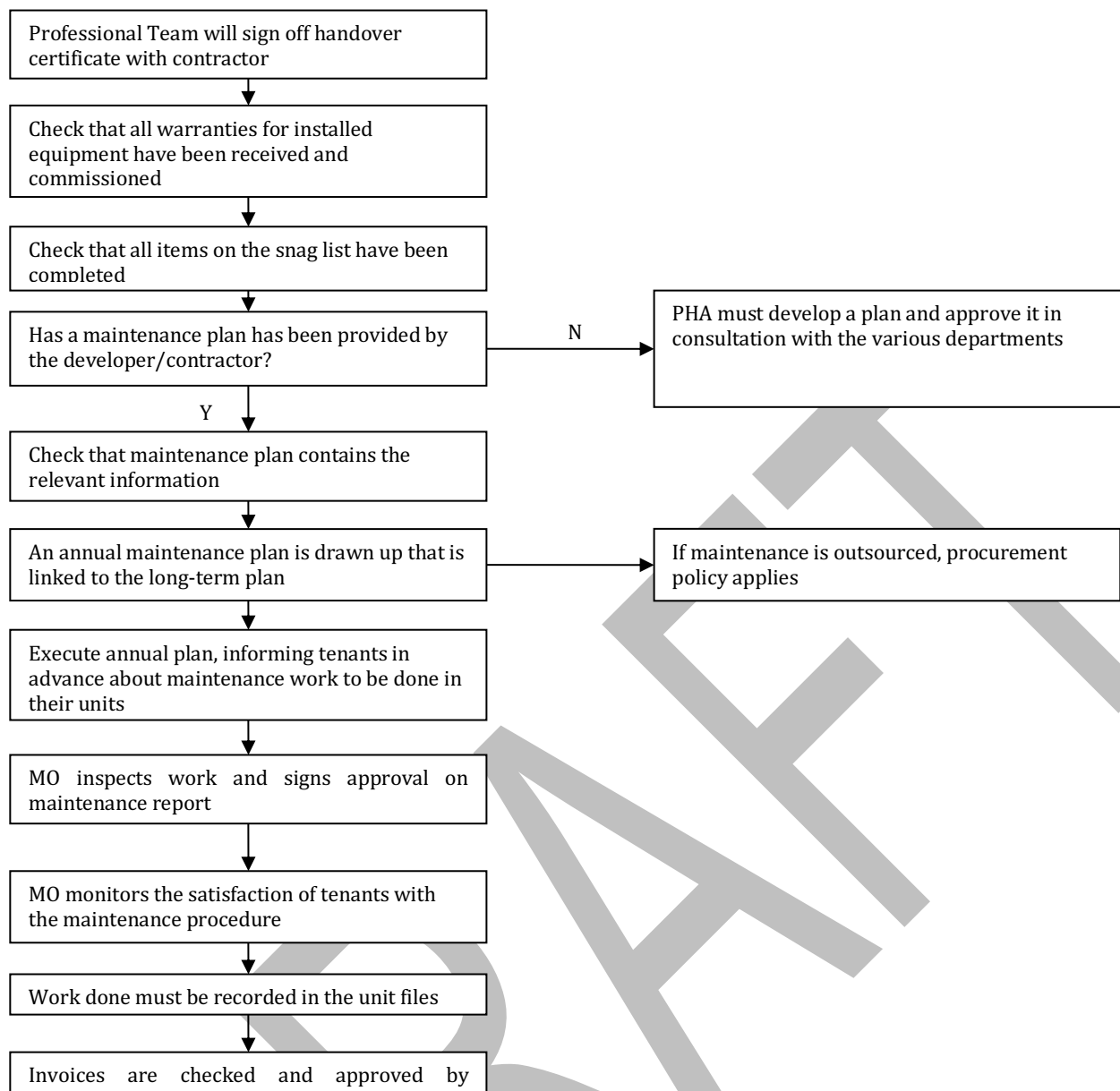
- The planned maintenance budget must be incorporated into the annual organizational budget so that cash flows can be calculated

### **13.3 PLANNED MAINTENANCE PROCEDURE – NEW UNITS**

#### *From Handover of New Development:*

- Professional Team will sign off handover certificate with contractor. Check that all warranties for installed equipment have been received and commissioned. Check that all items on the snag list have been completed (handover certificate; snag list).
- Check if a maintenance plan has been provided by the developer/contractor (if included as part of the brief).
- Check that maintenance plan contains the following information:
  - Commission and expiry/service date of equipment from suppliers
  - Budget for replacing and/or repairs to equipment
  - Frequency of maintenance
- If no maintenance plan has been provided by the contractor, the management team must develop a plan and approve it in consultation with the various departments. The plan must include a budget for planned maintenance that is linked with maintenance provision as received from PROPERTY MANAGER.
- An annual maintenance plan is drawn up that is linked to the long term plan, and is in line with the maintenance budget (annual maintenance plan).
- If maintenance is to be outsourced, the procurement policy applies.
- Execute annual plan. PHA informs tenants in advance about maintenance work to be done in their units.
- MO inspects work and signs approval on maintenance report, including costs. The MO also monitors the satisfaction of tenants with the procedure. Work done must be recorded in the unit files. The invoices are checked and approved by PROPERTY MANAGER.

#### **Flowchart 7 - Planned Maintenance Procedure (New Units)**



### 13. IMPROVEMENTS BY TENANTS

Tenants wishing to carry out improvements to their units must obtain the approval of PHA, in writing, before carrying out any work. The Property Management Office will inspect any alterations carried out by the tenant, to ensure that the work carried out meets its standards. If a tenant leaves the property, no compensation will be paid by the PHA for any improvements that the tenant may have carried out.

In the event that a tenant has carried out improvements without the approval of the PHA, the Property Management Department will assess the situation and take one of the following decisions:

- A. The improvement is inside the unit and is rejected, because it does not meet PHA's standards. In this instance, the improvement may stay within the unit under the following conditions:
  - PHA takes no responsibility for the maintenance of the improvement
  - PHA takes no responsibility for any damage to the improvement, nor for any damage might the improvement cause to the unit in case of malfunction, for whatever reason.
  - PHA takes no responsibility for any injury caused to any tenant, or to any visitor at the unit, due to any malfunction of the improvement.
  - The tenant has to undo the improvement at his/her own cost, as soon as the unit is vacated, and return the unit to its original state
- B. The improvement is outside the unit and is rejected, because it does not meet PHA's standards. In this instance, the tenant will be instructed to remove the improvement and return the premises to its original state immediately, at their own cost.
- C. The improvement is accepted by the PHA. The improvement will be added to the inspection list that was drawn up when the unit was occupied, and this will be used when the tenant vacates the unit. The tenant will not be reimbursed for the improvement.

## **14. BUILDING CONDITION AUDIT**

### **14.1. APPLICABLE PRINCIPLES**

Buildings are subject to a broad range of factors that can affect their condition. These include climate, pollution, insect attack, fungi, and subsidence. These conditions can affect different parts of buildings at different rates. How much usage a building receives will also affect the type and frequency of repairs required.

The maintenance plan, and the budget that is derived from it, must be flexible enough to allow for the re-allocation of funds, should unforeseen defects be identified. PHA will develop a systematic approach for the inspection of all buildings in its ownership. A suitably qualified and experienced person must carry out the building inspections and the inspection will note the following information:

- Each component of the building inspected
- Components requiring attention
- Whether a damaged or non-functional component should be repaired or replaced
- The estimated cost of the required work
- Whether any preventive maintenance should be carried out
- Details of work required within the next 12 months
- The estimated cost of any work required within the next 12 months

## **16, RESPONSE MAINTENANCE PERFORMANCE INDICATORS**

The establishment of a system of performance indicators is a vital step in achieving good Practice in the management of the response maintenance service. These performance indicators include among others, the following:

- Number of repairs requested by category, trade and complex
- Number of emergency, urgent and routine repairs completed as a percentage of all jobs carried out.
- Number of pre-inspected and post-inspected repairs by category and as percentage of all jobs undertaken
- Number of jobs completed within target completion times by category, trade, Complex and by contractor or direct labour organisation
- Number of jobs outstanding by category, trade and complex and by contractor or direct labour
- Number and percentage of pre-inspections not completed within target time
- Number of repairs per dwelling per annum
- Average cost of repairs per dwelling per annum.

## 17 FACILITIES MANAGEMENT

PHA may employ the services of a facilities management company or companies depending on the requirements at hand. The facilities management function may include the following:

- facility support services which include maintenance,
- cleaning,
- catering,
- security,
- waste management,
- pest control and
- hygiene

## 18 REPORTING

All maintenance-related reporting will be done on the prescribed documents. All reporting is to be copied and filed for personal records, and copies of correspondence between PHA and tenants must be copied and filed before being forwarded to relevant other staff members.

END

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# **POLOKWANE**

## **HOUSING ASSOCIATION**



*"A Promise Delivered"*

### **DRAFT SUPPLY CHAIN MANAGEMENT POLICY**

## 1. PREAMBLE

**WHEREAS** Section 217 of the Constitution of the Republic of South Africa, 1996 requires the organ of state in the national, provincial or local sphere of government, or any other institution identified in national legislation, when contracting for goods or services, to do that in accordance with a system which is fair, equitable, transparent, competitive and cost effective

**WHEREAS** Section 111 of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) requires that the Housing association adopt, maintain and implement a supply Chain Management Policy:

And **WHEREAS** municipal Supply Chain Management regulations made in term of Section 168 of the Local Government: Municipal Finance Management Act prescribed what such Supply Chain Management Policy must provide for;

Now **THEREFORE**, the Board of Directors of Polokwane Housing Association adopts the Supply Chain Management Policy as set out in this document.

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## DEFINITIONS

- 1) In this Supply Chain Management Policy, unless the context otherwise indicated, word or expression to which a meaning has assigned in the Local Government: Municipal Finance Act, 2003 (Act No.56 of 2003), has the meaning so assigned, and:

**“Competitive bid”** means a written offer submitted in a prescribed or stipulated form, in response to an invitation by the Housing Association for the provision of goods and services;

**“Competitive bidding process”** means a competitive bidding process referred to in paragraph 12 (1) (d) of this Policy



**“Final award”**, in relation to bids or quotations submitted for a contract, means the final decision on which bid or quote to accept

**“Board”** refers to Polokwane Housing Association

**“Equity Ownership”** refers to the percentage ownership and control, exercised by individuals within an enterprise.

**“Black people”** is a generic term, which means Africans, Coloureds and Indians who are South African Citizens.

**“Broad – Based Black Economic Empowerment”** means the economic empowerment of all Black people through diverse but integrated socio-economic that include, but not Limited to:

- I. Increasing the number of black people that manage, own and control enterprises and productive assets;
- II. Facilitating ownership and management of enterprises and productive assets by communities, workers, co-operative and other collective enterprises;
- III. Human resource and skills development;
- IV. Achieving equitable representation in all occupational categories and levels in the workforce;
- V. Preferential procurement; and
- VI. Investment in enterprises that are owned or managed by black people.

**“List of accredited prospective providers”** means the list of accredited prospective providers, which the Housing Association entity must keep in terms of regulation 14 of the Local Government: Municipal Finances Management Act ( 56/2003): Municipal Supply Chain Finance Management Regulations;

**“ SMMEs”** (small, medium and Micro Enterprises) refers to separate and distinct business entities, including co-operative enterprises and NGOs, managed by one owner or more, as defined in the National Small Business (Act 102 of 1996).

**“Contract”** refers to legally binding agreement between Polokwane Housing Association and the service provider.

**“Contractors”** means any natural or legal person whose bid has been accepted by the Board.

**“Closing time”** means the date and hour specified in the bid documents for the receipt of tenders.

## INTRODUCTION

- 2) Procurement reforms in government started in 1995 and were directed at two broad focus areas, namely, the promotion of principles of sound financial governance and the introduction of a preference system to address certain socio-economics objectives

The procurement reform processes were supported by the introduction of number of legislative measures, including the adopted of the Preferential Procurement Policy framework Act, 2000 (Act No. 5 of 2000), Local Government: Municipal Finance Management Act, 2003 (Act No. 56 2003) and the Broad-based Black Economic Empowerment Act 2003 (Act No. 53 of 2003).

The purpose of the Policy is to ensure that Polokwane Housing Association obtains goods and service in support of its activities at a lowest possible cost having regard to quality and services, while acting in a socially responsible manner in developing and supporting small, micro and medium enterprises owned by the Historically disadvantaged Individuals.

The Municipal Finance Management Act has set up the Supply Chain Management as a point o departure and improvement from the current processes of procurement. The implementation of the Supply Chain Management System occupies centre stage in the context of the ongoing financial management reform process in the public sector.

Supply Chain Management is an interconnected process of buying, storing, utilizing and disposal. As such, it closes the gaps and addresses the whole cycle of procurement from demand management, disposal management, and risk management is given equal status, and value is added at each stage of the process.

## **CHAPTER 1**

### **OBJECTIVES, PRINCIPLES AND ROLES**

#### **Objectives of Supply Chain Management Policy**

- 3) The objective of the supply management policy is:-
- a) To give effect to the provision of section 217 of the Constitution of the Republic of South Africa, 1996'
  - b) To give effect to the provision of the Local Government: Municipal Finance Management Act, (Act No. 56 of 2003)

- c) To give effect to the Municipal Supply Chain Management regulations

## Principles

- 4) Principles of supply chain management policy are –

- a) **Accountability:** Effective supply chain management system must be maintained in order to enable the Accounting Officer to discharge his/her responsibilities.
- b) **Efficiency:** Procurement process must be carried out as cost-effective as possible.
- c) **Effectiveness:** The Housing association must meet the socio-economic goals of the National Government and sound financial governance appropriate to procurement requirements.
- d) **Fairness:** The service providers must be treated fairly. The housing Association must not impose unnecessary burdens or constraints on the service providers or potential service providers.
- e) **Legality:** The Housing Association must conform to all legislative requirements in terms of the procurement.
- f) **Transparency:** The Housing Association must ensure that there is openness and clarity on Supply Chain Management Policy and its deliverables.
- g) **Responsiveness:** The Housing Association must endeavor to meet the aspirations, expectations and needs of the community served by the procurement.
- h) **Informed decision-making:** The Housing Association needs to base decisions on accurate information and monitor requirements to ensure that they are being met.
- i) **Integrity:** There must be no corruption or collusion with the service providers
- j) **Consistency:** The service providers must be able to expect the same general Supply Chain Management Policy across the Housing Association.
- k) **Competitiveness:** Procurement must be carried out by competition unless there are convincing reasons to the contrary

## Oversight role of the Board

- 5) The Board must maintain oversight over the implementation of the supply chain management policy. For the purpose of such oversight, the accounting officer must-
- a) Within 10 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the Board of Directors
  - b) Within thirty (30) days of the end of the financial year submit a report on the implementation of the supply chain management policy of the Housing Association.
  - c) Whenever there are serious and material problem in the implementation of the supply Chain Management Policy, immediately submit a report to the Board of Directors and the National Treasury.
  - d) The reports of supply chain management policy must be public in accordance with section 21A of the Municipal System Act.

#### **Role of the Accounting Officer**

- 6) Accounting officer should-
- a) At least annually review the implementation of the policy and when considers it necessary, submit proposals for the amendment of the policy to Board
  - b) Implement a Supply Chain Management Policy
  - c) Take account of the need for the uniformity in supply practices, particularly to promote accessibility of supply chain management systems for small businesses.
  - d) Ensure strict adherence to the guidelines provided by the National Treasury.

- e) Develop the internal procedures and processes
- f) Report to Board regarding implementation of the Supply Chain Management.
- g) Comply with the highest ethical standards
- h) Ensure training of supply chain practitioners.

#### **Delegation of supply chain management power and duties**

7) ( 1) The Board hereby delegate to the Accounting Officer any all powers and duties to enable the Accounting Officer –

- a) To discharge the supply chain management responsibilities conferred on the Accounting Officer in terms of –
  - I. Chapter 8 or 10 of the Act; and
  - II. The supply chain management policy
- b) To maximize administrative and operational efficiency in the implementation of the supply chain management policy
- c) To enforce reasonable cost-effective measure for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of the supply chain management policy
- d) To comply with his or her responsibilities in terms of section 115 and other applicable provisions of the Act.

(2) The Accounting officer may not delegate or sub delegate any supply chain management powers or duties –

- I. To a person who is not an official of Polokwane Housing Association or
- II. To a committee which is not exclusively composed of officials of Polokwane Housing Association

(3) The delegation to the accounting officer in terms of 3.3.1 above is subject to the following conditions:

- a) That a competitive bidding process will be followed for any specific procurement of a transaction value above R200 000.00 (Vat included) and the procurement of long term contract
- b) That on recommendation from the bid adjudication committee, the Accounting Officer makes final wards

- c) That the final wards in a competitive bidding process should be made through the committee system provided for in section 4 of this policy
- d) No decision-making in terms of any supply chain management power and duties may be delegation to an advisor or consultant
- e) That no requirement for good or services above an estimated transaction value of R200 000. 00 (Vat included) may deliberately be split into parts or items of lesser value merely for the sake of procuring the goods or services otherwise than through a competitive bidding process.
- f) That the Accounting Officer apply the committee system to formal written price quotation for transaction value between R30 000.00 and R200 000.00.

### **Committee System for Competitive Bids**

8) A committee system for competitive bids should consist of at least –

- I. A bid specification committee
- II. A bid evaluation committee
- III. A bid adjudication committee

### **Composition of Committees**

9) The Accounting Officer should appoint member of each committee based on the following guideline:

#### ***a) Bid specification committee***

A bid specification committee must be composed of one or more official of the Polokwane Housing Association, preferably manger responsible for the function involve, and may, when appropriate, include external specialist advisors

No person, advisor involved with the bid specification committee, or direct of such, may bid for any resulting contracts

#### ***b) Bid evaluation Committees***

A bid evaluation committee must be composed of officials a unit requiring the goods or services and at least one supply management practitioner of the Polokwane Housing Association.

#### ***c) Bid Adjudication Committee***



Bid adjudication committee must consist of senior managers of the Polokwane Housing Association, which must include;

- I. The Finance Manager or, if the Finance Manager is not available, an official designated by the Finance Manager;
- II. At least one senior supply chain management practitioner who is an official of the Polokwane Housing Association;
- III. A technical expert in the relevant field who is an official of the Polokwane Housing Association, if the Hosing Association has such an expert.

### **Functions and Purpose of Committees**

10) Following are functions and purpose of the different committees

#### **(1) Bid Specification committees**

- a) A bid specification committee must compile the specifications for each procurement of goods or service by the Polokwane Housing Association:
- b) Specifications-
  - I. Must be drafted in an unbiased manner to allow all potential suppliers to offer their goods or services
  - II. Must take account of any accepted standards such as those issues by Standards South Africa, the international Standards Organisation, or an authority accredited or recognized by the South African National Accreditation System with which the equipment or material or workmanship should comply.
  - III. Where possible, be described in terms of performance required rather than in terms of descriptive characteristics for design
    - May not create trade barriers in contract requirements in the form of specifications, plans, drawings, designs, testing and test methods, packaging, marking or labeling of conformity certification
    - May not make reference to any particular trade mark, name, patent, design, type, specific origin or producer unless there is no other sufficiently precise or intelligible way of describing the characteristics of the work, in which case such reference must be accompanied by the words "equivalent"
  - IV. **Must indicate each specific goal for which points may be warded in terms of the points system set out in the supply chain management policy of the Polokwane Housing Association.**
  - V. Must be approved by the accounting officer prior to publication of the invitation for bids.

## **2) Bid Evaluation Committees**

- a) A bid evaluation committee must-
- i. Evaluation bids in accordance with
    - The specifications for a specific procurement; and
    - The points system as must be set out in the supply chain management policy of the Housing Association in terms of regulation 27(2)(f) and as prescribed in terms of the preferential Procurement Policy Framework Act;
  - ii. Evaluation each bidder's ability to execute the contract;
  - iii. Submit to the adjudication committee a report and recommendations regarding the award of the bid or any other related matter.

## **3) Bid Adjudication committee**

- a) A bid adjudication committee must –
- i. Consider the report and recommendations of the bid evaluation committee; and
  - ii. Either –
    - Depending on its delegation, make a final awards or a recommendation to the Accounting Officer to make the final award; or
    - Make another recommendation to the Accounting Officer how to proceed with the relevant procurement.

## **CHAPTER 2**

### **SUPPLY CHAIN MANAGEMENT SYSTEM**

#### **Format of Supply Chain Management System**

11) This Policy provider systems for –

- i. Demand management
- ii. Acquisition management
- iii. Logistics management
- iv. Disposal management
- v. Risk management; and

- vi. Performance management

### ***Part 1: Demand Management***

#### **System of demand management**

12) (1). The accounting Officer must establish and implement an appropriate demand management system in order to ensure that the resources required by Polokwane Housing Association supports its operational commitment and its strategic goals outlined in the Business Plan and the Management plan

2) The demand management system must –

- a) Include timely planning and management processes to ensure that all goods and services required by the Housing Association are quantified, budgeted for and timely and effectively delivered at the right locations and at the critical delivery dates, and are of the appropriate quality at a fair cost;
- b) Take into account any benefits of economies of scale that may be derived in the case of acquisitions of a repetitive nature;
- c) Provide for the compilation of the required specifications to ensure that its needs are met; and
- d) To undertake appropriate industry analysis and research to ensure that innovations and technological benefits are maximized.

3) Benefits of Demand Management

Demand management should provide benefits such as:

- Best value for money;
- Better risk management;
- More efficient procurement;
- Improvements in procurement outcomes;
- More opportunities for innovating bidding and contract management;
- More opportunities for implementing and achieving National Government's broader policy objectives;

- Effective partnership between supply chain management practitioners and end-users.

## ***Part 2: Acquisition management***

### **System of acquisition management**

13) (1) The Accounting Officer must implement the system of acquisition management test out in this part in order to ensure –

- a) That goods and service will be procured by the Polokwane housing association in accordance with authorized processes only;
- b) That expenditure on goods and services will be incurred in terms of the approved budget and in line provisions of section 15 of the Act;
- c) That the threshold values for different procurement processes will be complied with;
- d) That bid documentation, evaluation and adjudication criteria, and general conditions of contract, are accordance with any applicable legislation;
- e) That any Treasury guidelines on acquisition management will be properly taken into account; and
- f) Unless the Polokwane housing association otherwise directs:
  - I. Bids are invited in the Republic only, and
  - II. The laws of the Republic should govern contracts arising from the acceptance of bids

2. The Supply Chain Management will not apply if Polokwane Housing Association contracts with another organ of state for –

- a) The provision of goods or service to Polokwane Housing Association;
- b) The provision of a municipal service or assistant in the provision of a municipal services
- c) The procurement of goods and services under a contract secured by that other organ of state, provided that the relevant supplier has agreed to such procurement

3) If Polokwane Housing Association procure goods or services contemplated in 2 above, it must make public the fact that it procure such goods or services otherwise than through its supply chain management system including –

- a). The kind of goods or services; and
- b). The name of the supplier

4) The supply chain management system, except where provided otherwise in the regulation, will also not apply in the following:

- a) Water from the Department of Water Affairs or a public entity, other Housing Association; and
- b) Electricity from Eskom or another public entity, another Housing Association.

### **Range of Procurement processes**

14) (1) The procurement of goods and services will be procured through the following:

- a) Petty cash purchases, up to a transaction value of R 2 000.00 (Vat included). Two formal written quotations to be obtained.
- b) Three formal written quotations for procurement of a transaction value over R2 000 up to R200 000 (Vat included);
- c) A competitive bidding process for –  
I procurements above a transaction value of R200 000 (Vat included); and  
The procurement of long-term contracts

(2). The Accounting Officer may lower and not increase in writing the threshold value specified in 1 above

(3) Goods or services may not deliberately be split into parts or items of a lesser value merely to avoid complying with the requirement of this policy

(4) When determining transaction value, a requirement for goods or services consisting of different parts or items must as far as possible be treated and dealt with as a single transaction.

### **General pre-condition for consideration of written quotations or bids**

15) A written quotation or bid should not be considered unless the provider who submitted the quotation bid –

- a) Has furnished that provider's

- I. Full name;

- II. Identification number or company or other registration number; and
  - III. Tax reference number and VAT registration number; if any
- b) Has authorized Polokwane Housing Association to obtain a tax clearance from the South African Reserve Services that the provider's tax matters are in order; and
- c) Has indicated –
- i. Whether he or she is in the service of the State, or has been in the services of the State in the previous twelve months;
  - ii. If the provider is not as natural person , whether any of its directors, managers, principal shareholders or stakeholder is in the service of the State, or has been in the service of the State in the previous twelve months; or
  - iii. Whether a spouse, child or parent of the provider or a direct, manager shareholder or stakeholder referred to in subparagraph (ii) is in the service of the State, or as been in the service of the State in the previous twelve months

#### **Lists of accredited prospective providers**

- 16) (1) The Account officer must –
- a) Keep a list of accredited prospective providers of goods and services that must be used for the procurement requirements through written or verbal quotations and formal written price quotation; and
  - b) At least once a year through newspaper commonly circulating locally, the website and any other appropriate ways, invite prospective providers of goods or services to apply for evaluation and listing as accredited prospective providers;
  - c) Specify the listing criteria for accredited prospective providers; and
  - d) Disallow the listing of any prospective provider whose name appears on the National Treasury's database as a person prohibited from doing business with the public sector.
- (2) The list must be updated at least quarterly to include any additional prospective providers and any new commodities or types of services. Prospective providers must be allowed to submit applications for listing at any time.
- (3) The list must be compiled per commodity and per type of service

#### **Petty Cash Purchases**

17) The condition for the procurement of goods by means of petty cash purchases referred to in paragraph 13 (1) (a) of this policy are as follows –

- a) Employees are not authorized to approve their own petty cash transactions nor petty cash transaction be authorized by a subordinate staff member. Wherever possible, approval should be by the relevant Sectional Manager or his/her delegate. The Sectional Manager should delegate the responsibility for approval of petty cash transactions to a staff member reporting to him/her in terms of the Board's delegation system.
- b) Petty cash purchases are limited up to R2000.00 (VAT included) per transaction.
- c) The total amount of petty cash purchases for each manager is limited up to the maximum of R10 000.00 (VAT included) per month.
- d) The petty cash fund cannot be used to –
  - i. Purchase goods currently covered by annual contracts;
  - ii. Reimburse expenditure greater than R2000.00 (VAT included). Depending on the item purchased, one of the following should be used for those expenditures exceeding R2000.00 (VAT included) per transaction:
    - I. Direct payment Voucher;
    - II. Requisition book; and
    - III. Official Purchase Order
- e) The official responsible for Supply Chain Management is responsible for the reconciliation of petty cash and the reconciliation should be prepared and provided to the Financial Manager, including –
  - i. The total amount of petty cash purchase for that month; and
  - ii. Receipts and appropriate documents for each purchase.

#### **Formal written price quotations**

18) The following are conditions for procurement of goods or services through formal written price quotation:

- a) Quotation must be obtained in writing from the different providers whose names appear on the list of accredited prospective providers of Polokwane Housing Association

- b) In the case of specialized plant, machinery and vehicle, quotations can be obtained from providers who are not listed, provided that such providers meet the listing criteria in the supply chain management policy in paragraph 5.2.4.4
- c) If it is not possible to obtain at least three quotations, the reasons must be recorded and approved by the Finance Manager or an official designated by the Finance Manager
- d) A designated official referred in (c) above must within three days of the end of each month report to the Finance Manager on any approvals given during that month by that official
- e) The names of the potential providers and their written quotations must be recorded

#### **Procedures for procuring goods or services through formal written quotations**

19) The procedure for the procurement of goods or services through formal written price quotation is as follows:

- a) All acquisitions in excess of R30 000.00 that are made by means of price quotations, must be advertised for at least 7 (seven) calendar days on the website and official notice board, and 80/20 preference point system applicable.
- b) Where the quotations have been invited via the notice board and website of the Polokwane Housing Association, no additional quotations need to be obtained should the number of responses be less than three quotations.
- c) When using the list of accredited prospective providers, the Polokwane Housing Association must –
  - i. Promote ongoing competition amongst the providers, including by inviting providers to submit quotations on a rotational basis;
  - ii. Promote objectives of the Broad-Based Black Economic Empowerment Act; and
  - iii. Apply the Preferential Procurement Policy Framework and any applicable regulations
- d) Accounting Officer must take all reasonable steps to ensure that the procurement of goods and services through formal written price quotations is not abused.



- e) The Accounting Officer or Finance Manager must on a monthly basis be notified in writing of all formal written quotations accepted by an official acting in term of a sub delegation.
- f) Offers below R30 000 (VAT included) must be awarded based on compliance to specifications and condition of contract, ability and capability to deliver the goods and service and lowest price;
- g) Acceptable offers, which are subject to the preference points system (PPPFA and associated regulations), must be awarded to the bidder who scored the highest point;
- h) A proper record keeping of the received written quotations must be maintained.

### **Process for competitive bidding**

20) Following are procedures for a competitive bidding process for each of the following stages:

#### **(1) Compilation of bidding documentation**

In addition to paragraph 5.2.3 above, the bid documentation must –

- a) Take into account –
  - The general conditions of contract;
  - Any Treasury guidelines on bid documentation; and
  - The requirement of the Construction Industry Development Board, in the case of a bid relating to construction, upgrading or refurbishment of buildings or infrastructure.
- b) Include evaluation and adjudication criteria, including any criteria required by other applicable legislation.
- c) Compel bidders to declare any conflict of interest they may have in the transaction for which the bid is submitted
- d) Require the bidders to furnish the following if the value of the transaction is expected to exceed R10 million (VAT included):
  - If the bidder is required by law to prepare annual financial statements for auditing, their audited annual financial statement –
    - For the past three years; or
    - Since their establishment if establishment during the past three years

- Particular of any contracts awarded to the bidder by an organ of state during the past five years, including particulars of any material non-compliance or dispute concerning the execution of such contract
  - A statement indicating whether any portion of the goods or services are expected to be source from outside the Republic, and, if so, what portion and whether any portion of payment from the Housing Association is expected to be transferred out of the Republic
- e) Stipulate that disputes must be settled by means of mutual consultation, mediation ( with or without legal representation),or, when unsuccessful, in a South African court of law

## **(2) Issuing of bid documents**

On the date that the advertisement appears in the media, prospective bidder may request copies of the tender documentation.

An official responsible for supply chain management will keep a register and potential bidder should sign for receipt of the bid documentation. If a fee is payable, an official receipt must be issued before the bid document is handed to the bidder.

No bid responses from any tendered should be accepted if sent via the Internet, e-mail or fax

The Accounting Officer and Official responsible for supply chain management will have direct communication between the potential bidders and will facilitate all communication between potential bidders and the Housing Association with regard to any advertised bid. No line function staff should be allowed to communicate with potential bidders without the approval by the Head of the Supply Chain Management Unit

The Supply Chain Management Unit will only consider request for the extension of the closing dates of advertised bid if the postponed date can be advertised in the media used to advertise before the original closing date. The closing time may be postponed only if all potential bidders can be advised of the postponed time, in writing, before the original closing time.

The decision to extend the closing date or time rests with the Accounting Officer, who must ensure compliance with all relevant rules and regulation and must confirm prior to the action being taken.

## **(3) Payment of bid documents**

To ensure that only bona fide bidders collect documentation, and to recover printing costs, bid documents will be issued only after payment of the following amounts to the cashier:

Micro Projects	R50.00
Small Projects	R100.00
Medium Projects	R150.00
Large Project	R250.00

#### **(4) Public invitation for competitive bids**

The following are procedure for the invitation of competitive bids:

- i. Invitation to prospective providers to submit bids must be by means of a public advertisement in newspapers commonly circulating locally, the website of the Housing Association or any other appropriate ways (which may include an advertisement in the Government Tender Bulletin) and
- ii. Public advertisement must contain the following:
  - The closure date for the submission of bids, which may not be less than 30 days in the case of transactions over R10 million (vat included), or which are of a long term nature, or 14 days in any other case, from the date on which the advertisement is placed in a newspaper; subject to (iii) below; and
- iii. Accounting Officer may determine a closure date for the submission of bids which is less than the 30 or 14 days requirement, but only if such shorter prior can be justified on the grounds of urgency or emergency or any exceptional case where it is impractical or impossible to follow the official procurement process.
- iv. Bids submitted must be sealed.
- v. The following information must appear in any advertisement:
  - Bid number;
  - Description of the requirement
  - The place where the bid documents can be obtained;
  - The date, time and venue where site inspection/briefing session will be (if applicable);
  - Closing date and time;
  - The fee applicable that must be paid before the bid documents will be issued; and

- The name and telephone numbers of the contact person for any enquiries.

#### **(5) Site meeting of briefing sessions**

A fully explanatory site inspection must be conducted before the close of the bids to ensure that the bidders understand the scope of the project and that they can comply with the conditions and requirements.

It should be a condition that prospective bidders attend a site inspection and non-attendance should invalidate a bid, where a site inspection/briefing session is applicable

#### **(6) Handling of bids submitted in response to public invitation**

##### **a) Closing of bids**

All bids will close at 10H00 on a date as stipulated on the advertisement, which must be reflected in the bid document.

Bids are late if they are received at the address indicated in the tender documents after the closing date and time.

A late bid should not be admitted for consideration and where practical should be returned unopened to the bidder accompanied by an explanation.

##### **b) Opening of bids**

Bids are opened in public as soon as possible after the closure in the presence of the Head of Supply Chain Management or his/her delegate.

The official opening of the bids should in each case read out the name of the bidder and the amount of the bid

The bid should be stamped with the official stamp of the Polokwane Housing Association and endorsed with the signatures of the person opening it and of the person in whose presence it was opened.

Bid should be recorded in a register kept for that purpose.

#### **(7) Validity of the bid**

The validity period not exceed 90 (ninety) days and is calculated from the date of bid closure endorsed on the front cover of the bid document.

Should the validity period expire on a Saturday, Sunday or public holiday, the bid must remain valid and open for acceptance until the closure on the following working date.

**(8) Consideration of bids**

- The Association take all bids duly admitted into consideration
- The Association reverses the right to accept the lowest or any bid received
- The decision by the Housing Association regarding the awarding of a contract must be final and binding

**(9) Evaluation of bids**

- i. Compliance with bid conditions;
  - Bid submitted on time
  - Bid forms signed and each page initialed
  - All essential information provided
  - Submission of an Original Tax Clearance Certificate
  - Submission of a Joint Venture Agreement, which has been properly signed by all parties
- ii. Meeting technical specifications and comply with bid conditions;
- iii. Financial ability to execute the contract; and
- iv. The number of points scored for achieving Government's Broadcast-Based Black Economic Empowerment objective, point scored for price and/or points scored for functionality if applicable.

**(10) Evaluation of bids on functionality and price**

- i. Polokwane Housing Association must in the bid documents indicate if, in respect of a particular bid invitation that bids will be evaluated on functionality and price.
- ii. The total combined point allowed for functionality and price may, in respect of bids/offers with an estimated Rand value equal to, or below R1000 000.00 not exceed 80 points

- iii. The total combined points allowed for functionality and price may, in respect of bids with as estimated Rand value above R1000 000.00 not exceed 90 points
- iv. When evaluating bids contemplate in the item, the point for functionality must be calculate for each individual bidder.
- v. The conditions of bid may stipulated that a bidder must score a specific minimum number of points for functionality to qualify for further adjudication
- vi. The point for price, in respect of a bid which has scored a specified minimum number of points for contemplated in sub-regulation (v) above, must, subject to the application of the evaluation system for functionality and price contemplated in this regulation, be established separately and be calculated in accordance with the provisions of regulation c and d
- vii. The number of points scored for achieving Government's Broad-Based Black Economic Empowerment objectives must be calculated separately and must be added to the points scored for functionality and price.
- viii. Only bid with the highest number of points be selected.

#### **(11) Acceptance of bids**

Successful bidder must be notified at least by registered post of the acceptance of their bids, but that acceptance however, will only take effect after completion of the prescribed contract form.

Unsuccessful bids should not be returned to bidders, but should be placed on record for audit purposes.

A register or records should be kept of all bids accepted.

#### **(12) Publication of bid information**

The particulars of the successful bidders should be published in the Housing Association's Tender Bulletin as well as the website.

#### **(13) Cancellation and re-invitation of bids**

- i. In the event that in the application of the 80/20 preference point system as stipulated in the bid documents, all bids received exceed the estimated Rand value of R1 000 000.00, the bid invitation must be cancelled.

- ii. In the event that, in the application of the 90/10 preference point system as stipulated in the bid documents, all bids received are equal to or below R 1 000 000.0, the bid must be cancelled.
- iii. In the event that the Housing Association has cancelled a bid invitation as contemplated in sub regulations (i) and (ii) must re-invite bids and, must, in the bid documents stipulate that correct preference point system to be applied.

(d) A bid may be cancelled before award if:

- Due to changed circumstances, there is no longer a need for the goods, works or services offered, or
- Funds are no longer available to cover the total envisaged expenditure, or
- No acceptable bids were received

#### **(14) Negotiations with preferred bidders**

- i. It is allowed under this Policy that the Accounting Officer should negotiate the final terms of a contract with bidders identified through a competitive bidding process as preferred bidders, provided that such negotiation –
  - Does not allow any preferred bidder a second or unfair opportunity;
  - Is not to the detriment of any other bidder, and
  - Does not lead to a higher price than the bid as submitted.
- ii. Minutes of such negotiations must be kept for record purposes

#### **15) Two-stage bidding process**

- (i) A two stage bidding process may be allowed for –
  - Large complex projects;
  - Projects where it may be undesirable to prepare complete detailed technical specifications; or
  - Long-term projects with a duration period exceeding three years.

(ii) In the first stage technical proposals are conceptual design or performance specifications should be invited, subject to technical as well as commercial clarifications and adjustments.

(iii) In second stage final technical proposals and priced bids should be invited.

### **Procurement of banking services**

21) (1) A contract for banking services

- (a) Must be procured through competitive bids.
- (b) Should not be procured abroad
- (c) Should not be procured from institutions not registered as a bank in terms of the Bank Act, 1990, (Act No. 94 of 1990).
- (d) Must not be for a period of more than five years at a time.
- (e) The process for procuring a contract for banking services must commence at least nine months before the end of an existing contract.
- (f) The closure date of the submission of bids must not be less than 60 days from the date on which the advertisement is placed in a newspaper.

### **Procurement of IT related goods and services**

22) (1) The Accounting Officer must request the State information Technology Agency (SITA) to assist with the acquisition of IT related goods or services through a competitive bidding process.

(2) Both parties must enter into a written agreement to regulate the services rendered by, and the payments to be made to SITA.

(3) The Accounting Officer must notify SITA together with a motivation of the IT needs if

- i. The transaction value of IT related goods or services required in any financial year will exceed R50 million (Vat included); or
- ii. The transaction value of a contract to be produced whether for one or more year exceeds R50 million (Vat include).



(4) If SITA comments on the submission and the Housing Association disagree with such comments, the comments and the reasons rejecting or not following such comments must be submitted to the Board, the National Treasury, the Provincial Treasury and the Audit General

### **Procurement of goods and services under contract by other organs of state**

23) (1) the Accounting Officer may procure goods and services under a contract secured by another organ of State, but only if-

- a) The contract has been secured by the other organ of State by means of a competitive bidding process applicable to that organ of State;
- b) There is no reason to believe that such contract was not validly procured;
- c) There are demonstrable discounts or benefits to do so; and
- d) That other organ of State and the provider has consented to such procurement in writing

(2) Subparagraph (1)(c) and (d) do not apply if –

- a) A Housing Association procures goods and services through a contract secured by a Municipality of which it is the Parent Municipality

### **Procurement of goods necessitating special safety arrangements**

24) (1) the acquisition and storage of goods in bulk (other than water) which necessitate special safety arrangements, including gasses and fuel, should be avoided wherever possible

(2) Where the storage of goods in bulk is justified, such justification must be based on sound reasons, including the total cost of ownership, cost advantages and environmental impact and must be approved by the Accounting Officer

### **Proudly SA campaign**

25) (1) the Housing Association support the Proudly SA Campaign to the extent that, all things being equal, preference is given to producing local goods and services from;

- i. Firstly – supplier and business within the Housing Association or district;
- ii. Secondary – suppliers and businesses within the relevant province;
- iii. Thirdly – suppliers and businesses within the republic.

### **Appointment of Consultants**

26) (1) When procuring for consulting service, the Accounting Officer should take into account any Treasury guidelines

(2) Consultancy service must be procured through competitive bids if –

- a) The value of the contract exceeds R150 000 (Vat included); or
- b) The duration period of the contract exceeds one year.

(3) In addition to any requirements prescribed by this Policy for competitive bids, bidder must furnish particulars of –

- a) All consultancy services provided to an organ of State in the last five years;
- b) Any similar consultancy services provided to an organ of State in the last five years.

(4) The Accounting Officer must ensure that copyright in any document produced, and the patent rights or ownership in any plant, machinery, things, system or process designed or devised, by a consultant in the course of the consultancy services is vested in the Housing Association

#### **Deviation from and ratification of minor breaches of procurement processes**

27) (1) The Accounting Officer may –

- a) Dispense with the official procurement processes established by this Policy and procure any required goods or services through any convenient process, which may include direct negotiations, but only
  - i. In the event of an **emergency**, one written quotation is to be obtained;
  - ii. If the required goods or services are available from a **single provider** only, one written quotation is to be obtained
  - iii. In respect of repairs to motor vehicles, machinery and equipment that need to be **stripped to quote**, only one written quotation is to be obtained;
  - iv. Where three or more suppliers has been invited to quote but less than three quotations were received
  - v. For the acquisition of special works of art or historical objects where specifications are difficult to compile; or
  - vi. Acquisition of animals for game reserves.

b) Ratify any minor breaches of the procurement processes by officials or committee acting in terms of delegated powers, which are purely of a technical nature

(2) The Accounting Officer must record the reasons for any deviations in terms of subparagraph (i) and (ii) of this Policy and report them to the next meeting of the Board and include as a note to the annual financial statements.

(3) Subparagraph (b) above does not apply to the procurement of goods and services contemplated in paragraph 5.2.1.3

### **Unsolicited bids**

28)(1) The Polokwane Housing Association is not obliged to consider unsolicited bid received outside the normal competitive bidding process in terms of section 113 of the Act.

(2) The Accounting Officer may decide in terms of section 113(2) of the Act to consider an unsolicited bid, only if –

- a) The product or services offered in terms of the bid is a demonstrably or proven unique innovative concept;
- b) The product or service will be exceptional cost advantages;
- c) The person who made the bid is the sole provider of the product or services;
- d) The reasons for not going through the normal bidding processes are found to be sound by the Accounting officer.

(3) if the Accounting officer decides to consider an unsolicited bid that complies with subparagraph(b) of this Policy, the decision must be made public in accordance with section 21A of the Municipal System Act, together with –

- a) Reasons as to why the bid should not be open to other competitors;
- b) An explanation of the potential benefits if the unsolicited bid were accepted; and
- c) An invitation to the public or other potential suppliers to submit their comments within 30 days of the notice.

- (4) All written comments received pursuant to subparagraph (c), including any responses from the unsolicited bidder, must be submitted to the National Treasury and Provincial Treasury for comment.
- (5) The adjudication committee must consider a unsolicited bid and may award the bid or make recommendation to the Accounting Officer, depending on its delegations.
- 5) A meeting of the adjudication committee to consider an unsolicited bid must be open to the public
- 6) When considering the matter, the adjudication committee must take into account –
- a) Any comments submitted by the public; and
- b) Any written comments and recommendations of the National Treasury or the Provincial Treasury.
- 7) If any recommendation of the National Treasury or Provincial Treasury are rejected or not followed, the Accounting Officer must submit to the Auditor General, the Provincial Treasury and the National Treasury the reasons for rejecting or not following those recommendations.
- 8) Such submission must be made within seven days after the decision on the award of the unsolicited bid is taken, but no contract committing the Housing Association to the bid may be entered into or signed within 30 days of the submission.

### **Combating of abuse of supply chain management system**

- 29) (1) The Accounting Officer must provide measures for the combating of abuse of the Supply chain management system by providing the following:
- (a) To take all reasonable steps to prevent such abuse.
- (b) To investigate any allegations against an official of other role player of fraud, corruption, favouritism, unfair or irregular practices or failure to comply with supply chain management policy and when justified –
- i. Take appropriate steps against such official or other player or
- ii. Report any alleged criminal conduct to the South African Police Service
- (c) To check the national Treasury's database prior to awarding any contract to ensure that no recommended bidder, or any of its directors, is listed as a person prohibited from doing business with the public sector.
- (d) To reject any bid from a bidder –

- i. Who during the last five years has failed to perform satisfactorily on a previous contract with the Housing Association or any other organ of state after written notice was given to that bidder that performance was unsatisfactory?
  - (e) To reject a recommendation for the award of a contract if the recommended bidder, or any of its directors, has committed a corrupt or fraudulent act in competing for the particular contract.
  - (f) To cancel a contract awarded to a person if –
    - i. The person committed any corrupt or fraudulent act during the bidding process or the execution of the contract; or
    - ii. An official or other role player committed any corrupt or fraudulent act during the bidding process or the execution of the contract that benefited that person and
  - (g) To reject the bid of any bidder if that bidder or any of its directors –
    - i. Has abuse the supply chain management systems Polokwane Housing Association or has committees any improper conducting relation to such system
    - ii. Has been convicted for fraud or corruption during the past five years
    - iii. Has willfully neglected, reneged on or failed to comply with any government, municipal or other public sector contract during the past five years
    - iv. Has been listed in the Register for Tender Defaulters in terms of section 29 of the Prevention and Combating of Corrupt Activities Act (No.12 of 2004)
- (2) the Accounting Officer must inform the National Treasury and relevant provincial treasury in writing of any actions takes in terms of subparagraphs (1)((b)(ii), (e) or (f) of this policy.

### **Part 3: Logistical, Disposal, Risk, Performance and Contract Management**

#### **Logistics Management**

- 30) (1) The Accounting Officer must establish and implement an effective system of logistics management, which must include the following –

##### **(a) Stock- holding**

A central store is only to hold stock complying with the following criteria:

- i. **Essential Goods** - Only items whose immediate availability is considered essential to maintain a Association' service.
- ii. **Bulk Purchase supplier** – Items of sufficient demand in common use which offer a reduction in cost over direct supply taking into account stock-holding costs.

**(b) Internal Requisitions**

Where stocks are held in central stores, items must be requisitioned internally as the sole source of supply

**(c) Stores Procedures**

To be operated for the regulation of stock levels and movement to provide adequate management information numerically and financially in accordance with any procedural notes which must be issued by the Manager: Supply Chain Management Unit.?

**(d) Warehouse Management**

**I. Receiving of stock items**

Stock items received should be verified with ht purchase order and inspected for proper quantities to ensure receipt of what was ordered. The delivery note is then signed indicating acceptance of goods received.

**II. Issuing of stock items**

Stock items should be issued only on the authority of a properly approved, pre-numbered requisition, signed by the relevant unit's Manager, which should give the following information:

- Source and date of the requisition;
- Account(s) to be charged
- On each item: Quantity, Units stock number, description, unit price, and total rand value

Processing should be done online in all times prior to the issuing of any stock item.

### **III. Shelving**

Stores person should categories and organize storage areas for efficient, logical, and safe storage of all supplies.

### **IV. Purchase requisition for stock items**

All purchase requisition for stock items must have the signature of the Financial Manager, prior to acquisitions.

### **V. Expediting of orders**

If the delivery conditions reflect on the purchase order form are not complied with, it should be followed up with the supplier immediately.

### **VI. Access**

Central Store should be operated as a closed store, whereby; customers are excluded from the Stores area except on a specially approved or escorted basis

### **VII. Damaged Goods**

Damaged goods from suppliers must be returned to the supplier for credit or replacement.

## **(e) Stock Review**

In order to manage the stores operations effectively, the Strategic Business Units should continually review their stock holding based on information such as number of issues, levels of services achieved, total value of stock held and stock turnover.

Redundant and obsolete stock should be identified and cleared regularly by the relevant Strategic Business units.

## **(f) Stock Levels**

The following should be determined to maintain the optimum stock levels:

- Minimum, maximum and re-order levels:
- Slow moving or obsolete stock.

### **(g) Annual Stock Taking Procedures**

- I. The last two working days of the financial year the Central Stores closes for years-end inventory. No requisitions are filled, and no stock items are received.
- II. After the computer system has been updated, a queue batch is run providing Central Stores with updates printouts for actual inventory. A separate sheet is provided for each stores section. The sheet will contain stock number – complete description, quantity on hand a column for actual and a column for any discrepancy.
- III. The person conducting the inventory counts all items and makes appropriate notations on the inventory sheet. At the conclusion of each section, the person dates and signed the inventory sheet.
- IV. At the conclusion of all inventory sections, all discrepancies will be double-checked. The official responsible for Supply Chain Management will make appropriate adjustments and the Manager Finance will approve all such adjustments to correct inventory records to actual count.
- V. All printouts, original documents, work papers, adjustments, and corrected inventory printout are place on file in Central Stores Office
- VI. Reporting**
  - a) Total value of monthly issues;
  - b) Usage by the Strategic Business Units;
  - c) Average stock holding;
  - d) Price structure;
  - e) Expenditure by commodity group; and
  - f) Expenditure by suppliers.

### **Disposal Management**

31) (1) The Board will dispose assets using the following ways –



- a) Transferring the asset to another organ of state in terms of a provision of the act enabling the transfer of assets;
- b) Transferring the asset to another organ of state at market related value or, when appropriate, free of charge
- c) Selling the asset at market related price or auction
- d) Destroying the asset if obsolete

(2) Polokwane Housing Association may not transfer ownership as a result of a sale or other transaction or otherwise permanently dispose of a capital asset needed to provide the minimum level of basic services

(3) Polokwane Housing Association may transfer ownership or otherwise permanently dispose of a capital asset other than one contemplated in subsection 7.2 but only after the Board has decided on a reasonable grounds that the asset is not needed to provide the minimum level of basic municipal services

(4) A decision by a Board that a specific capital asset is not needed to provide the minimum level of basic service, may not be reversed by the Housing Association after that asset has been sold, transferred or otherwise disposed of.

(5) Any transfer of ownership of a capital asset in terms of subsection 7.2 must be fair, equitable, transparent, and competitive.

(6) Section 7.1 to 7.4 above does not apply to the transfer of a capital asset to another Polokwane Housing Association or to a national or provincial organ of state in circumstances and in respect of categories of asset approved by the National Treasury, provided that such transfers are in accordance with the prescribed framework.

(7) Following are conditions under which the capital assets may be sold

a) Immovable property may be sold only at market related prices except when public interest or the plight of the poor demands otherwise.

b) Movable assets may be sold either by way of written price quotations, a competitive bidding process, auction or at market related price, whichever is the most advantageous to the Housing Association

c) In the case of the free disposal of computer equipment, the provincial department of education must first be approached to indicate within 30 days whether any of the local schools are interested in the equipment; and

d) In the case of the disposal of firearms, the National Conventional Arms Control Committee has approved any sale or donation of firearms to any person or institution within or outside the Republic.

(8) Immovable property will be let under the following conditions:

a) Market related rates should be used except when the public interest or the plight of the poor demands otherwise

b) All fees, charges, rate, tariffs, scales of fees or other charges relating to the letting of immovable property must be annually reviewed

(9) Where assets are traded in for other assets, the highest possible trade-in price should be negotiated

(10) The 80/20 or 90/10 point system will apply to competitive bidding, which relate to the sale or letting of assets respectively, depending on the value of the asset

### **Risk Management**

32)(1) Accounting Office should in the implementation of this policy develop a risk Management plan in order to address the following factors:

- i. **Risk Identification:** identify risks associated with the project on a case-by-case basis
- ii. **Risk Assessment:** the likelihood and magnitude of the risks.
- iii. **Risk Mitigation:** Strategic for pre-empting and treating the occurrence of risk
- iv. **Risk Allocation:** detailing responsibility for managing a risk to the party best suited to manage such risks.
- v. **Acceptance of the cost of the risk :** Acceptance of the cost of the risk where the cost of transferring the risk is greater than that of retaining it
- vi. **Management and risks:** In a pro-active manner and the provision of adequate cover for residual risks
- vii. **Monitor and Control:** identify new risks as they emerge

(2) In order to reduce the risk on control, the accounting officer must include the provision of sureties for the due performance on a contract and retention of a portion of money due to a contract

(3) The following sureties, guarantees, insurance, retention and penalties are applicable:

CATEGORY	VALUE	SURETY	CONSTRUCTION GUARANTEE	ALL RISK INSURANCE	RETENTION PERIOD &	PENALTIES PER DAY
<b>MICRO PROJECTS</b>	30 000- 150 000	0	N/A	CONTRACT OR	2,5%REDUCED TO 1,25% FOR 12 MONTHS	0,2%
<b>SMALL PROJECTS</b>	150 001- 500 000	3%	FIRST 3 CERTIFICATES OR GUARANTEE	CONTRACT OR	5% RREDUCED TO 2,5% FOR 12 MONTHS	0,04%
<b>MEDIUM PROJECTS</b>	500 001- 2M	5%	FIRST 3 CERTIFICATES OR BANK GUARANTEE	7,5%REDUCED CONTRACT OR	TO 3,75% FOR 12 MONTHS	0,06%
<b>LARGE PROJECTS</b>	ABOVE 2M	10%	FIRST 5 CERTIFICATES OR BANK GUARANTEE	CONTRACT OR	10% REDUCED TO 5% FOR 12 MONTHS	0,1%

(4) Service providers should be subject to disqualification if there is sufficient evidence of consistent failure to meet the standards specified by the Housing Association.

(5) Services providers should evaluate based on contract adherence and performance. Upon reasonable notice in writing to the service provider involved, and after a reasonable opportunity for response, a service provider should be disqualified for a period not exceeding five years from participation for goods and services. Service provider should be disqualified if

- i. serious breach of contract indicating unwillingness to perform a contract in accordance with the terms and conditions
- ii. An indication of lack of business integrity or honest which directly and serious effects the responsibility of the contractor.

## Performance Management

33) The Accounting Officer must establish and implement an internal monitoring system in order to determine, on the basis of a basis of a retrospective analysis, whether the authorized supply chain management processes were followed and whether the objective of this Policy were achieved.

## Contract Management

### 34) (1) **Services Level Agreements**

Contracts concluded for the procurement of goods and services should be made subject to the conclusion of a Services Level Agreements.

### (2) **Extension/Expansion of Contracts**

Accounting Officer must far a possible as possible refrain from extending/expanding contracts and/or allowing variation orders as it increases the risks, reflects possible flaws in the planning process and it create an uncompetitive environment, possible unfairly prejudicing other possible vendors.

Accounting Officer may only extend contract for up to a maximum period equal to the original contract period and in the case of expansions only up to a maximum amount equal to the original value of the contract. This power should only be executed if it makes economic sense and provide that such extension/expansion can be justified in terms of fairness, equitableness, transparency, competitiveness and cost-effectiveness.

### (3) **Orders**

Supplies should be delivered and services rendered only upon a written official order from the Housing Association, and accounts should be rendered as indicated on the official order or in the contract, as the case may be.

### (4) **Guarantees**

Unless the contract stipulates otherwise, the contractor should guarantee for a period of twelvemonths that no faulty material or workmanship was used in the manufacture of goods or in the execution of services and that the finish product is not defective. Should the guarantee not be compiled with, the municipality must, without prejudice to any other rights it may have, demand that the supplies are replaced and the services repaired without cost to the municipality.

### (5) **Payment for Supplies and Services**

(1) Subject to any instructions issued with a contract or order, a contractor should be paid for supplies delivered and services rendered in accordance with the under-mentioned provisions:

- a) On the basis of delivery into store or to another nominated destination, only after receipt of a detailed account and after delivery has been effected.

- b) On the basis of delivered and erected, installed, etc, only after receipt of a detailed account supported by a certificate of satisfactory execution issued by a Municipality agent.
- c) Payment should normally be effected within 30 days of receipt of all the required documentation, which should be correct in every respect. Should a contractor indicate a specific discount on his/her account provided payment is made within a certain time, every effort should be made to take advantage of such discount.
- d) As a rule, payment is made to the contractor only. When payment is claimed by another party the latter must produce a written transfer, power of attorney or authorization and, before payment is made, the contractor must confirm that the transfer, power of attorney or authorization has been given by him/her and that payment may be claimed in terms thereof.]

#### **(6) Remedies in case of death, sequestration, liquidation or judicial management**

- a) In the event of the death of a contractor or the provision or final sequestration of his/her estate or of his/her cession or transfer of a contract without the approval of the Council or of the surrender of his/her estate or of his/her reaching a compromise company or the placing of its affairs under judicial management, the Council must, without prejudice to any other rights it may have, exercise any of the following:
  - b) Cancel the contract and accept any of the bids, which were submitted originally with that of the contractor or any offer subsequently received to complete the contract. In such a case the estate of the contractor shall not be relieved from liability for any claim which has arisen or may arise against the contractor in respect of supplies not delivered or work not carried out by him/her under the contract, and the council shall have the right to hold and retain all or any of the securities and retention moneys held by it at the date of the aforesaid occurrences until such claim has been satisfied; or
  - c) Allow the executor, trustee, liquidator or judicial manager, as the case may be, for and on behalf of and at the cost and expenses of the estate of the contractor to carry on with and complete the contract.

#### **(7) Contractor's Liability**

- a) In the event of the contract being cancelled by the Council in the exercise of its rights in terms of these conditions, the contractor should be liable to pay to Council any losses sustained and/or additional costs or expenditure incurred as a result of such cancellation and Council should have the right to recover such losses, damages or additional costs by means of set-off from moneys due or which may become due in terms of the contract or any other contract, or form a guarantee provided for the due fulfillment of the contract and, until such time as the

amount of such losses, damages or additional costs have been determined, to retain such moneys or guarantee or any deposit as security for any loss which the Council may suffer or have suffered.

The contractor must be held responsible for any consequential damages and loss sustained which may be caused by any defect, latent or otherwise, in the supply or service rendered or if the supply or service as a result of such defect, latent, otherwise, does not conform to any condition or requirement of the contract.

**(8) Transfer of contracts**

The contractor must not abandon, transfer, assign or sublet a contract or thereof without the written permission of the Council

***Part 4: Other Matters***

**Preference Point System**

35) (1) The 90/10 preference point system for the acquisition of goods and/ services with a rand value above R1 million.

- a) The following formula must be used to calculate the points for price in respect of bids with a Rand value above R1 million:

Where

Ps	=	Point scored for comparative price of bid under consideration
Pt	=	Comparative price of bid under consideration
Pmin	=	Comparative price of lowest acceptance bid

- b) A balance scorecard measuring BBBEE must form part of the evaluation criteria of all bids. Where the Minister of Trade and Industry, in terms of section 9 of the Broad-based Black Economic Empowerment Act, No 53 of 2003, gazette a code of goods practice must be utilized in the evaluation process. In the absence of such code of goods practice for a particular sector, the balanced scorecard prescribed by the National Treasury must form part of the evaluation criteria.
- c) A maximum of 10 points may be awarded to a bidder for achieving Government's procurement related socio-economic objective. The total percentage scored for BBBEE will be converted to a point out of a maximum of 10 point. This will be calculated by multiplying the total percentage scored by 10. No points will be awarded for achieving Government's BBBEE objectives if the total percentage scored for BBBEE is less than the prescribed minimum.
- d) The points scored by a bidder in respect of the objectives contemplated in sub-regulation (3) must be added to the points scored for price. Only the bid with the highest number of points scored or price. Only the bid with the highest number of point scored may be selected

(2) The 80/20 Preference Point System for the sale and letting of asset up to a Rand value of R1 million

- a) The following formula must be used to calculate the points for price in respect of competitive bids/price quotation with Rand value equal to, or above R30 000 and up to a Rand value of R1000 000.00 and which relate to the sale and letting of assets. Organ of State may, however apply this formula for sales and letting of assets with a rand value less than R30 000, if and when appropriate:

Where

Ps = Point scored for price tender under consideration

Pt = Rand value of tender under consideration

Ph = Rand value of highest acceptable tender

(d) The balanced scored-card measuring BBBEE prescribed by the National Treasury must form part of the evaluation criteria of all bids.

(e) A maximum of 20 points may be awarded to a bidder achieving Government's procurement related socio-economic objectives. The total percentage scored for BBBEE will be converted to a point out of a maximum of 20 points. This will be calculated by multiplying the total percentage scored by 20. No points will be awarded for achieving Government's BBBEE objectives if the total percentage scored for BBBEE is less than the prescribed minimum.

(f) The point scored by a bidder in respect of the objectives contemplated in Sub-regulation (3) must be added to the points scored for price.

(g) Only the bid with the highest number of points scored may be selected.

(3) The 90/10 Preference Point System for the sale and letting of assets with rand value above R1 million

a) The following formula must be used to calculate the points for price in respect of bids with Rand value above R1000 000.00 and which relate to the sale and letting of assets:

Ps = Point scored for the price of bid under consideration

Pt = Price of bid under consideration

Ph = Price of highest acceptance bid

a) The balanced scorecard measured BBBEE prescribed by the National Treasury must form part of the evaluation criteria of all bids

b) A maximum of 10 points may be awarded to a bidder for achieving Government's Procurement related socio-economic objectives. The total percentage scored for BBBEE will be converted to a point out of a maximum of 10 points. This will be calculated by multiplying the total percentage scored by 10. No points will be



awarded for achieving Government's BBBEE objectives if the total percentage scored for BBBEE is less than the prescribed minimum.

- c) The point scored by a bidder in respect of the objectives contemplated in sub-Regulation (3) must be added to the points scored for price.
- d) Only the bid with the highest number of points scored may be selected

### **Principles if HDI ownership changes after the closing date**

- 36) (1). In the event that the percentage of HDI ownership changes after the closing date of a quotation or bid, the bidder must notify the Housing Association of the changes. The bidder will, if the percentage on HDI ownership increase not be eligible for any addition preference points. Should the percentage on HDI ownership decrease, the preference points for equity ownership shall be reduced accordingly.
- (2) Equity claims for a Trust may only be allowed in respect of those persons who are both trustees and beneficiaries and who are actively involved in the management of the Trust,
  - (3) A consortium or joint venture shall be entitled to preference claims, based on the percentage profit for particular contract value, shared by black-owned and black-empowered enterprises in the consortium or joint venture for the particular contract.
  - (4) A person awarded a contract as a result of preference for HDI equity may not sub-contract more than 25% of the value of the contract to a person who does not qualify for such preference.

### **Declarations**

- 37) (1) a bidder must, in the stipulation manner, declare that
- (a) The information regarding any claim from preference points provider is true and correct;
  - (b) The signatory to the bid document is duly authorized; and
  - (c) Documentary proof regarding any bidding issue will, when required, be submitted to the satisfaction of the Housing Association.

### **Penalties**

38) (1) Where a contract has been awarded on the strength of preference information furnished by the contract, which, after the conclusion of the relevant contract, is proven to have been incorrect, the Housing Association may, in addition to any other legal remedy it may have to –

- (a) Recover from the contractor all costs, losses or damages incurred or sustained by the Housing Association as a result of the contract; and/or
- (b) Cancel the contract and claim damages which the Housing Association may suffer as a result of having to make less favourable arrangement; and/or
- (c) Impose on the contractor a penalty not exceeding five per cent of the value of the contract

#### **Prohibition on awards to persons whose tax matters are not in order**

39) (1) The Housing Association should not award a contract above R15 000.00 (Vat Included) to a person whose tax matters has not been declared by the South African Revenue Services to be in order.

(2) No contract should be awarded to a person who failed to submit an original tax clearance certificate from the South African Revenue Services (SARS) certifying that the taxes of that person is in order or that suitable arrangements have made with SARS.

#### **Prohibition on awards to persons in the services of the State**

40) (1) No award must be given to a person irrespective of the procurement process followed in terms of this Policy –

- (a) Who is in the services of the state; or
- (b) If that person is not a natural person, of which any director, manager, principal shareholder or stakeholder is a person in the service of the state; or
- (c) A person who is an advisor or consultant contracted with the Housing Association

#### **Awards to close family member of persons in the service of the state**

41) The notes to the annual financial statements must disclose particulars of any award of more than R2 000.00 to a person who is a spouse, child or parent of a person in the

service of the state. Or has been in the service of the state in the previous twelve months, including –

- (a) The name of that person;
- (b) The capacity in which the person is in the service of the state; and
- (c) The amount of the award

### **Ethical Standards**

- 42) (1) A code of ethical standards is hereby established, in accordance with subparagraph (2) For officials and other role players in the supply chain management system in order to promote –

- (a) Mutual trust and respect; and
- (b) An environment where business can be conducted with integrity and in a fair and reasonable manner.

(2) An official or other player involved in the implementation of the supply chain management policy -

- a) Must treat all providers and potential providers equitably;
- b) Must not use his/her position for private gain or to improperly benefit another person;
- c) May not accept any reward, gift, favour, hospitality or other benefit directly or indirect, including to any close family member, partner or associate of that person, of a value more than R350.00;
- d) Notwithstanding subparagraph (2)(c), must declare to the Accounting Officer details of any reward, gift, favour, hospitality or benefit promised, offered or granted to the person or any close family member, partner or associate of that person;
- e) Must declare to the Accounting Officer details of any private or business interest which that person, or any close family member, partner or associate, may have in any proposed procurement or disposal process of, or any award of a contract by the Housing Association;

- f) Must immediately withdraw from participating in any manner whatsoever in a procurement or disposal process or in the award of a contract in which that person, or any close family member, partner or associate, has any private or business interest;
- g) Must be scrupulous in his or her use of property belonging to the Housing Association;
- h) Must assist the Accounting Officer in combating fraud, corruption, favouritism and unfair and irregular practices in the supply chain management system;
- i) Must report to the Accounting Officer any alleged irregular conduct in the supply chain management system which that person may become aware of, including –
  - I. Any alleged fraud, corruption, favouritism or unfair conduct;
  - II. Any alleged contravention of paragraph (5)(1) of this policy; or
  - III. Any alleged breach of this code of ethical standards.

(3) Declarations in terms of subparagraph (2)(d) and (e)

- a) Must be recorded in a register, which the Accounting Officer must keep for this purpose;
- b) By the Accounting Officer must be made to the Chairperson of the Board who must ensure that such declarations are recorded in the register.

(4) The national Treasury's code of conduct must be adopted and also be taken into account by supply chain management practitioners and other role players involved in supply chain management

(5) A breach of the code of ethics must be dealt with as follows –

- a) In the case of an employee, in terms of the disciplinary procedures of the Housing Association envisaged in section 67 (1)(h) of the Municipal Systems Act;
- b) In the case a role player who is not an employee, through other appropriate means in recognition of the severity of the breach.
- c) In all cases, financial misconduct must be dealt with in terms of chapter 15 of the Act.

### **Inducements, rewards, gift and favours to Housing Association, officials and other role players**

43) (1) No person who is a provider or prospective provider of goods or services, or a recipient of goods disposed or to be disposed of must either directly or through a respective or intermediary promise, offer or grant-

- a) Any inducement or reward to the Polokwane Housing Association's Officials for or in connection with the award of a contract; or
- b) Any rewards, gift, favour or hospitality to –
  - I. Any official; or
  - II. Any other role player involved in the implementation of the supply chain management policy.

(2) The Accounting Officer must promptly report any alleged contravention of subparagraph (1) to the National Treasury for consideration whether the offending person, and any representative or intermediary through which such person is alleged to have acted, should be listed in the National Treasury's database of persons prohibited from doing business with the public sector.

(3) Subparagraph (1) does not apply to gift less than R350.00 in value.

### **Sponsorships**

44) The Accounting Officer must promptly disclose to the National Treasury and Provincial Treasury any sponsorship promised, offered or granted, whether directly or through a representative or intermediary, by any person who is –

- a) A provider or prospective provider of goods and services; or
- b) A recipient or prospective recipient of goods disposed or to be disposed.

### **Objections and complaints**

45) Person aggrieved by decisions or actions taken in the implementation of this supply chain management system, may lodge within 14 days of the decision or action, a written objection or complaint against the decision or action.

## **Resolution of disputes, objection, complaints and queries**

46) (1) The Accounting officer must appoint an independent and impartial person, not directly involved in the supply chain management processes –

- a) To assist in the resolution of dispute between the Housing Association and other Person regarding –
  - i. Any decisions or actions taken in the implementation of the supply chain management system; or
  - ii. Any matter arising from a contract awarded in the course of the supply chain management system; or
- b) To deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.

(2) The accounting officer, or another official designated by the accounting officer, is responsible for assisting the appointed person to perform his or her functions effectively,

(3) The person appointed must –

- a) Strive to resolve promptly all dispute, objections, complaints or queries received; and
- b) Submit monthly reports to the accounting officer on all disputes, objections, complaints or received, attended to or resolved.

(4) A dispute, objection, complaint or query may be referred to the relevant provincial treasury if:

- a) The dispute, objection, complaint or query is not resolved within 60 days; or
- b) No response is forthcoming within 60 days,

(5) If the provincial treasury does not or cannot resolve the matter, the dispute, objection, complaint or query may be referred to the National Treasury for resolution,

(6) This paragraph must not be read as affecting a person's right to approach a court at any time

## **47) Contracts providing for compensation based on turnover**

If a service provider acts on behalf of a Housing Association to provide any service or act as a collector of fees, service charges or taxes and the compensation payable to the

service provider is fixed as an agreed percentage of turnover for the service or the amount collected, the contract between the service provider and the Housing Association must stipulate –

- a) A cap on the compensation payable to the service provider; and
- b) That such compensation must be performance based

#### **48) Short title and Commencement**

This Policy is called the Polokwane Housing Association: Supply Chain Management Policy

# **Annexure G:**

## **Division of Revenue Bill**

### **Gazette # 52061**



REPUBLIC OF SOUTH AFRICA

DIVISION OF REVENUE BILL

*(As introduced in the National Assembly (proposed section 76); explanatory summary of Bill and prior notice of its introduction published in Government Gazette No. 52061 of 7 February 2025)*  
*(The English text is the official text of the Bill)*

(MINISTER OF FINANCE)

## SCHEDULE 3

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

Number      Municipality		National Financial Year		
		2025/26	Column B	
			Forward Estimates	
			2026/27	2027/28
		R'000	R'000	R'000
<b>LIMPOPO</b>				
B	LIM331 Greater Giyani	395 772	393 730	411 529
B	LIM332 Greater Letaba	385 207	383 494	400 830
B	LIM333 Greater Tzaneen	555 351	556 034	581 276
B	LIM334 Ba-Phalaborwa	217 276	217 139	226 946
B	LIM335 Maruleng	173 600	172 943	180 759
C	DC33 Mopani District Municipality	1 427 429	1 517 993	1 586 656
<b>Total: Mopani Municipalities</b>		<b>3 154 635</b>	<b>3 241 333</b>	<b>3 387 996</b>
B	LIM341 Musina	232 657	234 498	245 105
B	LIM343 Thulamela	624 846	624 329	652 565
B	LIM344 Makhado	512 943	513 230	536 530
B	LIM345 Collins Chabane	513 377	511 779	534 922
C	DC34 Vhembe District Municipality	1 567 856	1 668 368	1 743 836
<b>Total: Vhembe Municipalities</b>		<b>3 451 679</b>	<b>3 552 204</b>	<b>3 712 958</b>
B	LIM351 Blouberg	245 311	243 904	254 923
B	LIM353 Molemole	186 922	185 928	194 330
B	LIM354 Polokwane	1 481 181	1 548 132	1 618 222
B	LIM355 Lepele-Nkumpi	334 363	331 775	346 767
C	DC35 Capricorn District Municipality	856 194	902 666	943 499
<b>Total: Capricorn Municipalities</b>		<b>3 103 971</b>	<b>3 212 405</b>	<b>3 357 741</b>
B	LIM361 Thabazimbi	155 651	164 825	172 248
B	LIM362 Lephale	254 203	265 671	277 699
B	LIM366 Bela-Bela	144 284	150 131	156 905
B	LIM367 Mogalakwena	627 028	644 158	673 359
B	LIM368 Modimolle-Mookgophong	162 022	168 891	176 538
C	DC36 Waterberg District Municipality	158 221	162 671	170 036
<b>Total: Waterberg Municipalities</b>		<b>1 501 409</b>	<b>1 556 347</b>	<b>1 626 785</b>
B	LIM471 Ephraim Mogale	201 450	200 603	209 670
B	LIM472 Elias Motsoaledi	375 890	373 396	390 275
B	LIM473 Makhuduthamaga	361 580	359 305	375 542
B	LIM476 Fetakgomo Tubatse	615 561	612 026	639 826
C	DC47 Sekhukhune District Municipality	1 209 760	1 285 864	1 344 030
<b>Total: Sekhukhune Municipalities</b>		<b>2 764 241</b>	<b>2 831 194</b>	<b>2 959 343</b>
<b>Total: Limpopo Municipalities</b>		<b>13 975 935</b>	<b>14 393 483</b>	<b>15 044 823</b>

## ANNEXURE W4

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

Infrastructure Skills Development Grant					Local Government Financial Management Grant					Expanded Public Works Programme Integrated Grant for Municipalities					SUB-TOTAL: CURRENT <sup>1</sup>		
Category	Municipality	National and Municipal Financial Year			National and Municipal Financial Year			National and Municipal Financial Year			National and Municipal Financial Year			National and Municipal Financial Year			
		2023/26 (R'000)	2026/27 (R'000)	2027/28 (R'000)	2023/26 (R'000)	2026/27 (R'000)	2027/28 (R'000)	2023/26 (R'000)	2026/27 (R'000)	2027/28 (R'000)	2023/26 (R'000)	2026/27 (R'000)	2027/28 (R'000)	2023/26 (R'000)	2026/27 (R'000)	2027/28 (R'000)	
LIMPOPO	B	LIM331	Greater Giyani	-	-	-	2 400	2 500	2 600	3 708	-	-	-	6 108	2 500	2 600	
	B	LIM332	Greater Tzaneen	-	-	-	2 000	2 100	2 200	2 003	-	-	-	4 003	2 100	2 200	
	B	LIM333	Greater Tzaneen	-	-	-	2 000	2 100	2 200	4 811	-	-	-	6 811	2 100	2 200	
	B	LIM334	Bu-Phalaborwa	-	-	-	3 000	3 000	3 100	1 806	-	-	-	4 806	3 000	3 100	
	B	LIM335	Mafeking	-	-	-	1 900	2 000	2 200	1 512	-	-	-	3 412	2 000	2 200	
	C	DC33	Mopani District Municipality	-	-	-	3 000	3 000	3 100	7 838	-	-	-	10 838	3 000	3 100	
	Total: Mopani Municipalities																
	-	-	-	-	-	-	14 300	14 700	15 400	21 678	-	-	-	35 978	14 700	15 400	
	B	LIM341	Musina	-	-	-	3 000	3 000	3 100	1 986	-	-	-	4 986	3 000	3 100	
	B	LIM343	Thulamela	4 800	5 000	5 500	1 900	2 000	2 100	3 802	-	-	-	10 502	2 000	2 100	
B	LIM344	Mafikeng	-	-	-	2 000	2 100	2 200	3 323	-	-	-	5 323	2 100	2 200		
B	LIM345	Collins Chabane	-	-	-	2 500	2 600	2 700	2 148	-	-	-	4 648	2 600	2 700		
C	DC34	Vhembe District Municipality	4 800	7 000	7 000	3 000	3 000	3 100	3 557	-	-	-	11 357	3 000	3 100		
Total: Vhembe Municipalities																	
-	-	-	-	-	-	-	12 400	12 700	13 200	14 816	-	-	-	36 816	24 700	25 700	
B	LIM351	Bloubaerg	-	-	-	2 400	2 500	2 600	1 769	-	-	-	4 169	2 500	2 600		
B	LIM353	Molemae	-	-	-	2 200	2 300	2 400	1 405	-	-	-	3 605	2 300	2 400		
B	LIM354	Polokwane	8 000	8 000	9 500	2 400	2 500	2 600	6 531	-	-	-	16 931	10 500	12 100		
B	LIM355	Lepelle-Munopi	-	-	-	2 000	2 100	2 200	1 891	-	-	-	3 891	2 100	2 200		
C	DC35	Capricorn District Municipality	4 800	7 000	7 000	1 000	1 200	1 400	3 659	-	-	-	4 659	1 200	1 400		
Total: Capricorn Municipalities																	
-	-	-	-	-	-	-	10 000	10 600	11 200	15 255	-	-	-	33 255	18 600	20 700	
B	LIM361	Thabazimbi	-	-	-	3 000	3 000	3 100	1 454	-	-	-	4 454	3 000	3 100		
B	LIM362	Lephalale	-	-	-	1 900	2 000	2 100	1 478	-	-	-	3 378	2 000	2 200		
B	LIM366	Bela-Bela	-	-	-	1 900	2 000	2 100	1 560	-	-	-	3 460	2 000	2 100		
B	LIM367	Mogalakwena	-	-	-	3 500	3 500	3 600	1 608	-	-	-	5 108	3 500	3 600		
B	LIM368	Modimolle-Mookgophong	-	-	-	2 600	2 600	2 700	2 031	-	-	-	4 631	2 600	2 700		
C	DC36	Waterberg District Municipality	3 000	7 000	7 000	1 100	1 200	1 400	-	-	-	-	4 100	8 200	8 400		
Total: Waterberg Municipalities																	
-	-	-	-	-	-	-	14 000	14 300	15 100	8 131	-	-	-	25 131	21 300	22 100	
B	LIM471	Ephraim Mogale	-	-	-	3 000	3 000	3 100	1 629	-	-	-	4 629	3 000	3 100		
B	LIM472	Elias Moseleli	-	-	-	2 800	2 800	2 900	2 862	-	-	-	5 662	2 800	2 900		
B	LIM473	Makhadhalumaga	-	-	-	1 900	2 000	2 200	2 443	-	-	-	4 343	2 000	2 200		
B	LIM476	Ficksburg/ Tlokweng	-	-	-	2 500	2 600	2 700	2 099	-	-	-	4 599	2 600	2 700		
C	DC47	Sekakehne District Municipality	-	-	-	2 400	2 500	2 600	8 403	-	-	-	10 803	2 500	2 600		
Total: Sekakehne Municipalities																	
-	-	-	-	-	-	-	12 600	12 900	13 500	17 436	-	-	-	30 036	12 900	13 500	
Total: Limpopo Municipalities																	
-	-	-	-	-	-	-	27 000	29 000	65 200	77 316	-	-	-	161 216	92 200	97 400	
MPUMALANGA																	
B	MP301	Chief Albert Luthuli	-	-	-	2 000	2 100	2 200	2 643	-	-	-	4 643	2 100	2 200		
B	MP302	Makalengwa	-	-	-	3 800	3 800	3 900	1 950	-	-	-	5 750	3 800	3 900		
B	MP303	Mkhondo	-	-	-	3 000	3 000	3 100	2 159	-	-	-	5 159	3 000	3 100		
B	MP304	Dr Pholeka Isaka Senne	-	-	-	2 400	2 500	2 600	2 206	-	-	-	4 606	2 500	2 600		
B	MP305	Lekwa	-	-	-	2 800	2 800	2 900	2 203	-	-	-	5 003	2 800	2 900		
B	MP306	Dpaleseng	-	-	-	2 800	2 800	2 900	1 502	-	-	-	4 302	2 800	2 900		
B	MP307	Govan Mbeki	22 774	24 288	24 859	3 500	3 500	3 600	2 939	-	-	-	29 213	27 788	28 459		
C	DC30	Gert Shabane District Municipality	16 700	15 000	15 000	1 800	1 800	1 900	2 289	-	-	-	20 180	16 300	16 500		
Total: Gert Shabane Municipalities																	
-	-	-	-	-	-	-	39 859	21 500	21 800	22 700	17 862	-	-	78 836	61 088	62 559	
B	MP311	Victor Khanye	-	-	-	1 900	2 000	2 100	1 976	-	-	-	3 876	2 000	2 100		
B	MP312	Emalahleni	-	-	-	3 000	3 000	3 100	4 434	-	-	-	7 434	3 000	3 100		
B	MP313	Steve Tshwete	-	-	-	1 900	2 000	2 100	2 210	-	-	-	4 110	2 000	2 100		
B	MP314	Emkhazeni	-	-	-	3 800	4 000	4 100	2 178	-	-	-	5 978	4 000	4 100		
B	MP315	Tembisa East	-	-	-	1 900	2 000	2 100	2 801	-	-	-	4 701	2 000	2 100		
B	MP316	Dr JS Moroka	-	-	-	2 400	2 500	2 600	2 403	-	-	-	4 800	2 500	2 600		
C	DC31	Nkangala District Municipality	-	-	-	1 100	1 200	1 400	2 374	-	-	-	3 474	1 200	1 400		
Total: Nkangala Municipalities																	
-	-	-	-	-	-	-	16 000	16 700	17 500	18 373	-	-	-	34 373	16 700	17 500	
B	MP321	Thabo Chweu	-	-	-	3 000	3 000	3 100	2 103	-	-	-	5 103	3 000	3 100		
B	MP324	Nkomazi	-	-	-	1 900	2 000	2 200	4 378	-	-	-	6 278	2 000	2 200		
B	MP325	Busha-Kwinda	-	-	-	2 600	2 600	2 700	2 929	-	-	-	5 529	2 600	2 700		
B	MP326	City of Mowabela	-	-	-	2 600	2 600	2 700	5 777	-	-	-	8 377	2 600	2 700		
C	DC32	Ehlanzeni District Municipality	3 000	3 000	4 000	1 100	1 200	1 400	1 928	-	-	-	6 028	4 200	5 400		
Total: Ehlanzeni Municipalities																	
-	-	-	-	-	-	-	11 200	11 400	12 100	17 115	-	-	-	31 315	14 400	16 100	
Total: Mpumalanga Municipalities																	
-	-	-	-	-	-	-	42 474	42 288	43 859	48 700	49 900	52 300	-	92 188	96 159	97 400	

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

Municipal Infrastructure Grant		Municipal Disaster Recovery Grant		Energy Efficiency and Demand-Side Management Grant		Integrated National Electrification Programme (Municipal Grant)		Rural Roads Asset Management System Grant		Regional Bulk Infrastructure Grant		Water Services Infrastructure Grant				
Category	Municipality	2025/26 (R'000)	2026/27 (R'000)	2027/28 (R'000)	2025/26 (R'000)	2026/27 (R'000)	2027/28 (R'000)	2025/26 (R'000)	2026/27 (R'000)	2027/28 (R'000)	2025/26 (R'000)	2026/27 (R'000)	2027/28 (R'000)	2025/26 (R'000)	2026/27 (R'000)	2027/28 (R'000)
LIMPOPO	B	LIM431 Greater Giyani	75 059	81 540	85 298	-	-	-	-	-	-	-	-	-	-	-
	B	LIM432 Greater Leddra	81 185	77 307	80 858	-	-	-	-	-	-	-	-	-	-	-
	B	LIM433 Greater Tzaneen	122 308	127 097	133 722	-	-	-	-	-	-	-	-	-	-	-
	B	LIM434 Greater Tzaneen	39 035	42 184	44 010	-	-	-	-	-	-	-	-	-	-	-
	B	LIM435 Marikopa	34 459	34 977	36 449	-	-	-	-	-	-	-	-	-	-	-
	C	DC33 Mopani District Municipality	543 922	593 774	622 684	-	-	-	-	-	-	-	-	-	-	-
	Total Mopani Municipalities		893 048	957 479	1 000 921	-	-	-	-	-	-	-	-	-	-	-
	B	LIM431 Mooka	35 242	38 040	39 662	-	-	-	-	-	-	-	-	-	-	-
	B	LIM434 Tlokeleng	138 751	134 736	141 107	-	-	-	-	-	-	-	-	-	-	-
	B	LIM434 Mooka	111 407	121 250	126 958	6 006	-	-	-	-	-	-	-	-	-	-
Tzaneen	B	LIM435 Collins Chabane	101 908	110 873	116 071	-	-	-	-	-	-	-	-	-	-	-
	C	DC34 Vhembe District Municipality	672 801	722 801	740 000	-	-	-	-	-	-	-	-	-	-	-
	Total Vhembe Municipalities		1 003 556	1 129 495	1 190 465	-	-	-	-	-	-	-	-	-	-	-
	B	LIM431 Boshburg	54 524	59 105	61 761	15 717	-	-	-	-	-	-	-	-	-	-
	B	LIM433 Molekole	52 929	46 438	48 473	-	-	-	-	-	-	-	-	-	-	-
	B	LIM434 Polokwane	66 752	72 464	75 777	4 765	-	-	-	-	-	-	-	-	-	-
	C	DC35 Capricorn District Municipality	275 909	300 969	315 502	-	-	-	-	-	-	-	-	-	-	-
	Total Capricorn Municipalities		459 114	478 976	501 513	20 482	-	-	-	-	-	-	-	-	-	-
	B	LIM431 Tlokeleng	29 780	42 910	44 772	-	-	-	-	-	-	-	-	-	-	-
	B	LIM432 Lepale	52 566	56 966	59 518	-	-	-	-	-	-	-	-	-	-	-
Waterberg	B	LIM436 Bhebeba	30 833	33 223	34 608	-	-	-	-	-	-	-	-	-	-	-
	B	LIM437 Mopani	190 684	207 860	217 821	-	-	-	-	-	-	-	-	-	-	-
	B	LIM438 Mocheliso-Moogapong	46 449	50 283	52 507	-	-	-	-	-	-	-	-	-	-	-
	C	DC36 Waterberg District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Total Waterberg Municipalities		359 312	391 242	409 226	-	-	-	-	-	-	-	-	-	-	-
	B	LIM431 Ephele-Mogale	40 786	44 097	46 016	-	-	-	-	-	-	-	-	-	-	-
	B	LIM432 Elias Mosekale	67 807	73 617	76 986	-	-	-	-	-	-	-	-	-	-	-
	B	LIM433 Mafikeng	76 853	83 500	87 354	-	-	-	-	-	-	-	-	-	-	-
	B	LIM436 Ficksburg	104 858	114 095	119 452	-	-	-	-	-	-	-	-	-	-	-
	C	DC37 Sekake District Municipality	425 942	620 888	651 129	-	-	-	-	-	-	-	-	-	-	-
Sekake	C	DC37 Sekake District Municipality	716 246	936 197	980 937	-	-	-	-	-	-	-	-	-	-	-
	Total Sekake District Municipality		716 246	936 197	980 937	-	-	-	-	-	-	-	-	-	-	-
	Total Limpopo Municipalities		3 414 275	3 841 694	4 024 192	26 488	-	-	-	-	-	-	-	-	-	-
	MPUMALANGA															
	B	MP301 Chief Albert Luthuli	105 491	114 787	120 177	11 863	-	-	-	-	-	-	-	-	-	-
	B	MP302 Mankweng	63 581	69 000	72 145	-	-	-	-	-	-	-	-	-	-	-
	B	MP303 Mankweng	94 406	102 677	107 473	16 968	-	-	-	-	-	-	-	-	-	-
	B	MP304 Dr Phiso ka Tshepo	31 519	33 973	35 395	-	-	-	-	-	-	-	-	-	-	-
	B	MP305 Lekwa	26 012	37 391	38 981	-	-	-	-	-	-	-	-	-	-	-
	B	MP306 Dipsaeng	16 528	23 602	24 516	-	-	-	-	-	-	-	-	-	-	-
B	MP307 Govan Mbeki	70 975	77 078	80 617	-	-	-	-	-	-	-	-	-	-	-	
C	DC30 Gen Shabane District Municipality	15 000	-	-	-	-	-	-	-	-	-	-	-	-	-	
Gen Shabane	C	DC30 Gen Shabane District Municipality	423 512	458 508	479 302	28 831	-	-	-	-	-	-	-	-	-	-
	Total Gen Shabane District Municipality		423 512	458 508	479 302	28 831	-	-	-	-	-	-	-	-	-	-
	B	MP311 Victor Khyang	29 618	31 895	33 215	-	-	-	-	-	-	-	-	-	-	-
	B	MP312 Emalaheni	146 292	159 362	166 941	-	-	-	-	-	-	-	-	-	-	-
	B	MP313 Steve Tshwete	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	B	MP314 Emankweni	31 387	22 902	23 782	-	-	-	-	-	-	-	-	-	-	-
	B	MP315 Deneysville East	150 678	164 154	171 969	-	-	-	-	-	-	-	-	-	-	-
	B	MP316 Dr JS Moroka	160 817	165 399	172 275	-	-	-	-	-	-	-	-	-	-	-
	C	DC31 Nasrec District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	Nasrec	C	DC31 Nasrec District Municipality	518 292	543 713	569 102	-	-	-	-	-	-	-	-	-	-
Total Nasrec District Municipality		518 292	543 713	569 102	-	-	-	-	-	-	-	-	-	-	-	
B		MP321 Tshepo	66 284	62 120	64 925	-	-	-	-	-	-	-	-	-	-	-
B		MP324 Nkomo	273 658	298 510	312 922	44 047	-	-	-	-	-	-	-	-	-	-
B		MP325 Bushbuckridge	454 303	495 866	519 969	11 052	-	-	-	-	-	-	-	-	-	-
B		MP326 City of eThekweni	406 884	443 623	465 161	18 105	-	-	-	-	-	-	-	-	-	-
C		DC32 eThekweni District Municipality	1 200 729	1 300 119	1 362 977	73 304	-	-	-	-	-	-	-	-	-	-
Total eThekweni District Municipality		1 200 729	1 300 119	1 362 977	73 304	-	-	-	-	-	-	-	-	-	-	
Total Mpumalanga Municipalities		2 143 033	2 302 340	2 411 461	102 035	-	-	-	-	-	-	-	-	-	-	

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

Integrated Urban Development Grant														Neighbourhood Development Partnership Grant														Informal Settlements Upgrading Partnership Grant: Municipalities				Urban Settlements Development Grant				Public Transport Network Grant				Urban Development Financing Grant				SUB-TOTAL: INFRASTRUCTURE																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																		
Category		Municipality		National and Municipal Financial Year		2025/26 (R'000)		2026/27 (R'000)		2027/28 (R'000)		National and Municipal Financial Year		2025/26 (R'000)		2026/27 (R'000)		2027/28 (R'000)		National and Municipal Financial Year		2025/26 (R'000)		2026/27 (R'000)		2027/28 (R'000)		National and Municipal Financial Year		2025/26 (R'000)		2026/27 (R'000)		2027/28 (R'000)		National and Municipal Financial Year		2025/26 (R'000)		2026/27 (R'000)		2027/28 (R'000)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																				
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B	LIM331	Greater Giyani	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

## ANNEXURE W7

## EQUITABLE SHARE AND TOTAL ALLOCATIONS TO MUNICIPALITIES

		EQUITABLE SHARE <sup>1</sup>			TOTAL ALLOCATIONS TO MUNICIPALITIES		
		National and Municipal Financial Year			National and Municipal Financial Year		
Category	Municipality	2025/26 (R'000)	2026/27 (R'000)	2027/28 (R'000)	2025/26 (R'000)	2026/27 (R'000)	2027/28 (R'000)
<b>LIMPOPO</b>							
B	LIM331 Greater Giyani	395 772	393 730	411 529	505 694	498 668	538 206
B	LIM332 Greater Letaba	385 207	383 494	400 830	492 469	477 627	500 097
B	LIM333 Greater Tzaneen	555 351	556 034	581 276	714 820	724 543	761 269
B	LIM334 Ba-Phalaborwa	217 276	217 139	226 946	268 192	299 257	310 054
B	LIM335 Maruleng	173 600	172 943	180 759	216 102	215 788	226 994
C	DC33 Mopani District Municipality	1 427 429	1 517 993	1 586 656	2 485 776	2 781 496	2 973 553
<b>Total: Mopani Municipalities</b>		<b>3 154 635</b>	<b>3 241 333</b>	<b>3 387 996</b>	<b>4 683 053</b>	<b>4 997 379</b>	<b>5 310 173</b>
B	LIM341 Musina	232 657	234 498	245 105	274 409	290 072	302 487
B	LIM343 Thulamela	624 846	624 329	652 565	845 394	828 158	857 889
B	LIM344 Makhado	512 943	513 230	536 530	680 191	650 148	685 985
B	LIM345 Collins Chabane	513 377	511 779	534 922	636 687	645 475	681 713
C	DC34 Vhembe District Municipality	1 567 856	1 668 368	1 743 836	2 393 586	2 682 564	2 808 189
<b>Total: Vhembe Municipalities</b>		<b>3 451 679</b>	<b>3 552 204</b>	<b>3 712 958</b>	<b>4 830 267</b>	<b>5 096 417</b>	<b>5 336 243</b>
B	LIM351 Blouberg	245 311	243 904	254 923	324 089	329 690	342 167
B	LIM353 Molemole	186 922	185 928	194 330	274 854	246 297	262 768
B	LIM354 Polokwane	1 481 181	1 548 132	1 618 222	2 443 537	2 693 827	2 737 683
B	LIM355 Lepele-Nkumpi	334 363	331 775	346 767	423 796	424 789	440 593
C	DC35 Capricorn District Municipality	856 194	902 666	943 499	1 294 602	1 347 826	1 412 277
<b>Total: Capricorn Municipalities</b>		<b>3 103 971</b>	<b>3 212 405</b>	<b>3 357 741</b>	<b>4 760 878</b>	<b>5 042 429</b>	<b>5 195 488</b>
B	LIM361 Thabazimbi	155 651	164 825	172 248	321 238	292 615	309 797
B	LIM362 Lephalale	254 203	265 671	277 699	399 535	438 181	437 116
B	LIM366 Bela-Bela	144 284	150 131	156 905	290 836	292 094	300 712
B	LIM367 Mogalakwena	627 028	644 158	673 359	1 079 349	1 012 027	1 001 515
B	LIM368 Modimolle-Mookgophong	162 022	168 891	176 538	352 402	345 826	359 187
C	DC36 Waterberg District Municipality	158 221	162 671	170 036	164 821	173 485	181 168
<b>Total: Waterberg Municipalities</b>		<b>1 501 409</b>	<b>1 556 347</b>	<b>1 626 785</b>	<b>2 608 181</b>	<b>2 554 228</b>	<b>2 589 494</b>
B	LIM471 Ephraim Mogale	201 450	200 603	209 670	260 570	252 503	267 751
B	LIM472 Elias Motsoaledi	375 890	373 396	390 275	495 029	463 902	490 208
B	LIM473 Makhuduthamaga	361 580	359 305	375 542	462 094	464 670	493 051
B	LIM476 Fetakgomo Tubatse	615 561	612 026	639 826	822 171	808 159	866 517
C	DC47 Sekhukhune District Municipality	1 209 760	1 285 864	1 344 030	1 961 988	1 975 281	2 067 575
<b>Total: Sekhukhune Municipalities</b>		<b>2 764 241</b>	<b>2 831 194</b>	<b>2 959 343</b>	<b>4 001 852</b>	<b>3 964 515</b>	<b>4 185 102</b>
<b>Total: Limpopo Municipalities</b>		<b>13 975 935</b>	<b>14 393 483</b>	<b>15 044 823</b>	<b>20 884 231</b>	<b>21 654 968</b>	<b>22 616 500</b>
<b>MPUMALANGA</b>							
B	MP301 Chief Albert Luthuli	455 222	467 064	488 170	894 554	919 772	952 977
B	MP302 Msukaligwa	285 986	300 145	313 730	461 486	569 964	602 882
B	MP303 Mkhondo	366 077	378 280	395 368	677 556	607 962	633 675
B	MP304 Dr Pixley ka Isaka Seme	172 696	177 909	185 942	251 826	268 819	278 118
B	MP305 Lekwa	189 719	199 105	208 117	425 517	348 062	359 928
B	MP306 Dipaleseng	109 806	113 360	118 480	148 135	209 526	219 224
B	MP307 Govan Mbeki	492 462	522 997	546 648	637 771	654 863	688 737
C	DC30 Gert Sibande District Municipality	346 259	360 387	376 687	384 152	379 525	396 152
<b>Total: Gert Sibande Municipalities</b>		<b>2 418 227</b>	<b>2 519 247</b>	<b>2 633 142</b>	<b>3 880 997</b>	<b>3 958 493</b>	<b>4 131 693</b>
B	MP311 Victor Khanye	157 131	163 869	171 264	230 177	207 435	218 272
B	MP312 Emalahleni	645 069	685 067	716 046	891 020	925 794	972 290
B	MP313 Steve Tshwete	376 470	399 813	417 893	473 001	539 478	568 663
B	MP314 Emakhazeni	96 841	100 552	105 084	164 767	185 408	186 385
B	MP315 Thembisile Hani	609 976	627 342	655 779	1 260 212	1 119 230	1 147 307
B	MP316 Dr JS Moroka	531 174	542 275	566 783	735 468	772 997	861 488
C	DC31 Nkangala District Municipality	424 084	440 950	460 896	435 114	449 823	470 089
<b>Total: Nkangala Municipalities</b>		<b>2 840 745</b>	<b>2 959 868</b>	<b>3 093 745</b>	<b>4 189 759</b>	<b>4 200 165</b>	<b>4 424 494</b>
B	MP321 Thaba Chweu	233 841	244 747	255 788	368 539	411 144	428 827
B	MP324 Nkomazi	864 636	890 463	930 823	1 316 895	1 280 942	1 338 319
B	MP325 Bushbuckridge	1 151 556	1 183 178	1 236 813	1 711 180	1 838 693	1 903 289
B	MP326 City of Mbombela	1 182 249	1 238 155	1 294 202	1 827 734	1 858 477	1 943 609
C	DC32 Ehlanzeni District Municipality	309 567	317 820	332 213	318 352	324 903	340 625
<b>Total: Ehlanzeni Municipalities</b>		<b>3 741 849</b>	<b>3 874 363</b>	<b>4 049 839</b>	<b>5 542 700</b>	<b>5 714 159</b>	<b>5 954 669</b>
<b>Total: Mpumalanga Municipalities</b>		<b>9 000 821</b>	<b>9 353 478</b>	<b>9 776 726</b>	<b>13 613 456</b>	<b>13 872 817</b>	<b>14 510 856</b>

# **Annexure H:**

# **Service Standards**

Province: Municipality LIM354 - Schedule of Service Delivery Standards Table 2025/26

Standard	Description	Year C-2 Actual Outcome	Year C-1 Actual Outcome	Year C-0 Audited Outcome	Original Budget	Current year Adjusted Budget	Full Year Forecast	Service Level 2025/26	Responsible officials
<b>Solid Waste Removal</b> Premise based removal (Residential Frequency) Premise based removal (Business Frequency)  Bulk Removal (Frequency) Removal Bags provided(Yes/No) Garden refuse removal Included (Yes/No) Street Cleaning Frequency in CBD Street Cleaning Frequency in areas excluding CBD How soon are public areas cleaned after events (24hours/48hours/longer) Clearing of illegal dumping (24hours/48hours/longer) Recycling or environmentally friendly practices(Yes/No) Licenced landfill site(Yes/No)  <b>Water Service</b> Water Quality rating (Blue/Green/Brown/N0 drop)  Is free water available to all? (All/only to the indigent consumers) Frequency of meter reading? (per month, per year)  Are estimated consumption calculated on actual consumption over (two month's/three month's/longer period)    On average for how long does the municipality use estimates before reverting back to actual readings? (months) <b>Duration (hours) before availability of water is restored in cases of service interruption (complete the sub questions)</b> One service connection affected (number of hours) Up to 5 service connection affected (number of hours) Up to 20 service connection affected (number of hours) Feeder pipe larger than 800mm (number of hours) What is the average minimum water flow in your municipality? Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No) How long does it take to replace faulty water meters? (days)   Do you have a cathodic protection system in place that is operational at this stage? (Yes/No)  <b>Electricity Service</b> What is your electricity availability percentage on average per month? Does your municipality have a ripple control in place that is operational? (Yes/No) How much do you estimate is the cost saving in utilizing the ripple control system? What is the frequency of meters being read? (per month, per year)   Are estimated consumption calculated at consumption over (two month's/three month's/longer period) On average for how long does the municipality use estimates before reverting back to actual readings? (months) Duration before availability of electricity is restored in cases of breakages (immediately/one day/two days/longer) Are accounts normally calculated on actual readings? (Yes/no) Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No) How long does it take to replace faulty meters? (days) Do you have a plan to prevent illegal connections and prevention of electricity theft? (Yes/No) How effective is the action plan in curbing line losses? (Good/Bad) How soon does the municipality provide a quotation to a customer upon a written request? (days) How long does the municipality takes to provide electricity service where existing infrastructure can be used? (working days) (working days)   How long does the municipality takes to provide electricity service for high voltage users where network extension is not required? (working days)  <b>Sewerage Service</b> Are your purification systems effective enough to put water back in to the system after purification?          To what extend do you subsidize your indigent consumers?	Weekly Daily  Daily and when necessary Yes Yes Daily Week days only 24 hours 48 hours or longer Yes Yes  No Drop Only indigent and rural consumers  Monthly  3 months  Not period specific, it is challenge dependent .  1 hour 3 hours 6-8 hours 24 hours Unknown Yes 1 day  No, however the pipes used are corrosion free .  100 percent No N/A Once per month  Three months One month One day Yes Yes 10 days Yes Average 3 days 1 - 5 days 14 days  14 - 30 days depending on availability of materials.  No  Consumers are subsidized when they fall within the criteria of the indigent threshold as per the tariff schedule. The duration of the indigent subsidy will be from the date of the approval limited to 5 years linked to the term of Council.	Edward Hutamo, Patience Mboweni Edward Hutamo, Patience Mboweni  Edward Hutamo, Patience Mboweni Edward Hutamo, Patience Mboweni Edward Hutamo, Patience Mboweni Edward Hutamo, Patience Mboweni Edward Hutamo, Patience Mboweni Edward Hutamo, Patience Mboweni Edward Hutamo, Patience Mboweni Edward Hutamo, Patience Mboweni  Dorcus Shai, Meshack Thaba Dorcus Shai, Meshack Thaba Dorcus Shai, Meshack Thaba  Dorcus Shai, Meshack Thaba Dorcus Shai, Meshack Thaba Dorcus Shai, Meshack Thaba Dorcus Shai, Meshack Thaba Dorcus Shai, Meshack Thaba Dorcus Shai, Meshack Thaba  Dorcus Shai, Meshack Thaba Dorcus Shai, Meshack Thaba  Phuti Moloto,Dennis Mokoala Phuti Moloto,Dennis Mokoala Phuti Moloto,Dennis Mokoala  Phuti Moloto,Dennis Mokoala Phuti Moloto,Dennis Mokoala Phuti Moloto,Dennis Mokoala Phuti Moloto,Dennis Mokoala Phuti Moloto,Dennis Mokoala Phuti Moloto,Dennis Mokoala Phuti Moloto,Dennis Mokoala  Phuti Moloto,Dennis Mokoala  Dorcus Shai, Meshack Thaba  Junior Seabela, Layton Motubatse							



Province: Municipality LIM354 - Schedule of Service Delivery Standards Table 2025/26

# **Annexure I:**

# **PROPOSED TARIFFS**

POLOKWANE

LOCAL MUNICIPALITY



2025/2026

DRAFT TARIFFS

**AUTHORITY NOTICE:**

**POLOKWANE MUNICIPALITY**

**REVOCATION AND DETERMINATION OF TARIFFS FOR THE 2025/2026  
FINANCIAL YEAR.**

Notice is hereby given in terms of the provisions of the Local Government Municipal Finance Management Act 56 of 2003 as well as Chapter 4 and section 75A of the Local Government Municipal Systems Act 32 of 2000 that the Polokwane Municipality has on 29 May 2023 adopted its annual budget, as well as the tariffs to be charged for municipal services as indicated in this notice.

In relation to the 2025/2026 budget, the Municipal Council also determined the municipal property rates to be charged on property i.t.o. section 17 of the Local Government Municipal Finance Management Act 56 of 2003 and section 14(1) and (2) of the Local Government Municipal Property Rates Act of 2004 as amended; that the council resolved by way of council resolution as above, to levy the rates on properties reflected in the schedule of tariffs.

Subsequently the municipal tariffs and property rates for the financial year 2024/2025 published in the Provincial Gazette No 3546 of 14 June 2024 are henceforth revoked.

Tariffs for municipal services and property rates contained in this notice shall be effective from 1 July 2025.

**The relevant property rates and tariffs have been determined as follows: SCHEDULE:**

- 1 MUNICIPAL PROPERTY RATES**
- 2 DRAINAGE TARIFFS**
- 3 SANITARY & REFUSE REMOVAL TARIFFS**
- 4 WATER SUPPLY TARIFFS**
- 5 ELECTRICITY SUPPLY TARIFFS**
- 6 COMMUNITY CENTRES, DEVELOPMENT CLINICS, SPORT FACILITIES, SWIMMING POOLS,  
SHOWGROUND, OCCASSIONAL LEASING OF FACILITIES**
- 7 CEMETERIES, TOWN LANDS, GRAZING, GRASS, RENTAL OF LAND ON OCCASIONAL BASIS,  
NURSERY (DECORATIONS), PARKS, FLEA MARKET AREAS, ART MARKET AREAS, STALLS AT  
PUBLIC MUNICIPAL FUNCTIONS, GAME RESERVE & CARAVAN PARK, BIRD SANCTUARY,  
WEIGHBRIDGE AT WELTEVREDEN LANDFILL SITE**
- 8 FIRE FIGHTING COURSES, FIRE RESCUE AND SPECIAL SERVICES**
- 9 TRAFFIC & LICENSING FEES, TRAFFIC ESCORTING SERVICES, MOTOR AND ANIMAL POUND  
FEES AND OTHER GENERAL CHARGES**
- 10 DANIE HOUGH CULTURE CENTRE FACILITIES, ALL ACTIVITIES ROOMS, BAKONE MALAPA OPEN  
AIR MUSEUM – ENTRANCE FEES, CONFERENCE & "BOMA" FACILITIES & LIBRARIES**
- 11 TOWN PLANNING APPLCIATIONS, ADVERTISING & INSPECTION FEES, OTHERFEES, FEES WHERE  
MUNICIPAL INPUT REQUIRED ON APPLICATIONS, REPRODUCTION OF DOCUMENTATION & MAPS**
- 12 BUILDING & STRUCTURAL PLANS, OCCUPATION CERTIFICATES, REINSPECTION FEES,  
PAVEMENT DEPOSITS**
- 13 TARIFFS PAYABLE BY HAWKERS FOR SELLING OF PRODUCTS AND OTHER ACTIVITIES**
- 14 ISSUING OF CERTIFICATES AND FURNISHING OF INFORMATION**
- 15 TARIFFS PAYABLE FOR LEETO POLOKWANE BUS FARES**

**SCHEDULE 1:****PROPERTY RATES ON THE MARKET VALUE OF RATEABLE PROPERTY RECORDED IN THE VALUATION ROLL AND FIXED DATES FOR PAYMENT IN RESPECT OF THE FINANCIAL YEAR 1 JULY 2025 TO 30 JUNE 2026**

The Polokwane Municipality will levy from **1 July 2025** the following property rates in respect of the different categories of rate able property recorded in the valuation roll.

	Category	Approved tariff From 1/07/2023	Approved Tariff From 1/07/2024	Proposed Tariff From 1/07/2025
	Residential Properties	0.00668	0.00688	0.00729
	Industrial Properties	0.01336	0.01376	0.01458
	Business and Commercial	0.01336	0.01376	0.01458
	Agricultural Properties	0.00165	0.00170	0.00181
	Public Service Purposes (Organ of State)	0.01336	0.01376	0.01458
	Municipal Properties	Exempted	Exempted	Exempted
	Public Service Infrastructure	0.00165	0.00170	0.00181
	Mining	0.01336	0.01376	0.01458
	Private open space	0.00668	0.00688	0.00729
	Public Benefit Organizations	0.00165	0.00170	0.00181
	Places of worship	Impermissible	Impermissible	Impermissible
	Non Permitted Use/Illegal land use	0.05347	0.05507	0.05837

**SECTION 78. MUNICIPAL PROPERTY RATES ACT:**

Per Section 78 application outside time frame	R984.44	R1 013.98	R1 074.82
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**The following exemptions/rebates/reductions will come into operation from 1 July 2025:**

1. In terms of the property Rates Act, the first R15 000 of the property's market value of owners of residential premises and sectional titles which are used exclusively for residential purposes are excluded from the levying of

**Market Value** R0 - R15 000 **Impermissible**

2. All residential premises and sectional titles who are used exclusively for residential purposes (guesthouse excluded) are further granted a reduction of R85 000 from the payment of property rates.

**Market Value** R15 001 - R100 00 **Reduction**

3. A further rebate of **80%** on property rates will be granted to owners of residential premises and sectional titles who are depended on government pensions or social grants or other revenue and whose combined income does not exceed **R10 320.00** per month on application.

**Subject to the following conditions:**

- 3.1 An applicant must on **2025/07/01** be at least **60** years of age and or disabled except in the case of owners depended on social grants.
- 3.2 An applicant or his/her wife/husband must be the registered owner as well as the occupant of the property concerned.
- 3.3 The total household monthly income from all resources of an applicant and his/her wife/husband may not be more than **R10 320.00** per month and should the total monthly income be more than the amount of **R10 320.00** during the financial year in respect of which the rebate is allowed, such rebate will lapse as from the date on which the income is exceeded.
- 3.4 An application for rebate on the prescribed application form should reach the office of the Chief Financial Officer during the financial year, or when invitation is done by the municipality for registration or renewal.
- 3.5 Should any incorrect information be furnished in the application document; property rates will be levied at the normal tariff as from the date of benefits.
- 3.6 A rebate will only be granted in respect of a property on which only one dwelling is erected and such dwelling be occupied by the applicant and his/her dependents.
- 3.7 The rebate will only be granted on the property occupied by the applicant.
- 3.8 The required information must be confirmed by a sworn affidavit.

**5 Business and Industrial:**

Owners of Business or Industrial property's whose improved property's market value is R50 000 000.00 or above will receive the following rebate (only limited to one rebate, not on the sliding scale).

Market value	R50 000 000 – R99 000 000	2% Rebate
Market value	R100 000 000 – R499 999 999	3% Rebate
Market value	R500 000 000 and above	5% Rebate

6. Property rates will be levied in twelve more or less equal monthly installments, the first of which is payable on 2025-08-25. and thereafter on the twenty fifth day (25th) of every month towards 2026-08-25.

7. **0% VAT is charged on property rates.**

**SCHEDULE 2:**

**DRAINAGE/SEWER CHARGES: 2025/2026**

**1. APPLICATION FEES**

The Engineer shall determine application fees in terms of the provisions of section 23(1) of the By Laws.

The assessment of the charges shall be based upon the total square area of the building, addition, or alteration to an existing building. The charges are incorporated in the building plan fees and shall be payable in advance when the building plans are submitted. In case of any dispute arising in respect of the assessment of the application fees, the matter shall be subject to the right of appeal as determined in Section 3 of the By Laws.

**2. SEWERAGE CHARGES**

The owner of any erf or piece of land, with or without improvements, which is, or in the opinion of the Council can be, connected to the sewer, shall monthly pay to the Council, in terms of the provisions of Section 5 of the ByLaws the following charges:

SEWERAGE		Approved tariff from 1/07/2023	Approved tariff from 1/07/2024	Proposed tariff from 1/07/2025
		Per calendar month or Part Thereof	Per calendar month or Part Thereof	Per calendar month or Part Thereof
<b>1</b>	<b>AVAILABILITY CHARGE</b>			
	(i) For the first 500m <sup>2</sup> or part thereof, of surface area of the erf:	R136.54	R144.73	R153.41
	(ii) Thereafter, per 500m <sup>2</sup> or part thereof, up to 2 000m <sup>2</sup> of the surface area of the erf:	R22.12	R23.45	R24.86
	(iii) Thereafter, per 1 000m <sup>2</sup> or part thereof, of the surface area of the erf:	R17.96	R19.03	R20.18
	(iv) Maximum charge (887 000m <sup>2</sup> ):	R15 927.33	R16 882.97	R17 895.94
<b>2</b>	<b>ADDITIONAL CHARGES: RESIDENTIAL</b>			
<b>2.1</b>	<b>Dwelling houses and flats</b>			
<b>a</b>	(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
	(ii) For the second or subsequent dwelling house or other building mentioned in 2(1) above, per building	R91.24	R96.72	R102.52
<b>b</b>	Additional charge per unimproved erf:	R24.88	R26.37	R27.95
<b>2.2</b>	<b>Flats – per flat</b>	R91.24	R96.72	R102.52
<b>3</b>	<b>Nonresidential properties.</b>			
<b>3.1</b>	<b>BASIC CHARGE</b>			
	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
	Customer who are experiencing an increase of more than 10% as			

	result of implementation of the new tariff shall receive 75% discount in 2022/23 financial year			
<b>3.2</b>	<b>ADDITIONAL CHARGES</b>			
<b>a</b>	The owner of any Nonresidential erf or piece of land, with improvements,			
	(i) For the first 500m <sup>2</sup> or part thereof, of surface area of the erf:	R135.09	R143.19	R151.78
	(ii) Thereafter, per 500m <sup>2</sup> or part thereof, up to 8000m <sup>2</sup> of the surface area of the erf:	R135.09	R143.19	R151.78
	(iii) Thereafter, per 1 000m <sup>2</sup> or part thereof, of the surface area of the erf:	R21.08	R22.35	R23.69
<b>b</b>	Additional charge per unimproved erf:	R24.88	R26.37	R27.95
<b>3.3</b>	<b>CONSERVANCY TANKS</b>			
	Erven that cannot be connected to the main sewer and where a conservancy tank is installed:			
	Per month, regardless of the number of removals	R121.66	R128.96	R136.69

### 3. CONNECTION FEES

For every sewer connection as referred to in section 7(3) of the ByLaws, the estimated cost plus 10 % shall be payable in advance together with the application fees as set out in item 1 of this schedule.

### 4. CHARGES FOR INDUSTRIAL EFFLUENT

The monthly charge for the discharge of industrial effluent into the municipal drain, in terms of section 78 of the ByLaws, is calculated according to the following formula:

#### COST PER KILOLITRE:

1	SA Breweries:			
	Cost per Kiloliter (c/Kl)	(194.38+0.15x COD)	(206.04+0.15x COD)	(217.17+0.15x COD)
2	All Other Industries & Dept of Public Works (Old Air Force Base)			
	2.1 Cost per Kiloliter (c/Kl)	(255.11+0.200 X COD)	(238.62+0.200 X COD)	(251.51+0.200 X COD)
	2.2 Additional Cost:			
	Industrial effluent whereof the average pH value of the representative samples taken during that period is less than 6 or more than 11, per kiloliter, per month.	R122.02	R129.34	R137.10

### 5. CHARGES FOR CHEMICAL & BACTERIOLOGICAL ANALYSIS

Units	ANALYSIS	Approved tariff from 1/07/2023 Tariff 1	Approved tariff from 1/07/2023 Tariff 2	Approved tariff from 1/07/2024 Tariff 1	Approved tariff from 1/07/2024 Tariff 2	Proposed tariff from 1/07/2025 Tariff 1	Proposed tariff from 1/07/2025 Tariff 2
mg/l	C.O.D.	R152.09	R76.01	R161.21	R80.57	R170.89	R85.41
mg/l	Petroleum ether soluble subst.	R89.87	R44.24	R95.26	R46.90	R100.97	R49.71
	R76.97Eijkman	R103.69	R51.15	R109.91	R54.21	R116.51	R57.47
ug/l	Phosphatase	R89.87	R44.93	R95.26	R47.63	R100.97	R50.49
mg/l	Sodium	R90.98	R44.93	R96.44	R47.63	R102.22	R50.49
mg/l	Potassium	R89.87	R44.93	R95.26	R47.63	R100.97	R50.49
mg/l	Suspended solids	R89.87	R44.93	R95.26	R47.63	R100.97	R50.49
mg/l	T.D.S.	R90.98	R44.93	R96.44	R47.63	R102.22	R50.49
mg/l	Oxygen absorbed	R110.59	R55.26	R117.23	R58.57	R124.26	R62.09
mg/l	Ammonia:n	R89.87	R44.93	R95.26	R47.63	R100.97	R50.49
mg/l	Phosphate:p	R89.87	R44.93	R95.26	R47.63	R100.97	R50.49
mg/l	Chloride	R89.87	R44.93	R95.26	R47.63	R100.97	R50.49
ml	Total viable organisms	R131.34	R65.67	R139.23	R69.61	R147.58	R73.78
100ml	Total coliform organisms	R131.34	R65.67	R139.23	R69.61	R147.58	R73.78
100ml	Faecal coliform organisms/Ecoli	R131.34	R65.67	R139.23	R69.61	R147.58	R73.78
mg/l	Total kjeldahl nitrogen	R151.42	R75.40	R160.51	R79.92	R170.14	R84.72
mS/m	Conductivity	R48.39	R24.19	R51.29	R25.64	R54.37	R27.18
mg/l	Sulphate	R82.96	R41.46	R87.93	R43.94	R93.21	R46.58
mg/l	m-Alkalinity	R82.96	R41.46	R87.93	R43.94	R93.21	R46.58
CaCO3							
ml/l/h	Settleable solids	R89.87	R47.48	R95.26	R50.33	R100.97	R53.35
mg/l as N	Nitrate	R101.48	R51.65	R107.57	R54.75	R114.03	R58.04
mg/l	Fluoride	R124.43	R62.21	R131.90	R65.94	R139.81	R69.90
NTU	Turbidity	R48.39	R24.19	R51.29	R25.64	R54.37	R27.18
mg/l	Total hardness	R82.96	R41.46	R87.93	R43.94	R93.21	R46.58
CaCO3							
mg/l	Calcium hardness	R82.96	R41.46	R87.93	R43.94	R93.21	R46.58
pH value	PH	R48.39	R24.19	R51.29	R25.64	R54.37	R27.18
	Flocculation test	R193.56	R96.78	R205.17	R102.58	R217.48	R108.74
	Chlorine demand	R117.50	R58.75	R124.55	R62.27	R132.02	R66.01
	Methylene blue reduction test	R62.21	R30.05	R65.94	R31.85	R69.90	R33.77
ml	Coliform organisms	R131.34	R65.67	R139.23	R69.61	R147.58	R73.78
mg/l	Chromium	R89.87	R44.93	R95.26	R47.63	R100.97	R50.49
mg/l	Cadmium	R103.76	R51.88	R109.99	R54.99	R116.59	R58.29
mg/l	Lead	R124.43	R62.21	R131.90	R65.94	R139.81	R69.90
mg/l	Cyanide	R103.76	R51.88	R109.99	R54.99	R116.59	R58.29
mg/l	Boron	R103.76	R51.88	R109.99	R54.99	R116.59	R58.29
mg/l	Antimony	R103.76	R51.88	R109.99	R54.99	R116.59	R58.29
mg/l	Arsenic	R103.76	R51.15	R109.99	R54.21	R116.59	R57.47
mg/l	Copper	R103.76	R51.88	R109.99	R54.99	R116.59	R58.29
mg/l	Iron	R96.78	R48.39	R102.58	R51.29	R108.74	R54.37



mg/l	Manganese	R96.78	R48.39	R102.58	R51.29	R108.74	R54.37
mg/l	Aluminium	R96.78	R48.39	R102.58	R51.29	R108.74	R54.37
mg/l as N	Nitrite	R103.76	R51.88	R109.99	R54.99	R116.59	R58.29
mg/l	Zinc	R103.76	R51.88	R109.99	R54.99	R116.59	R58.29
mg/l	Free chlorine	R55.29	R51.88	R58.61	R54.99	R62.12	R58.29
mg/l	Combined chlorine	R55.29	R27.63	R58.61	R29.29	R62.12	R31.05
mg/l	Volatile suspended solids	R89.87	R44.93	R95.26	R47.63	R100.97	R50.49
mg/l	Miss	R89.87	R44.93	R95.26	R47.63	R100.97	R50.49
mg/l	Phenol	R110.59	R55.29	R117.23	R58.61	R124.26	R62.12

Tariff 1 is the cost charged for either the first or second sample, and tariff 2 is the cost charged for the 3rd sample and any subsequent sample that is received on the same day.

#### 6. SUPPLY OF DISTILLED WATER

Distilled Water: per liter	R9.83	R10.42	R11.04
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#### 7. SELLING OF DRIED SLUDGE

Selling of dried sludge: per ton	R333.21	R353.20	R374.40
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**SCHEDULE 3:****SOLID WASTE REMOVAL CHARGES: 2025/2026****1. REFUSE REMOVAL**

The owner of any erf/stand, premises or other area where municipality collects solid waste shall monthly pay to the Council the following solid waste removal charges, which, unless otherwise stated, shall be levied per calendar

		Approved tariff from 1/07/2023	Approved tariff from 1/07/2024	Proposed tariff from 1/07/2025
		Per calendar month or part thereof	Per calendar month or part thereof	Per calendar month or part thereof
1.	<b>BASIC CHARGE</b> Basic charge per month on any erf, stand premises or other area per month	R69.12	R73.27	R77.67
2.	<b>ADDITIONAL CHARGES: RESIDENTIAL</b>			
2.1	<b>Dwelling houses and flats</b>			
	(a) On an erf with a surface area not exceeding 500m <sup>2</sup>	R55.29	R58.61	R62.12
	(b) All erven with a surface area in excess of 500m <sup>2</sup> :			
	(i) For the first 500m <sup>2</sup> of the surface area of the erf	R88.48	R93.79	R99.41
	(ii) Thereafter, for the following 500m <sup>2</sup> or part thereof, of the surface area of the erf	R59.43	R63.00	R66.78
	(iii) Thereafter, per 500m <sup>2</sup> or part thereof, of the surface area of the erf	R30.40	R32.22	R34.16
	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 <sup>2</sup> )	R756.30	R801.68	R849.78
2.2	<b>Flats</b>			
	<b>PER UNIT</b>			
	(a) On an erf with a surface area not exceeding 500m <sup>2</sup>	R55.29	R58.61	R62.12
	(b) Up to and including 500m <sup>2</sup> of the surface area of the erf	R88.48	R93.79	R99.41
	(c) Thereafter, for the following 500m <sup>2</sup> or part thereof, of the surface area of the erf	R59.43	R63.00	R66.78
	(d) Thereafter, per 500m <sup>2</sup> or part thereof, of the surface area of the erf	R30.40	R32.22	R34.16
3	<b>ADDITIONAL CHARGES: NON-RESIDENTIAL</b>			
	<b>This charge shall apply to nonresidential properties, with improvements</b>			
	(i) For the first 300m <sup>2</sup> or part thereof, of surface area of the erf:	R468.06	R496.15	R525.92
	(ii) Thereafter, per 300m <sup>2</sup> or part thereof, up to 9300m <sup>2</sup> of the surface area of the erf:	R130.00	R137.80	R146.07
	(iii) Thereafter, per 1 000m <sup>2</sup> or part thereof, of the surface area of the erf:	R92.22	R97.75	R103.62
	<b>This charge shall apply to nonresidential properties, with or without improvements</b>			
3.1	<b>REBATE FOR IMPLEMENTATION OF NEW TARIFF</b>			
	Customer who are experiencing an increase of more than 10% (2021/2022) as result of implementation of the new tariff shall receive 25% discount in 2024/2025 financial year			
4	<b>MASS CONTAINER</b>	R947.12	R1 003.95	R1 064.18
5	<b>Garden Refuse Removal:</b>			
	(i) For the removal of garden refuse in plastic bags on the day which refuse removal normally takes place			
	(ii) For the removal of garden refuse other than placed in plastic bags, per removal	R947.12	R1 003.95	R1 064.18
6	<b>For the removal of non-perishable refuse, excluding garden refuse:</b>			
	(i) Per removal	Estimated cost + 10%	Estimated cost + 10%	Estimated cost + 10%
	(ii) Occasional Services:			
	Per removal	R1 023.15	R1 084.54	R1 149.62
7	<b>Weltevreden Landfill Site</b>			
7.1	Weighbridge fees per ton or part thereof	R67.74	R71.81	R76.12
7.2	Grass cutting of private stands per square meter (M2) or part thereof	R6.91	R7.33	R7.77
7.3	Cleaning of illegal dumping on private stands per ton	R305.31	R323.63	R343.05
7.4	Re-issuing of 240 litre refuse containers per bin	R912.55	R967.31	R1 025.35
7.5	Re-issuing of 770 litre refuse containers per bin	R7 148.39	R7 577.29	R8 031.93
7.6	Emptying of 30, m3 skip containers per removal	R2 281.40	R2 418.28	R2 563.38
8	<b>CARCASS REMOVAL AND DISPOSAL OF SUCH</b>			
8.1	Calf, foal, sheep, goat, lamb, pig, dog, cat or poultry, per carcass	R135.39	R143.52	R152.13
8.2	Any other animal, per carcass	R271.00	R287.26	R304.50
8.3	Maximum charge, per removal	R813.00	R861.78	R913.49

2. GENERAL

1	The expiry date for payment in respect of services rendered, shall be the first working day after the 24th day of the month, following the month during which such service was rendered, and shall be recoverable from the owner of the premises in respect of which services were rendered or otherwise as determined under Section 49 of the Local Government Ordinance, 1939.
2	Any amount due in respect of sanitary services rendered by the Council shall be paid on or before the first working day after the 24th of the month following on the month in respect whereof levies were raised.

**SCHEDULE 4:****WATER SUPPLY CHARGES: 2025/2026****PART I****WATER SUPPLY****1. BASIC CHARGE**

A basic charge of R269.09 for the first 2 000m<sup>2</sup> or part thereof with an additional charge of R40.18 for every additional 1 000m<sup>2</sup> or part thereof per month shall be levied per erf, stand, premises or other area, not zoned as residential 1,2,3 or 4 or not used for residential purposes, with or without any improvements, which is or, in the opinion of the council can be, connected to the main waterline, whether water is consumed or not and shall be payable by the owner of such property: provided that in the case of agricultural holdings, farm lands as well as property situated outside the municipality the maximum charge shall be R429.80 per month and R63 351.69 per month in the case of other premises: the tariff will also be applicable for properties not utilizing municipal water such as bore hole water users.

**2 DOMESTIC SUPPLY**

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

		Approved tariff from 1/07/2023	Proposed tariff from 1/07/2024	Proposed tariff from 1/07/2025
(i)	For the first 5Kl; per Kl:	R12.21	R11.85	R13.14
(ii)	For the following 10Kl; per Kl:	R19.20	R19.71	R21.86
(iii)	For the following 15Kl; per Kl:	R20.95	R22.84	R25.56
(iv)	For the following 20Kl; per Kl:	R27.94	R30.46	R34.08
(v)	For the following 50Kl; per Kl:	R33.20	R36.18	R40.49
(vi)	Thereafter, for consumption in excess of 100Kl, per Kl:	R40.19	R43.81	R49.02

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

(i)	For the first (5 x A) Kl or part thereof (where A is the sum of the number of customers served by such communal meter) per Kl	R12.21	R11.85	R13.14
(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	R19.20	R19.71	R21.86
(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	R20.95	R22.84	R25.56
(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	R27.94	R30.46	R34.08
(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	R33.20	R36.18	R40.49
(vi)	Thereafter, for consumption in excess of 100Kl, per Kl:	R40.19	R43.81	R49.02

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

(i)	Per dwelling, building, structure or room separately occupied notwithstanding the fact that more than one such dwelling, building, structure or room is under one roof, for 5Kl per Kl per month	R12.26	R13.36	R14.82
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**3. CONCERNS ON INDUSTRIALLY ZONED ERVEN**

3.1 For the supply of water to an erf, stand, premises or other area, by a separate meter, postpaid (conventional) and prepaid, for consumption since the previous monthly meter reading:

(i)	For the first 30Kl; per Kl:	R27.94	R30.46	R34.08
(ii)	For the following 20Kl; per Kl:	R36.69	R40.00	R44.76
(iii)	For the following 50Kl; per Kl:	R41.94	R45.71	R51.15
(iv)	For the following 19 900Kl; per Kl:	R47.18	R51.43	R57.55
(v)	Thereafter for consumption in excess of 20 000Kl, per Kl	R34.96	R38.10	R42.64

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

(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	R27.94	R30.46	R34.08
(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	R36.69	R40.00	R44.76
(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	R41.94	R45.71	R51.15
(iv)	Thereafter, for consumption in excess of 100KI, per KI	R47.18	R51.43	R57.55

#### 4. SILICON SMELTERS

(i)	Service charge per month	R94 484.40	R102 987.99	R115 253.86
(ii)	For the supply of water, for the first 20 000KI, per KI	R47.68	R51.97	R58.16
(iii)	For consumption in excess of 20 000KI, per KI	R33.56	R36.58	R40.94
(iv)	Minimum charge, per month – (17 700 KI). <b>The amount is reduced to R160 350.00 per Council resolution 92/11/19. (Special Joint Finance/LED &amp; Admin Governance). Account 10992553.</b> (5000 CR92/1119)	R843 936.00 <b>R238 400.00 Until rescind, then the R843 936.00 shall apply.</b>	R919 890.24 <b>Minimum charge 12 000kl @ R51.97=R623 640.00</b>	R1 029 425.40 <b>Minimum charge 12 000kl @ R58.16=R697 920.00</b>

#### 5 DEPARTMENT OF PUBLIC WORKS (AIRFORCE BASE)

(i)	For the supply of water, per KI	R47.18	R51.43	R57.55
(ii)	Minimum charge, per month – (15 340 KI)	R731 564.60	R797 405.41	R882 827.65

#### 6 DALMADA WATER CO-OPERATION & BROADLANDS

(i)	For the supply of water, per KI	R27.94	R30.46	R34.08
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#### 7 SCHOOLS AND SCHOOL HOSTELS

(i)	For the supply of water, per KI	R33.20	R36.18	R40.49
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#### 8 POTGIETERSRUS PLATINUMS LIMITED

(i)	For the supply of water (treated effluent), per KI	R3.48	R3.80	R4.25
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#### 9 KOLOBE CIVILS & PLUMBING cc (LEZMIN 3535)

(i)	For the supply of backwash water for Dalmada water treatment plant, per KI (10% escalation pa)	R3.59	R3.91	R4.38
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#### 10 BUSINESS/ COMMERCIAL AND ANY OTHER CUSTOMER

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

(i)	For the first 30KI, per KI:	R27.94	R30.46	R34.08
(ii)	For the following 20KI, per KI:	R36.69	R40.00	R44.76
(iii)	For the following 50KI, per KI:	R41.94	R45.71	R51.15
(iv)	Thereafter, for consumption in excess of 100KI, per KI:	R47.18	R51.43	R57.55

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

(i)	For the first (30 x A) KI or part thereof (where A is the sum of the number of customers served by a communal meter) per KI	R27.94	R30.46	R34.08
(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	R36.69	R40.00	R44.76
(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	R41.94	R45.71	R51.15
(iv)	Thereafter, for consumption more than 100KI, Per KI	R47.18	R51.43	R57.55

## 11. CONNECTION FEES

For the provision and installation of a connection pipe, meter, and accessories. For all sizes: Estimated cost plus 10 % of such amount for administration costs.

Description / Size	Approved tariff from 1/07/2023	Approved tariff from 1/07/2024	Proposed tariff from 1/07/2025
15mm	R2 065.95	R2 251.89	R2 387.00
20mm	R2 065.95	R2 251.89	R2 387.00
25mm	R3 895.81	R4 246.43	R4 501.22
40mm	R5 705.99	R6 219.53	R6 592.70
50mm	R13 773.09	R15 012.67	R15 913.43
75mm	R18 692.04	R20 374.32	R21 596.78
100mm	R22 627.20	R24 663.65	R26 143.47
150mm	R35 416.50	R38 603.99	R40 920.23
200mm	R40 335.47	R43 965.66	R46 603.60
Shifting of water meter	R861.32	R938.84	R995.17
Sewer connection	R2 154.40	R2 348.29	R2 489.19
Fire hydrant connection	R5 344.47	R5 825.47	R6 175.00
50mm	R13 773.09	R15 012.67	R15 913.43
75mm	R18 692.04	R20 374.32	R21 596.78
100mm	R22 627.20	R24 663.65	R26 143.47
Connection fee	R43.09	R46.97	R49.79
Replacement of a damaged or lost CIU	R961.41	R1 047.93	R1 110.81

## 12 MUNICIPAL DEPARTMENTS

Charges for water if not on the water tariffs above may be charged at cost price of the previous financial year. Or

### PART 2 GENERAL CHARGES

The following charges and conditions shall apply in respect of general services rendered by the Council

#### 1. CHARGES FOR A CONNECTION FOR FIRE FIGHTING PURPOSES

For the provision and installation of a 100 mm connection pipe, meter or, if a meter is not required, a sealed valve:

At cost plus 10 % of such amount for administration costs: Provided that if the seal of a sealed valve is broken by any person, other than an official of the Council, the customer shall pay:	R295.76	R322.38	R341.73
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#### 2 ADMIN CHARGES – INCLUDING NORMAL DISCONNECTION AND RECONNECTION

2.1. The charge for disconnection because of non-payment of account or for non-compliance with any of the regulations or by laws of the Council shall be as follows:

(i)	During working hours: normal reconnection	R961.41	R1 047.93	R1 110.81
(ii)	During working hours: request for urgent reconnection	R1 442.14	R1 571.93	R1 666.25
(iii)	After working hours: request for reconnection	R1 442.14	R1 571.93	R1 666.25

2.2. Charge for temporary disconnection at the request of any customer:

(i)	During working hours	R961.41	R1 047.93	R1 110.81
(ii)	After working hours: request for reconnection	R1 442.14	R1 571.93	R1 666.25

2.3. Charge when customers change:

For every application for rendering the service, irrespective of whether the service has been discontinued

(i)	During working hours: Domestic and Business users	R38.60	R42.08	R44.60
(ii)	After working hours	R80.39	R87.62	R92.89

#### 3. PRE-PAID METER ADMINISTRATION FEE.

When using an incorrect meter number when purchasing water	R961.41	R1 047.93	R1 110.81
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## GENERAL SERVICES

Any service rendered upon request by a customer and not provided for in this tariff, shall be charged for at the estimated cost to the council, plus 10% administration costs.

### 4 SPECIAL METER READINGS

4.1	The charge for a special reading of a meter at the request of a customer (Refundable if faulty)	R143.33	R156.23	R165.61
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### 5. TESTING OF METERS

5.1	The charge for testing a meter at the request of a customer (Refundable if faulty)	R961.41	R1 047.93	R1 110.81
5.2	The percentage referred to in section 38(4) of the Standard Water Supply By Laws shall be	5%	5%	5%

### 6. WATER LEAKAGE

6.1	When the water Department is called upon to rectify a water leakage and such leakage is found to be on private property and due to any cause other than a fault in the Council's main or apparatus, a charge shall be payable by the customer for each such attendance.	R961.41	R1 047.93	R1 110.81
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### 7. DEPOSIT FOR ESTIMATES

7.1	When an extension of the main is requested, a deposit shall be payable for estimating the cost. This amount shall be subtracted from the total connection charges and if the connection is not made, the amount shall be forfeited.	R961.41	R1 047.93	R1 110.81
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### 8. DEPOSITS FOR SUPPLY OF WATER

8.1	The minimum deposit payable in terms of section 12 (1) (a) of the by-laws shall be:			
	Domestic users/South African citizens	R1 141.68	R1 244.43	R1 319.09
	Domestic users /Non South African citizens	R6 851.42	R7 468.04	R7 916.13
	Business users/South African citizens	R5 711.12	R6 225.12	R6 598.62
	Business users/Non South African citizens	R5 711.12	R6 225.12	R6 598.62

### 9. ADMIN FOR TELEPHONE REMINDER SERVICE

The charge payable in respect of a telephone reminder for overdue account is as follows:

The charge payable in respect of a telephone or cell phone reminder (including text sms) is as follows: For every telephone reminder	R41.07	R44.76	R47.45
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### 10. ADMINISTRATION COSTS IN RESPECT OF WRITTEN REMINDER SERVICES.

New

For every notice in respect of an unpaid customer account after the due payment date of the month. A written notice, letter or email reminder.	R88.98	R96.98	R102.80
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### 11 WASTE WATER REMOVAL

Removal of wastewater via tanker services when provided by the Municipality New R250.00/Kl vat incl

BY LAW OFFENCES:				
CHAPTER 2				
APPLICATIONS AND AGREEMENTS FOR WATER SERVICES:				
Clause		Approved tariff from 1/07/2023	Approved tariff from 1/07/2024	Proposed tariff from 1/07/2025
5	Where the purpose or extent for which water services are used is changed, the customer must inform the Council, and must enter into a new agreement with the Council, expressed to be effective from the date on which such change of use took or will take effect.	Level R2 038.21 Level R4 076.44 Level R10 191.16	Level R2 221.65 Level R4 443.32 Level R11 108.37	Level R2 354.94 Level R4 709.92 Level R11 774.87
19	Access to water services other than through Council prohibited No person is permitted to have access to water services from a source other than the Council without the Council's written approval.	R10 191.16	R11 108.37	R11 774.87

22	<p>Unauthorized use of water services prohibited</p> <p>No person may gain access to water services from the water supply system, sewage disposal system or any other sanitation services unless an agreement has been entered into with the Council for the rendering of those services. (Illegal water connection) plus an estimated consumption fee, to be determined by the Finance Department</p> <p>Refer CR/49/09/19</p>	<p>First bridge R78 132.60 Second bridge R189 750.60 Third bridge R558 090.00 <u>Renting rooms:</u> First bridge R245 559.60 Second bridge R692 031.60 <u>Business: total</u> disconnection from the grid R1 116 180.00</p>	<p>First bridge R85 164.53 Second bridge R206 828.15 Third bridge R608 318.10 <u>Renting rooms:</u> First bridge R267 659.96 Second bridge R754 314.44 <u>Business: total</u> disconnection from the grid R1 216 636.20</p>	<p>First bridge R90 274.41 Second bridge R219 237.84 Third bridge R644 817.19 <u>Renting rooms:</u> First bridge R283 719.56 Second bridge R799 573.31 <u>Business: total</u> disconnection from the grid R1 289 634.37</p>
23	<p>1. Interference with water supply system or sanitation services prohibited Unless he or she has been authorized to do so by the Council in writing, no person may-</p> <ul style="list-style-type: none"> <li>Operate or maintain any part of the water supply system.</li> <li>Operate any sewage disposal system.</li> <li>Effect a connection or reconnection to the water supply system or sewage disposal system; or</li> <li>render any other sanitation services.</li> </ul> <p>Refer CR/49/09/19</p>	<p>First bridge R78 132.60 Second bridge R189 750.60 Third bridge R558 090.00 <u>Renting rooms:</u> First bridge R245 559.60 Second bridge R692 031.60 <u>Business:</u> total disconnection from the grid R1 116 180.00</p>	<p>First bridge R85 164.53 Second bridge R206 828.15 Third bridge R608 318.10 <u>Renting rooms:</u> First bridge R267 659.96 Second bridge R754 314.44 <u>Business:</u> total disconnection from the grid R1 216 636.20</p>	<p>First bridge R90 274.41 Second bridge R219 237.84 Third bridge R644 817.19 <u>Renting rooms:</u> First bridge R283 719.56 Second bridge R799 573.31 <u>Business:</u> total disconnection from the grid R1 289 634.37</p>
	<p>2. No person may interfere with or willfully or negligently damage or permit damage to or interference with any part of the water supply system or sewage disposal system belonging to the Council.</p>	<p>First bridge R78 132.60 Second bridge R189 750.60 Third bridge R558 090.00 <u>Renting rooms:</u> First bridge R245 559.60 Second bridge R692 031.60 <u>Businesses:</u> First bridge R245 559.60 Second bridge R692 031.60</p>	<p>First bridge R85 164.53 Second bridge R206 828.15 Third bridge R608 318.10 <u>Renting rooms:</u> First bridge R267 659.96 Second bridge R754 314.44 <u>Businesses:</u> First bridge R267 659.96 Second bridge R754 314.44</p>	<p>First bridge R90 274.41 Second bridge R219 237.84 Third bridge R644 817.19 <u>Renting rooms:</u> First bridge R283 719.56 Second bridge R799 573.31 <u>Businesses:</u> First bridge R283 719.56 Second bridge R799 573.31</p>
24	<p><b>Obstruction of access to water supply system or sanitation service prohibited.</b></p> <p>No person may prevent or restrict physical access by any employee of the Council to the water supply system or sewage disposal system of the Council.</p>	<p>R3 964.96</p>	<p>R4 321.80</p>	<p>R4 581.11</p>



<b>CHAPTER 5 PART A</b> <b>WATER SUPPLY SERVICE</b>				
31	<b>Unauthorized interconnection between premises or water installations prohibited</b> Unless he or she has obtained the prior written consent of the Council and complies with any conditions that may have been imposed by the Council in this regard, an owner of premises must ensure that no interconnection exists between- <ul style="list-style-type: none"> <li>· The water installation on his or her premises and the water installation on any other premises; or</li> <li>· By several dwelling or business units are situated on the same premises, the water installations of such units</li> </ul>	R9 349.69	R10 191.17	R10 802.64
33	<b>Water may be supplied from hydrant in certain circumstances</b> 1) The Council may authorize a temporary supply of water to be taken from one or more fire hydrants specified by it, subject to such conditions and for such period as may be generally prescribed or specifically imposed by it in respect of such supply. 2) Except in an emergency, a person who requires a temporary supply of water referred to in subsection (1) must apply, therefore. 3) The Council may, for the purpose of supplying water from a hydrant, provide a portable water meter to be returned to the Council on termination of the temporary supply, which portable meter and all other fittings and apparatus used for the connection of the portable water meter to a hydrant remains the property of the Council and will be provided subject to any conditions imposed by the Council.	R10 191.16	R11 108.37	R11 774.87

<b>PART C</b> <b>MEASURING QUANTITY OF WATER SUPPLIED</b>				
34 (5)	Measuring quantity of water supplied d) ensure that no connection is made to the pipe in which the measuring device is installed, between the measuring device and the connection pipe or water main serving the installation. f) Not use nor permit to be used on any water installation, any fitting, machine, or appliance which causes damage or, in the opinion of the Council, is likely to cause damage to any meter.	R10 191.16	R11 108.37	R11 774.87
34(6)	No person other than an authorized official of the council may- <ul style="list-style-type: none"> <li>· Disconnect a measuring device and its associated apparatus from the pipe in or o which they are installed or connected.</li> <li>· Break a seal which the Council has placed on any meter; or</li> <li>· In any other way interfere with a measuring device and its associated apparatus.</li> </ul>	R4 076.45	R4 443.33	R4 709.93
35	<b>Determining quantity of water supplied to customer</b> 3. If water is supplied to or taken by a customer without it passing through a measuring device, the estimate by the Council of the quantity of such water must be deemed to be correct.	R4 076.45	R4 443.33	R4 709.93
	4. Where water supplied by the Council to any premises is in any way taken by the customer without such water passing through any measuring device provided by the Council, the Council may for the purpose of rendering an account, make an estimate, in accordance with subsection (4), of the quantity of water supplied to the customer during the period that water is so taken by the customer.	R10 191.16	R11 108.37	R11 774.87

<b>PART D</b> <b>APPROVAL OF INSTALLATION WORK</b>				
41	Approval of installation work 7) If installation work has been done in contravention of subsections (1), (2) or (3), a designated officer may, subject to the provisions of these By-laws, issue a compliance notice requiring the owner of the premises concerned- <ul style="list-style-type: none"> <li>a) to comply with the relevant subsection, within a specified period;</li> <li>b) if the work is still in progress, to cease the work; and</li> <li>c) to remove all such work as does not comply with these By-laws.</li> </ul>	R4 076.45	R4 443.33	R4 709.93

42	Persons permitted to do installation and other work  1) No person who is not a qualified plumber may be permitted to- a) Do any installation work other than the replacement or repair of an existing pipe or water fitting, b) Replace a fixed water heater or its associated protective devices. c) Inspect, disinfect, or test a water installation, fire installation or storage tank. d) Service, repair or replace a back flow preventer; or e) Install, maintain, or replace a meter provided by an owner in a water installation.	R10 191.16	R11 108.37	R11 774.87
	2) No person may require or engage a person who is not a qualified plumber to do the work referred to in subsection (1).	R10 191.16	R11 108.37	R11 774.87
43	Provision and maintenance of water installations. 2) Before doing work in connection with the maintenance of a portion of his or her water installation, which is situated outside the boundary of his premises, an owner must obtain the written consent of the Council or the owner of the land on which such portion is situated, as the case may be.	R2 038.21	R2 221.65	R2 354.94
45	Installation or use of pipes and water fittings in water installations. 1) No person may, without the prior written permission of the Council, install or use a pipe or water fitting in a water installation within the Council's area of jurisdiction unless it is of a type that is included in the schedule of approved pipes and fittings as compiled by the Council.	R2 038.21	R2 221.65	R2 354.94
46	Unlawful water installation work. Where any installation work has been constructed in contravention of these By-laws, the owner must on receiving a compliance notice by the Council, carry out such alterations to the installation as prescribed in the notice.	R10 191.16	R11 108.37	R11 774.87
48	Owner to prevent pollution of water. An owner must provide and maintain effective measures to prevent the entry of any substance or matter which may be a danger to health or may adversely affect the portability of water or affect its fitness for use in- a) The water supply system or plant; and b) any part of the water installation on his or her premises.	R10 191.16	R11 108.37	R11 774.87

**PART E**  
**PROTECTION OF WATER SUPPLY SYSTEM FROM BACKFLOW AND BACK SIPHONAGE**

49	Protection of water supply system from backflow 1) The owner must take any of the measures referred to in subsection (2) to prevent the backflow of water from the water installation to the water supply system in the case of- a) fire or combined installation on premises; and	R36 668.27	R39 968.41	R42 366.52
49	b) a general installation serving the following activities- medical treatment of people or animals; medical, pharmaceutical or chemical research and manufacturing; agriculture, including dairies and nurseries; photographic processing; laundering and dry-cleaning; metal plating; treatment of skins and hides; and c) a general installation serving mortuaries; abattoirs; sewage purification works; refuse processing plants; oil processing and storage facilities; wineries, distillers, breweries, yeast and cold drink factories; sports facilities; or any other premises on which an activity is carried out which in the opinion of the Council is likely to cause a danger to health or affect the portability of water in the event of a substance resulting from such activity entering the water supply system; and d) a general installation on any premises after a compliance notice by the Council to do so.	R39 968.41	R43 565.56	R46 179.50
51	Inspection and service of backflow preventers 1) The owner of premises on which a reduced pressure or double check backflow preventer is installed must, at his own expense, cause the backflow preventer to be- inspected and serviced not less than once in every 12 months to ensure that it is in working order; and	R3 975.09	R4 332.84	R4 592.81

PART F				
WATER RESTRICTIONS				
54	<b>Waste of water unlawful</b> 1) No customer may permit a) the purposeless or wasteful discharge of water from terminal water fittings. b) pipes or water fittings forming part of a water installation to leak. c) the use of maladjusted or defective water fittings in a water installation. d) an overflow of water from a water installation to persist; or e) a wasteful use of water to persist. 2) An owner must repair or replace any part of his or her water installation which is in such a state of disrepair that it is either causing or is likely to cause an event referred to in subsection (2), a designated officer may issue an enforcement notice in connection therewith. 3) If an owner fails to take measures as contemplated in subsection (2), a designated officer may issue an enforcement notice in connection therewith. 4) Every customer must ensure that any equipment or plant connected to his or her water installation uses water in an efficient manner.	R10 191.16  R4 076.44 R4 088.01 R3 739.86 R4 076.44	R11 108.37 R4 443.32 R4 455.93 R4 076.45 R4 443.32	R11 774.87  R4 709.92 R4 723.29 R4 321.03 R4 709.92
55	<b>Prohibition of use of certain equipment in water installations</b> A designated officer may, by compliance notice, prohibit the use by a customer of any equipment in a water installation if, in his or her opinion, its use of water is wasteful, and such equipment must not be returned to use until its efficiency has been restored, and a written application to do so has been approved by the Council. The minimum penalty herewith will be imposed for contravention or waste of borehole water.	R4 076.44	R4 443.32	R4 709.92
58	<b>Pipes in streets or public places</b> No person may, for the purpose of conveying water derived from whatever source, lay or construct a pipe or associated component on, in or under a street, public place or other land owned by, vested in, or under the control of the Council, except with the prior written permission of the Council, and subject to such conditions as may be imposed by it on granting permission.	R10 191.16	R11 108.37	R11 774.87
59	<b>Use of water from source other than water supply system</b> Except with the prior permission of the Council, no person may use or permit the use of water obtained from a source other than the water supply system, other than rain water tanks which are not connected to the water installation, and in accordance with such conditions as the Council may impose, for domestic, commercial or industrial purposes, and except with the approval of any other authority required by any law.	R20 382.36	R22 216.77	R23 549.78

PART H				
SPECIAL PROVISIONS REGARDING FIRE SERVICES				
63	<b>Connection pipes for fire installation systems</b> 3) Where there is an existing connection pipe for the sole purpose of fire installation services, such connection pipe may only be used for that purpose. 4) No take-off of any kind from any connection pipe referred to in subsection (3) may be made, nor may any water therefrom be used except in connection with an automatic sprinkler and drencher installation, a hydrant connection or a hose-reel connection, or for any pressure tank connection therewith, and such tank must be controlled by an approved fitting for firefighting purposes.	R10 191.16	R11 108.37	R11 774.87
64	<b>Inspection and approval of automatic sprinkler installation for firefighting purposes</b> No water may be supplied to any fire installation until- It has been inspected and tested by the Council; the Council has certified in writing that such water installation is complete and With the requirements of the By-Laws.	R4 076.44	R4 443.32	R4 709.92
69	a) <b>Objectionable discharges to sewage disposal system</b> 1) no person may discharge or cause or permit the discharge or entry into any sewer of any storm water and underground seepage water. Nor shall any person discharge or cause or permit the discharge or entry into any sewer of any sewage, industrial effluent or other liquid or substance. b) which may be offensive to, or may cause a nuisance to the public; c) which is in the form of steam or vapour or has a temperature exceeding 44 degrees Celsius at the point where it enters the sewer.	R2 006.83 R4 019.58 R2 006.83 R4 019.58	R2 187.44 R4 381.34 R2 187.44 R4 381.34	R2 318.69 R4 644.22 R2 318.69 R4 644.22

d) which has a pH value less than 6.0 or more than 10.0;	R4 019.58 to R10 048.99	R4 381.34 to R10 953.40	R4 644.22 to R11 610.60
e) which contains any substance of whatsoever nature likely to produce or give off explosive, flammable, poisonous or offensive gases or vapours in any sewer;	R10 048.99 to R20 097.97	R10 953.40 to R21 906.79	R11 610.60 to R23 221.20
f) which contains any substance having an open flash point of less than 93 degrees Celsius or which gives off a poisonous vapour at a temperature below 93 degrees Celsius;	R2 009.59 to R4 019.58	R2 190.46 to R4 381.34	R2 321.88 to R4 644.22
g) Which contains any material of whatsoever nature, including oil, grease, fat or detergents capable of causing an obstruction to the flow in a sewer, to a drain or interference with the proper operation of a sewage treatment plant?	R10 048.99 to R20 097.97	R10 953.40 to R21 906.79	R11 610.60 to R23 221.20
h) Which may inhibit the unrestricted conveyance of sewage through the sewage disposal system;	R2 009.59 to R4 019.58	R2 190.46 to R4 381.34	R2 321.88 to R4 644.22
i) which contains any substance in such concentration as is likely in the final treated effluent from any sewage treatment plant to produce an undesirable taste after chlorination, or an undesirable	R10 048.99 to R20 097.97	R10 953.40 to R21 906.79	R11 610.60 to R23 221.20
a) odour or colour, or excessive foam; b) which contains any substance of whatsoever nature?	R10 048.99 R20 097.97	R10 953.40 R21 906.79	R11 610.60 R23 221.20
c) whether listed in Schedule B of these By-laws or not, either alone or in combination with other matter may-	R4 019.58 R10 048.99	R4 381.34 R10 953.40	R4 644.22 R11 610.60
d) COD > 2000 mg/L	R10 049.00 R20 097.97	R10 953.41 R21 906.79	R11 610.61 R23 221.20
2) No person may cause or permit any solid, liquid or gaseous substance, other than storm water or underground seepage water to enter-			
a) any storm water drain, storm water sewer or excavated or constructed water course;	R5 023.55 to R20 097.97	R5 475.67 to R21 906.79	R5 804.21 to R23 221.20
b) Any river, stream, or natural water course or any public water, whether ordinarily dry or otherwise, except in accordance with the provisions of the National Water Act; or	R5 023.55 to R20 097.97	R5 475.67 to R21 906.79	R5 804.21 to R23 221.20
c) Any street or premises.	R4 019.58 R10 049.00	R4 381.34 R10 953.41	R4 644.22 R11 610.61

PART B				
ON-SITE SANITATION SERVICES				
71	Septic tanks and treatment plants No person may construct, install, maintain or operate any septic tank or other plant for the treatment, disposal or storage of sewage, without the prior written permission of the Council.	R10 049.00	R10 953.41	R11 610.61
77	Disused conservancy and septic tanks 1) If an existing conservancy tank or septic tank is no longer required for the storage or treatment of sewage, or if permission for such use is withdrawn, the owner must either cause it to be completely recovered, or to be completely filled with earth or other suitable material, and the land involved to be rehabilitated.	R10 049.00	R10 953.41	R11 610.61

PART C				
CONNECTION TO SEWAGE DISPOSAL				
78	Provision of connecting sewers 3)The discharge of any substance whatsoever other than clean water for testing purposes may not be permitted to enter any drainage installation until the drainage installation has been connected to the sewage disposal system.	R4 019.58	R4 381.34	R4 644.22
80	Interconnections between premises Every owner of premises must ensure that no interconnection exists between the drainage installation on his or her premises and any drainage installation on other premises, unless he or she has obtained the prior written permission of the Council and complies with any conditions that may have been imposed in granting such permission.	R4 019.58	R4 381.34	R4 644.22

<b>PART D</b>				
<b><u>ROAD HAULAGE OF SEWAGE</u></b>				
83	Written permission for delivery of sewage by road haulage No person may discharge sewage into any Council sewage treatment plant by road haulage except with the written permission of the Council, and subject to such terms and conditions as may be imposed in terms of the written permission.	R10 048.99	R10 953.40	R11 610.60
84	When sewage is delivered by road haulage- a) the time of delivery must be arranged with the Council; b) the nature and composition of the sewage must be established to the satisfaction of the Council prior to the discharge thereof from the container in which it is delivered, and no person may deliver sewage that does not comply with the standards laid down in or in terms of these By-laws; and	R10 048.99	R10 953.40	R11 610.60

<b>PART E</b>				
<b><u>DISPOSAL OF INDUSTRIAL EFFLUENT</u></b>				
86	1) Every person desiring to dispose of industrial effluent must apply in writing and in duplicate on the form prescribed by the Council for that purpose, for written permission to discharge industrial effluent into the sewage disposal system of the Council, and must thereafter provide such additional information and submit such sample as the Council may require.	R10 048.99	R10 953.40	R11 610.60

<b>PART F</b>				
<b><u>MEASURING OF EFFLUENT DISCHARGED</u></b>				
91	1) The quantity of standard domestic effluent discharged must be determined as a percentage of the water supplied to those premises by the Council. 2) If the Council is of the opinion that the percentage referred to in subsection (1), in respect of specific premises is excessive, having regard to the purposes for which water is consumed on those premises, the Council may reduce the percentage applicable to those premises to a figure which, in its opinion and in the light of the available information, reflects the proportion between the likely quantity of sewage discharged from the premises and the quantity of water supplied thereto.	R4 019.58	R4 381.34	R4 644.22

<b>PART G</b>				
<b><u>DRAINAGE INSTALLATION AND DRAINAGE WORK</u></b>				
94	<b>Construction or installation of drainage installation</b> Any drainage installation must comply with SANS Code 0400-1990 Part P, Drainage and any amendments thereto.	R10 048.99	R10 953.40	R11 610.60
95	Use of pipes and fittings in drainage installations to be authorized 1) No person may, without the prior written permission of the Council install or use a pipe or fitting in a drainage installation within the Council's area of jurisdiction, unless it is of a type included in the schedule referred to in section 45(1).	R10 048.99	R10 953.40	R11 610.60
96	Approval of drainage work 1) No person may construct, reconstruct, alter, add to or make any permanent disconnection in or of any drainage installation without first having obtained the permission of the Council in writing. 2) No drainage work mentioned in subsection (1) for which permission has been given in terms of these By-laws, may be commenced until after the expiration of two clear days after notice in writing has been served on the Council stating the day on and time at which it is intended to commence the work. 3) Before any part of a drainage installation is permanently covered or otherwise rendered practically inaccessible to visual inspection, it must be inspected and approved by the Council.	R10 048.99	R10 953.40	R11 610.60
97	<b>Unlawful drainage work</b> 1) Where any drainage work has been constructed without complying with the provisions of these By-laws concerning the submission and approval of plans, the owner must subject to the provisions of these By-laws, on receiving a compliance notice from a designated officer, so to do, comply with the said provisions within the period prescribed in that notice.	R4 019.58	R4 381.34	R4 644.22

	2) Where any drainage installation has been constructed or any drainage work has been carried out which fails in itself in any respect to comply with any of these By-laws other than those referred to in subsection (1), the owner must, on receiving a compliance notice from the Council, and notwithstanding that he or she may have received approval of the plans in respect of the said installation or work in terms of these By-laws, carry out such alterations to the installation, remove such parts thereof, and carry out such other work as and within the time which the notice may			
98	<b>Ingress of storm water into drainage installations prohibited</b> No part of a drainage installation may at any time be constructed or designed to allow or be capable of allowing water from any source, not being soil water or waste water, both as defined in the national regulations published in Government Notice R 2378 of 12 October 1990, as amended, to enter the drainage installation.  1) No person may discharge or cause or permit to be discharged any substance other than sewage into a drainage  2) No pipe, channel or other device used for conducting or capable of being used to conduct rainwater from any roof or other surface may be permitted to discharge into any gully forming part of a drainage installation	Residential R3.98 per square meter of stand area per month  Industrial/business R6.00 per square meter of stand area month	Residential R4.34 per square meter of stand area per month  Industrial/business R6.54 per square meter of stand area month	Residential R4.60 per square meter of stand area per month  Industrial/business R6.93 per square meter of stand area month
100	<b>Industrial grease traps</b>  1) Industrial effluent which contains or, in the opinion of the Council, is likely to contain, grease, oil, fat or inorganic solid matter in suspension, must, before it is allowed to enter any sewer, be passed through one or more tanks or chambers of approved type, size and capacity designed to intercept and retain such grease, oil, fat or solid matter 2) Oil, grease or any other substance which is contained in any industrial effluent or other liquid which gives off a flammable or noxious vapour at a temperature of or exceeding 20 degrees Celsius, must be intercepted and retained in a tank or chamber so as to prevent the entry thereof into the sewer. 3) The tank or chamber must be regularly cleaned of such grease, oil, fat or solid matter and the person discharging effluent to the tank or chamber must maintain a register in which shall be recorded.	R10 048.99	R10 953.40	R11 610.60

**PART H**  
**GENERAL**

105	<b>Drains in streets or public places</b> No person may, for the purpose of conveying sewage derived from whatever source, lay or construct a drain on, in or under a street, public place or the land owned by, vested in, or under the control of the Council, except with the prior written permission of the Council and subject to such conditions as it may impose.	R10 048.99	R10 953.40	R11 610.60
107	<b>Protection from ingress of floodwater</b> Where premises constructed within, or any portion of a property lie within the 1 in 50 years flood plain, the top level of any manhole, inspection chamber and gully located below the level of such flood plain must be above the 1 in 50 years flood level, except in the case of a manhole and inspection chamber the cover of which is secured in place by approved means.	R10 048.99	R10 953.40	R11 610.60

**CHAPTER 7**  
**POWERS AND FUNCTIONS OF DESIGNATED OFFICERS**

111	<b>Entry of premises for carrying out of works &amp; inspections</b> The owner of premises in a municipality must give a designated officer of the municipality or of a service provider access at all reasonable hours to the premises in order to carry out works of reading, inspecting, installing or repairing any meter or service connection or to disconnect, stop or restrict the provision of any service	R10 048.99	R10 953.40	R11 610.60
115	<b>Duty to produce documents</b> Any person who holds any document relevant to the execution of any work or inspection contemplated in this Chapter must produce it at the request of a designated officer.	R4 019.58	R4 381.34	R4 644.22

CHAPTER 8 MISCELLANEOUS				
119	<b>Sinking of boreholes</b> 1) Any owner of a premise who wishes to sink a borehole on such premises shall do so only within the parameters of the erf-boundaries of his/her premises, and then only on weekdays, Monday to Saturday between 7h00 and 17h00. 2) No person shall sink a borehole on the sidewalk of his/her premises without the prior written consent of the Council 3) Any owner of a premise will be responsible to ensure that a drilled borehole be properly closed and safe guarded at all times for safety and security reasons.	R10 049.00  R20 097.97  R10 048.99	R10 953.41  R21 906.79  R10 953.40	R11 610.61  R23 221.20  R11 610.60
123	<b>False statements or information</b> No person may make a raise statement or furnish raise information to the Council, an authorized official, a designated officer or an employee of the Council or falsify a document issued in terms of these By-laws.	R10 048.99	R10 953.40	R11 610.60
126	<b>Offences and penalties</b> 1) It is an offence for any person to- a) refuse to grant a designated officer access to premises to which that designated officer is duly authorized to have access; b) Obstruct, interfere or hinder a designated officer who is exercising a power or carrying out a duty under these By-laws; c) Fail or refuse to provide a designated officer with a document or information that the person is required to provide under these By-laws; d) Give raise or misleading information to a designated officer; e) Unlawfully prevent the owner of any premises f) or a person working for that owner, from entering the premises in order to comply with a requirement of these By-laws; g) Pretend to be a designated officer. h) Falsely alter an authorization to a designated officer or written authorization, compliance notice or compliance certificate issued in terms of these By-laws; i) Contravene or fail to comply with any provisions of these By-laws; j) Fail to comply with any notice issued in terms of these By-laws; k) Fail to comply with any lawful instruction given in terms of these By-laws; or l) Obstruct or hinder any authorized official of the Council in the execution of his or her duties under these By-laws. m) Any person convicted of an offence contemplated in subsection (1) is liable on conviction.	R20 097.97	R21 906.79	R23 221.20

**SCHEDULE 5:****ELECTRICITY SUPPLY CHARGES: 2025/2026****PART 1****SUPPLY OF ELECTRICITY****This tariff shall be subject to NERSA Approval.****DEFINITIONS.****Service charge:**

is a fixed R/day charge payable per account over the billing period, whether electricity is consumed or not used. Where applicable, this charge will be based on the sum of the monthly utilised capacity linked to an account. It is a contribution towards fixed costs such as customer service costs. For the domestic, departmental, and small business tariffs the service and administration charges are combined to make up the basic and are charged per metering point

**Time-of-use tariff:**

Is a tariff that has different energy rates for different time periods and seasons in order to reflect the shape of the municipality's long run marginal energy cost of supply at different times more accurately.

**Voltage surcharge:**

Is a percentage surcharge levied to consumers with lower supply voltages as a contribution to the cost to transform electricity from 66 kV to lower voltages. It is calculated as a percentage of the energy charge and the demand charge (where applicable) to reflect the cost at lower voltages.

**1. DOMESTIC SUPPLY (CONVENTIONAL AND PREPAID)**

This tariff shall apply to erven, stands, premises or any other area/property zoned as residential 1, 2, 3 or 4 and which are used for residential purposes.

**1.1. BASIC CHARGE:**

This charge shall apply to all **residential** properties, with improvements, which is connected to the supply mains: whether electricity is consumed or not.

		Approved tariff from 1/07/2023	Approved tariff from 1/07/2024	Proposed tariff from 1/07/2025
1.2.1	Basic charge, per single phase connection. Charged per month.	R148.84	R167.77	R189.14
1.2.2	Basic charge per 3 phase connection. Charged per month.	R153.92	R173.50	R195.61

**1.2. ENERGY CHARGE** (electricity consumed per kWh)

1.2.1	Block1(0-50)	50units	145.74 Cents/kWh	164.28 Cents/kWh	185.21 Cents/kWh
1.2.2	Block2(51-350)	300units	190.26 Cents/kWh	214.46 Cents/kWh	241.78 Cents/kWh
1.2.3	Block3(351-600)	250units	280.88 Cents/kWh	316.61 Cents/kWh	356.94 Cents/kWh
1.2.4	Block4(>600)		330.27 Cents/kWh	372.28 Cents/kWh	419.71 Cents/kWh

**2. NON- DOMESTIC AND COMMERCIAL (CONVENTIONAL AND PREPAID)**

This tariff shall apply to erven, stands, premises or any other area/property not zoned as residential 1, 2, 3 or 4, unless stated otherwise.

**2.1. Basic and Energy charge**

This tariff shall apply to electricity supplied to an erf, stand, premises, or any other area, irrespective whether it is served through a separate meter or a communal meter and is applicable to:

- (a) Any building with a maximum demand of not exceeding 100 amperes single phase supply; or
- (b) Any building with a maximum demand of not exceeding 100 amperes per phase on a three- phase supply;



(c) Any other customer not provided for under any other item of these tariffs.

2.1.1	Basic charge, per single phase connection; connected or not connected, whether electricity is consumed or not, per month.	R777.32	R876.19	R987.82
2.1.2	Basic charge per 3 phase connection; connected or not connected, whether electricity is consumed or not, per month.	R850.47	R958.65	R1 080.79
2.1.3	Energy charge per kWh	289.41 Cents/kWh	326.22 Cents/kWh	367.78 Cents/kWh

### 3. INDUSTRIES (CONVENTIONAL AND PREPAID)

This tariff shall apply to erven, stands, premises or any other area/property zoned as industrial 1, 2, 3 & 4 and which are used for commercial purposes:

#### 3.1 BASIC AND ENERGY CHARGE

This tariff shall apply to industries with a maximum demand of not exceeding 100 amperes per phase on a single or three phase supply as well as customers for agricultural purposes that cannot be classified under item 1

3.1.1	Basic charge, per single phase connection, connected or not connected, per month.	R893.86	R1 007.55	R1 135.92
3.1.2	Basic charge, per three phase connection, connected or not connected, per month.	R1 933.92	R2 179.92	R2 457.64
3.1.3	Energy charge per kWh.	289.41 Cents/kWh	326.22 Cents/kWh	367.78 Cents/kWh

### 4. BULK SUPPLY

- 4.1. This tariff shall apply to any customer who applies for it and shall be applicable to all consumers with a demand in excess of 100 amperes per phase on a three-phase supply.

4.1.1	Basic charge, per month.	R2 296.14	R2 588.21	R2 917.94
4.1.2	Low voltage: Demand charge, per kVA, per month.	R354.06	R399.10	R449.94
4.1.3	High voltage: Demand charge, per kVA, per month	R349.01	R393.40	R443.52
4.1.4	Low voltage: Energy charge per kWh.	128.20 Cents/kWh	144.51 Cents/kWh	162.92 Cents/kWh
4.1.5	High voltage: Energy charge per kWh.	125.98 Cents/kWh	142.00 Cents/kWh	160.09 Cents/kWh
4.1.6	Minimum charge, per month: (13 000 kWh) high voltage	R16 377.00	R18 460.00	R20 811.70
4.1.7	Minimum charge, per month: (13 000 kWh) low voltage	R16 640.00	R18 785.68	R21 179.60

### 5. MUNICIPAL DEPARTMENTS

Charges for electricity are raised at cost price of the previous financial year.

0.412	0.412
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### 6. ITINERANT CUSTOMERS' SUPPLY

This tariff shall apply to itinerant or temporary customers such as carnivals, fêtes, circuses, and other supply of a similar nature.

6.1	For electricity consumed, per kWh	642.76 cents	724.52 cents	816.83 cents
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### 7. UNMETERED CUSTOMERS SUPPLY

This tariff shall apply where it is impractical to meter installations or meter does not have actual consumption history. Fixed estimated consumption will be used.

### 8. TELEPHONE REMINDER SERVICE

The charge payable in respect of a telephone reminder is as follows:

The charge payable in respect of a telephone or cell phone reminder (including text sms) is as follows: For every telephone reminder	R35.74	R37.89	R40.16
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### 9. REMINDER SERVICE

The charge payable in terms of Council's Credit Control Policy is as follows:

For every notice in respect of an unpaid customer account after the due payment date of the month (including written notice/letter or email):	R77.44	R82.09	R87.02
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## PART 2

### GENERAL CHARGES

The following charges and conditions shall apply in respect of general services rendered by the Council.

#### 1. INSTALLATION TEST CHARGES

1.1	For the first test and inspection of a new installation or of additions or alterations to an existing installation on receipt of a written request to do so.	R297.89	R315.77	R334.71
1.2	If the installation fails to pass the test or is not approved of, a charge shall be paid for each subsequent test or inspection.	R333.64	R353.65	R374.87
1.3	On the failure of the contractor or his authorized agent to keep an appointment made for the purpose of testing or inspecting an installation a charge shall be paid for each additional visit necessitated thereby.	R333.64	R353.65	R374.87

#### 2. CHARGES FOR ADMIN RELATING TO CREDIT CONTROL ACTION (INCLUDING NORMAL DISCONNECTION AND RECONNECTION)

2.1. The charges for credit control admin relating to disconnection/reconnection of conventional meters and unblock of pre-paid meters because of non-payment of account or for non-compliance with any of the regulations or by laws of the Council shall be as follows:

(i)	(a) During working hours: ordinary reconnection:	R834.10	R884.15	R937.20
	(b) During working hours: request for urgent reconnection:	R1 245.20	R1 319.92	R1 399.11
(ii)	After working hours: Request for reconnection:	R1 245.20	R1 319.92	R1 399.11
(iii)	After working hours: Request for unblock of pre-paid card:	R1 245.20	R1 319.92	R1 399.11
(iv)	Removal of Installation on unauthorised reconnection	R2 323.58	R2 463.00	R2 610.78

2.2. Charges for temporary disconnection on request of any customer:

(i)	During working hours:	R834.10	R884.15	R937.20
(ii)	After working hours: Request for reconnection:	R1 245.20	R1 319.92	R1 399.11

#### **GENERAL SERVICES**

Any service rendered at the request of a customer and not provided for in these tariffs shall be charged for at the estimated cost of the Council, plus 10%.

#### **3 SPECIAL METER READINGS**

The charge for the special reading of a meter at the request of a customer shall be:	R125.11	R132.62	R140.58
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#### **4 TESTING OF METERS**

The charge for testing a meter at the request of a customer is (Refundable if faulty). *Increase in line with SABS.*

(a)	Maximum demand meter, per meter:	R3 327.50	R3 660.25	R3 879.87
(b)	kWh three phase meter, per meter:	R1 996.50	R2 196.15	R2 327.92
(c)	kWh single phase meter, per meter:	R865.15	R951.67	R1 008.76

#### **5. POWER FAILURE**

When the energy services department is called upon to rectify a failure of the supply and such failure is found to be due to any cause other than a fault in the Council's mains or apparatus, a charge shall be payable by the customer for each such attendance.	R834.11	R884.16	R937.21
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## 6. EXTENSION OF SUPPLY MAINS

- 6.1. Where a customer's premises are so located with reference to the supply mains as to require an extension of the supply mains, such customer shall, in addition to any other charges applicable in terms of these tariffs, be required to pay the cost of any extension to the existing supply mains which may be necessary to make supply available to such premises.
- 6.2. The customer shall pay in advance the full estimated cost of any extension of the supply mains for his purposes. Where supply is given to a new customer or group of customers and the cost of the extension of the local distribution system is exceptionally high in proportion to the initial electricity demands of the customer or group of customers, the Council may apply additional levies by means of a system of extension charges which shall be payable by the individual customer or customers. The extension charges shall be such as to cover the capital liabilities incurred to extend the distribution system to supply electricity to the said customers: Provided that no such charges shall be payable by the customer if the total cost of the connection is paid in cash to the Council before the connection is made.

## 7. DEPOSIT FOR ESTIMATES.

When a new connection or an extension of a main is required, a deposit shall be payable for estimating the cost. This amount shall be subtracted from the total connection charges and if the connection is not made, the amount shall be forfeited.	R834.11	R884.16	R937.21
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## 8. DEPOSITS FOR SUPPLY OF ELECTRICITY.

8.1	Minimum deposit payable in terms of section : 12 (1) (a) of the by laws shall be:			
	Domestic users/South African citizens	R3 547.81	R4 083.53	R4 328.54
	Domestic users /Non South African citizens	R10 646.04	R12 253.59	R12 988.80
	Business users/South African citizens	R7 096.93	R8 168.56	R8 658.68
	Business users/Non South African citizens	R10 646.04	R12 253.59	R12 988.80

## 9. CASH POWER.

	For the issuing of a pre-paid electricity card upon registration	Free of charge	Free of charge	Free of charge
	For the issuing of a duplicate card	R83.40	R88.40	R93.71

## 10. PRE-PAID METER ADMINISTRATION FEE.

When using an incorrect meter number when purchasing electricity	961.41	1 019.09	1 080.24
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## 11. PENALTIES

The following penalties shall be payable:

Connecting illegally to the electricity grid without a supply agreement or tampering with or interfering with any service connection or any service protection device or supply or any other equipment of the municipality:

11.1	Charge for residential consumers CR/49/09/19	First bridge: R79 742.74	First bridge: R84 527.30	First bridge: R89 598.94
		Second bridge: R193 660.94	Second bridge: R205 280.60	Second bridge: R217 597.43
		Third bridge R569 591.00	Third bridge R603 766.46	Third bridge R639 992.45
11.2	Business/Industrial, and any other consumer including renting of rooms	First bridge R233 200.00	First bridge R247 192.00	First bridge R262 023.52
		Second bridge R657 200.00	Second bridge R696 632.00	Second bridge R738 429.92
		Third bridge R1 139 182.00	Third bridge R1 207 532.92	Third bridge R1 279 984.90
11.2	Total connection off the grid – Business/Industrial and Non-domestic. CR/49/09/19			
The average electricity consumption may be back charged for 12 months after monitoring of the				

consumption on a meter for three consecutive months.				
11.3	<b>Excavations within areas leading to damage to electricity cables, including attempts of theft:</b>			
11.3.1	95mm <sup>2</sup> 11kV cable, per cable plus additional cost incurred of material, labor & transport.	R17 301.80	R18 339.90	R19 440.30
11.3.2	185mm <sup>2</sup> 11kV cable, per cable plus additional cost incurred of material, labor & transport.	R20 447.58	R21 674.44	R22 974.90
11.3.3	10mm <sup>2</sup> Airdac 230V cable, per cable plus additional cost incurred of material, labor & transport.	R1 572.88	R1 667.25	R1 767.29
11.3.4	16mm <sup>2</sup> Airdac 230V cable, per cable plus additional cost incurred of material, labor & transport.	R1 887.46	R2 000.70	R2 120.75
11.3.5	16mm <sup>2</sup> 230V armored cable, per cable plus additional cost incurred of material, labor & transport.	R2 516.62	R2 667.62	R2 827.67
11.3.6	25mm <sup>2</sup> 230V armored cable, per cable plus additional cost incurred of material, labor & transport.	R2 831.20	R3 001.07	R3 181.13
11.3.7	35mm <sup>2</sup> 230V armored cable, per cable plus additional cost incurred of material, labor & transport.	R2 988.48	R3 167.79	R3 357.86
11.3.8	16mm <sup>2</sup> 420V armored cable, per cable plus additional cost incurred of material, labor & transport.	R2 831.20	R3 001.07	R3 181.13
11.3.9	25mm <sup>2</sup> 420V armored cable, per cable plus additional cost incurred of material, labor & transport.	R2 988.48	R3 167.79	R3 357.86
11.3.10	35mm <sup>2</sup> 420V armored cable, per cable plus additional cost incurred of material, labor & transport.	R3 145.77	R3 334.52	R3 534.59
11.3.11	50mm <sup>2</sup> 420V armored cable, per cable plus additional cost incurred of material, labor & transport.	R3 460.35	R3 667.97	R3 888.05
11.3.12	70mm <sup>2</sup> 420V armored cable, per cable plus additional cost incurred of material, labor & transport.	R3 617.64	R3 834.70	R4 064.78
11.3.13	95mm <sup>2</sup> 420V armored cable, per cable plus additional cost incurred of material, labor & transport.	R1 887.46	R2 000.70	R2 120.75
11.3.14	150mm <sup>2</sup> 420V armored cable, per cable plus additional cost incurred of material, labor & transport.	R2 516.62	R2 667.62	R2 827.67
11.3.15	185mm <sup>2</sup> 420V armored cable, per cable plus additional cost incurred of material, labor & transport.	R4 875.96	R5 168.52	R5 478.63
11.3.16	240mm <sup>2</sup> 420V armored cable, per cable plus additional cost incurred of material, labor & transport.	R5 505.11	R5 835.42	R6 185.54
11.3.17	300mm <sup>2</sup> 420V armored cable, per cable plus additional cost incurred of material, labor & transport.	R6 291.56	R6 669.05	R7 069.19
11.3.18	1.5mm <sup>2</sup> x 19, 230V armored traffic light cable, per cable plus additional cost incurred of material, labor & transport.	R1 572.88	R1 667.25	R1 767.29
11.4	Connecting illegally to the electricity grid without a supply agreement, including all electricity generation. (Fixed fine).	R79 742.74 for residential and R170 877.30 for business and industrial consumers	R84 527.30 for residential and R181 129.94 for business and industrial consumers	R89 598.94 for residential and R191 997.73 for business and industrial consumers
11.5	Reselling electricity at excessive charges which are not justified to the satisfaction of the Council, following a written notice comply (Fixed fine plus charged per month since date of notice).	R7 864.45	R8 336.31	R8 836.49
11.6	Painting, defacing, pasting posters, tampering or interfering with any service connection or service protection device or supply or any other equipment of the Council. (Fixed fine plus cleaning/re-painting/repairing cost incurred).	R15 728.91	R16 672.64	R17 673.00
11.7	Willfully hindering, obstructing, interfering with or refusing admittance to any duly authorized official of the Council in the performance of his duty under these By-laws or of duty connected therewith or relating thereto, per incident. (Fixed fine).	R7 864.45	R8 336.31	R8 836.49
11.8	Damages to streetlights, traffic lights, meter boxes or any other electrical equipment of the Council, due to vandalism, theft or accidents. (Fixed fine, plus material, labor & transport plus 10% admin fee).	R15 728.91	R16 672.64	R17 673.00
11.9	Any theft, attempting theft or vandalism at any Electrical Substation.	R157 289.13	R166 726.48	R176 730.06

	(Fixed fine, plus material, labor & transport plus 10% admin fee).			
11.10	First Test for Inspection. (Fixed cost)	R309.81	R328.39	R348.10
11.11	Second Test for Inspection. (Fixed cost)	R345.55	R366.28	R388.26
11.12	Third Test for Inspection. (Fixed cost)	R381.30	R404.18	R428.43

**SCHEDULE 6:****TARIFFS PAYABLE I.R.O. COMMUNITY CENTRES, SPORT FACILITIES, SWIMMING POOLS, DEVELOPMENT CLINICS, SHOWGROUND, OCCASIONAL LEASING OF FACILITIES, RENTAL PETER MOKABA STADIUM: 2025/2026****1. Community Centres****1.1. A Jack Botes Hall****VAT INCLUSIVE IN SCHEDULE 6:**

		Approved tariff from 1/07/2023	Approved tariff from 1/07/2024	Proposed tariff from 1/07/2025
	<b>Rental</b>			
1	The use of the Community Hall by individuals, schools, sport clubs, NGO's and other cultural organisations, per day	R5 103.90	R5 410.13	R5 734.74
2	The use of the Community Hall by Government Organisations and other organisations, per day	R5 535.32	R5 867.44	R6 219.49
3	The use of the Community Hall by Business, per day	R5 954.02	R6 311.26	R6 689.94
	15% of ticket sales for events that charge entrance fees with a minimum payment of :	R5 954.02	R6 311.26	R6 689.94
4	The use of equipment:			
	Microphone and stand	R851.18	R902.25	R956.39
	Bain marine	R58.04	R61.52	R65.21
	Round tables	R58.04	R61.52	R65.21
	Kitchen and equipment	R1 936.57	R2 052.76	R2 175.93
	Deposit(Events where entrance fee is not charged)	R4 804.98	R5 093.28	R5 398.88
	Cleaning per event	R2 905.46	R3 079.79	R3 264.57
5	Deposit for events where entrance fee is charged	R10 176.00	R10 786.56	R11 433.75

**1.1.B Nirvana Community Hall**

	<b>Rental</b>			
1	The use of the Community Hall by individuals, schools, sport clubs, NGO's and other cultural organisations per day	R4 092.66	R4 338.22	R4 598.51
2	The use of the Community Hall by Government Organisations and other organisations per day	R4 284.52	R4 541.59	R4 814.09
3	The use of the Community Hall by Businesses per day	R4 934.30	R5 230.36	R5 544.18
4	15% of ticket sales for events that charge entrance fees with a minimum payment of :	R4 934.30	R5 230.36	R5 544.18
5	Deposit(Events where entrance fee is not charged)	R3 924.12	R4 159.57	R4 409.14
6	Use of equipment:			
	Round table per table	R59.36	R62.92	R66.70
	Sound System	R803.48	R851.69	R902.79
7	Cleaning per event	R2 905.46	R3 079.79	R3 264.57
8	Deposit for events where entrance fee is charged	R10 176.00	R10 786.56	R11 433.75

**1.1.C Westenburg Community Hall**

	<b>Rental</b>			
1	The use of the Community Hall by individuals, schools, sport clubs, NGO's and other cultural organisations per day	R4 092.66	R4 338.22	R4 598.51
2	The use of the Community Hall by Government organisations and other organisations per day	R4 284.52	R4 541.59	R4 814.09
3	The use of the Community Hall by Businesses per day	R4 891.90	R5 185.41	R5 496.54
4	15% of ticket sales for events that charge entrance fees with a minimum payment of :	R4 934.30	R5 230.36	R5 544.18
5	Use of equipment:			
	Round table per table	R58.30	R61.80	R65.51

	Sound system	R803.48	R851.69	R902.79
6	Deposit(Events where entrance fee is not charged)	R3 897.62	R4 131.48	R4 379.37
7	Cleaning per event	R2 905.46	R3 079.79	R3 264.57
8	Deposit for events where entrance fee is charged	R10 177	R10 788	R11 435

#### 1.1.D Mankweng Community Hall

	<b>Rental</b>			
1	The use of the Community Hall by individuals, schools, sport clubs, NGO's and other cultural organisations per day	R3 538.28	R3 750.58	R3 975.61
2	The use of the Community Hall by Government Organisations and other organisations per day	R4 262.26	R4 518.00	R4 789.08
3	The use of the Community Hall by businesses per day	R4 679.90	R4 960.69	R5 258.34
4	15% of ticket sales for events that charge entrance fees with a minimum payment of :	R4 679.90	R4 960.69	R5 258.34
5	Use of equipment:			
	Round table per table	R58.30	R61.80	R65.51
	Deposit (Events where entrance fee is not charged)	R3 458.78	R3 666.31	R3 886.29
6	Deposit for events where entrance fee is charged	R10 176.00	R10 786.56	R11 433.75

#### 1.1.E Moletji Community Hall

	<b>Rental</b>			
1	The use of the Community Hall by individuals, schools, sport clubs, NGO's and other cultural organisations per day	R608.44	R644.95	R683.64
2	The use of the Community Hall by Government Organisations and other organisations per day	R2 562.02	R2 715.74	R2 878.69
3	The use of the Community Hall by businesses per day	R2 980.72	R3 159.56	R3 349.14
4	Deposit			
5	Cleaning per event	R151.58	R160.67	R170.32

### 2 Sport facilities

#### 2.1 Lease agreements and clubhouses

	Lease agreements are for training purposes only for 3 times per week for 2 hours per facility			
<b>2.1.1</b>	<b>Athletic Club</b>			
	Use of the stadium for practise purposes once a week for a period of 2 hours (including one set of cloakrooms)	R4 141.42 pa	R4 389.91 pa	R4 653.30 pa
	For the use of the Olympic swimming pool during week days from 06:00 – 07:00	R2 072.30 pa	R2 196.64 pa	R2 328.44 pa
<b>2.1.2</b>	<b>Indoor Sports Complexes</b>			
	Wrestling club / Judo (880 sqm) A tariff of per sq metre per month is levied Wrestling facilities in Suid Street	R7.42 R884.04 pa	R7.87 R937.08 pa	R8.34 R993.31 pa
	Racing Dove Club hall (360 sqm) A tariff of per sq metre per month is levied Racing Pigeon Club hall in Suid Street per month	R116.60 R453.68 pm	R123.60 R480.90 pm	R131.01 R509.75 pm
<b>2.1.3</b>	<b>Recreation Centre</b>			
<b>2.1.3 a</b>	<b>Gymnastics</b>			
	A tariff of per sq metre per month is levied	R7.42	R7.87	R8.34
	Hall 4: 760 sqm (Polokwane Gymnastics Academy) per month	R5 221.56 pm	R5 534.85 pm	R5 866.94 pm
	Hall 1: 360sqm (Polokwane Gymnastics Academy) per month	R2 494.18 pm	R2 643.83 pm	R2 802.46 pm
<b>2.1.3 b</b>	<b>Karate</b>			
	A tariff of per sqm per month is levied	R7.42	R7.87	R8.34
	Hall 2: Ekstein Karate club - 360 sqm	R2 493.12 pm	R2 642.71 pm	R2 801.27 pm

	Hall 3: Ekstein Karate club – 360 sqm	R2 493.12 pm	R2 642.71 pm	R2 801.27 pm
<b>2.1.3 c</b>	<b>Badminton</b>			
	Per court per annum	R3 181.06 pa	R3 371.92 pa	R3 574.24 pa
<b>2.1.3 d</b>	<b>Squash Court</b>			
	Squash court per court per year	R3 265.86 per court	R3 461.81 per court	R3 669.52 per court
<b>2.1.4</b>	<b>Other sports activities</b>			
<b>a.</b>	Shooting Association	R4 818.76 pa	R5 107.89 pa	R5 414.36 pa
<b>b.</b>	Go-cart track per year	R10 302.14 pa	R10 920.27 pa	R11 575.48 pa
<b>c.</b>	Off road track per year	R10 302.14 pa	R10 920.27 pa	R11 575.48 pa
<b>d.</b>	Radio controlled aeroplanes per year	R4 141.42 pa	R4 389.91 pa	R4 653.30 pa
<b>e.</b>	Radio controlled car track per year	R3 438.64 pa	R3 644.96 pa	R3 863.66 pa
<b>f.</b>	4 x 4 Track per year	R10 332.88 pa	R10 952.85 pa	R11 610.02 pa
<b>g.</b>	Jimmy Moulder Shooting Range	R4 818.76 pa	R5 107.89 pa	R5 414.36 pa
<b>2.1.5</b>	<b>Climbing Wall</b>			
	Lease tariff per year	R885.10	R938.21	R994.50
<b>2.1.6</b>	<b>Grass Surfaced Areas</b>			
<b>a.</b>	<b>Jukskei courts</b> (48 pitts) per pit per year	R171.72 per pit per year	R182.02 per pit per year	R192.94 per pit per year
<b>b.</b>	<b>Rugby field</b>			
	Basic tariff per field year	R3 434.40 pa	R3 640.46 pa	R3 858.89 pa
<b>c.</b>	<b>Soccer field</b>			
	Basic tariff per field per year	R3 434.40 pa	R3 640.46 pa	R3 858.89 pa
<b>d.</b>	<b>Hockey</b>			
	Basic tariff per field per year	R3 434.40 pa	R3 640.46 pa	R3 858.89 pa
<b>e.</b>	<b>Cricket field / Cricket wickets</b>			
	Basic tariff per field per year	R3 434.40 pa	R3 640.46 pa	R3 858.89 pa
	Basic tariff per wicket per year (concrete wickets only)	R1 419.34 pa	R1 504.50 pa	R1 594.77 pa
<b>f.</b>	<b>Softball</b>			
	Basic tariff per field per year	R3 434.40 pa	R3 640.46 pa	R3 858.89 pa
<b>g.</b>	<b>Bowling green</b> per bowling green per year (3 courts)	R1 702.36 court pa	R1 804.50 court pa	R1 912.77 court pa
<b>h.</b>	<b>Golf Club</b> per year	R77 586.70	R82 241.90	R87 176.42
<b>2.1.7</b>	<b>All-weather surfaces</b>			
<b>a.</b>	Korfball courts per court per year	R2 072.30 pa	R2 196.64 pa	R2 328.44 pa
<b>b.</b>	Netball courts per court per year	R2 072.30 pa	R2 196.64 pa	R2 328.44 pa
<b>c.</b>	Ring tennis per court per year	R714.44 pa	R757.31 pa	R802.74 pa
<b>d.</b>	<b>Tennis courts</b>			
	Tennis courts per court per year	R1 852.88 pa	R1 964.05 pa	R2 081.90 pa
	Coaching at tennis courts per month	R714.44 pa	R757.31 pa	R802.74 pa
	Playball per court per month	R365.70 pm	R387.64 pm	R410.90 pm
<b>e.</b>	Practice wall at tennis court per practise wall per year	R2 072.30 pa	R2 196.64 pa	R2 328.44 pa
<b>f.</b>	Volleyball court per court per year	R2 072.30 pa	R2 196.64 pa	R2 328.44 pa
<b>g.</b>	Basketball per court per year	R2 072.30 pa	R2 196.64 pa	R2 328.44 pa
<b>2.1.8</b>	<b>All-weather surfaces (Combination courts)</b>			
<b>a.</b>	Volleyball, ring tennis combination court per year.	R1 390.72 pa	R1 474.16 pa	R1 562.61 pa
<b>b.</b>	Tennis court / netball court combination court per year	R1 390.72 pa	R1 474.16 pa	R1 562.61 pa
<b>c.</b>	Tennis / Soccer combination court per court per year	R1 390.72 pa	R1 474.16 pa	R1 562.61 pa



<b>2.1.9</b>	<b>Ground surface fields / courts</b>	R1 390.72 pa	R1 474.16 pa	R1 562.61 pa
<b>a.</b>	Soccer field per field per year	R1 390.72 pa	R1 474.16 pa	R1 562.61 pa
<b>b.</b>	Baseball court per court per year	R1 079.08 pa	R1 143.82 pa	R1 212.45 pa
<b>c.</b>	Netball field per field per year	R1 079.08 pa	R1 143.82 pa	R1 212.45 pa
<b>2.1.10</b>	<b>Leasing of areas where clubhouses are erected</b>			
	Bushveld Hunting Association (905 m²)	R18.02 per m² pa	R19.10 per m² pa	R20.25 per m² pa
	Polokwane Rugby Club (370 m²)	R18.02 per m² pa	R19.10 per m² pa	R20.25 per m² pa
	Polokwane Golf Club (1 475 m²)	R18.02 per m² pa	R19.10 per m² pa	R20.25 per m² pa
	Polokwane Cricket Club (578 m²)	R18.02 per m² pa	R19.10 per m² pa	R20.25 per m² pa
	Polokwane Bowling Club (725 m²)	R18.02 per m² pa	R19.10 per m² pa	R20.25 per m² pa
	Polokwane Jukskei Club (198m²)	R18.02 per m² pa	R19.10 per m² pa	R20.25 per m² pa
	Polokwane Tennis Club (239 m²)	R18.02 per m² pa	R19.10 per m² pa	R20.25 per m² pa
	Motocross Clubhouse (260m²)	R18.02 per m² pa	R19.10 per m² pa	R20.25 per m² pa
	Noordelike Rugby Club (456 m²)	R18.02 per m² pa	R19.10 per m² pa	R20.25 per m² pa
	Polokwane Athletic Club (178 m²)	R18.02 per m² pa	R19.10 per m² pa	R20.25 per m² pa
	Polokwane Police Social Club (532 m²)	R18.02 per m² pa	R19.10 per m² pa	R20.25 per m² pa
	Polokwane Diving Club (30 m²)	R18.02 per m² pa	R19.10 per m² pa	R20.25 per m² pa
	Polokwane Squash Club (100 m²)	R18.02 per m² pa	R19.10 per m² pa	R20.25 per m² pa
<b>2.1.11</b>	<b>Preparation of these facilities (subject to lease agreements) per occasion</b>			
<b>a.</b>	<b>Jukskei courts</b>			
	Renting of the facility per 24 hours	R281.96	R298.88	R316.81
	Administrative booking fee per 24 hour period/day (not refundable)	R75.26	R79.78	R84.56
<b>b.</b>	<b>Rugby field</b>			
	Renting of the facility per 24 hours	R426.12	R451.69	R478.79
	Administrative booking fee per 24 hour period/day (not refundable)	R90.10	R95.51	R101.24
<b>c.</b>	<b>Soccer field</b>			
	Renting of the facility per 24 hours	R426.12	R451.69	R478.79
	Administrative booking fee per 24 hour period/day (not refundable)	R90.10	R95.51	R101.24
<b>d.</b>	<b>Hockey</b>			
	Renting of the facility per 24 hours	R426.12	R451.69	R478.79
	Administrative booking fee per 24 hour period/day (not refundable)			
<b>e.</b>	<b>Cricket field</b>			
	Renting of the facility per 24 hours	R359.34	R380.90	R403.75
	Renting of the facility. Practice nets per occasion (grass)	R97.52	R103.37	R109.57
	Sinthetic surface per game	R161.12	R170.79	R181.03
	Administrative booking fee per 24 hour period/day (not refundable)	R75.26	R79.78	R84.56
	Putting out of pitch covers per pitch	R331.78 per occasion	R351.69 per occasion	R372.79 per occasion
<b>f.</b>	<b>Softball</b>			
	Renting of the facility per 24 hours	R355.10	R376.41	R398.99
	Administrative booking fee per 24 hour period/day (not refundable)	R75.26	R79.78	R84.56
<b>g.</b>	<b>All-weather surfaces (Combination and other courts)</b>			
	Renting of the facility per 24 hours	R171.72	R182.02	R192.94
	Administrative booking fee per 24 hour period/day (not refundable)	R75.26	R79.78	R84.56
<b>h.</b>	<b>Ground surface fields/courts</b>			
	Renting of the facility per 24 hours	R355.10	R376.41	R398.99

	Administrative booking fee per 24 hour period/day not refundable)	R75.26	R79.78	R84.56
<b>i.</b>	<b>Advertisement Boards at Sport Facilities</b>			
	Sport clubs are allowed to erect advertisement boards at their sport fields, in accordance with the sport policy, per advertisement board per year	R171.72 Per advertisement board pa	R182.02 Per advertisement board pa	R192.94 Per advertisement board pa

## 2.2 Leasing of facilities on occasional basis

<b>2.2.1</b>	<b>SPORTS FACILITIES</b>			
	<b>06:00 – 24:00</b>			
<b>2.2.2</b>	<b>OLD PETER MOKABA STADIUM</b>			
<b>a.</b>	Professional Sports per match (e.g. PSL Premier Soccer League and Rugby games), competitions)  All stadium facilities, including parking area and lights	15 % of the gate takings with a minimum of R57 762.58	15 % of the gate takings with a minimum of R61 228.33	15 % of the gate takings with a minimum of R64 902.03
<b>b.</b>	PSL First division league per match	15 % of the gate takings with a minimum of R6 250.82	15 % of the gate takings with a minimum of R6 625.87	15 % of the gate takings with a minimum of R7 023.42
<b>c.</b>	Events such as cultural festivals, social meetings, religious gatherings, Entertainment events, political events/rallies and Music	15 % of the gate takings with a minimum of R57 762.58 With a Deposit of R50 000.00	15 % of the gate takings with a minimum of R61 228.33 With a Deposit of R50 000.00	15 % of the gate takings with a minimum of R64 902.03 With a Deposit of R50 000.00
<b>d.</b>	Cleaning fee	R5 068.92	R5 373.06	R5 695.44
<b>e.</b>	Deposit for Sports matches	R20 355.18	R21 576.49	R22 871.08
<b>f.</b>	Deposit kitchen appliances	R1 222.18	R1 295.51	R1 373.24
<b>g.</b>	3 Phase electricity (calculated from time of connection)	R90.10 per hour	R95.51 per hour	R101.24 per hour
<b>2.2.3</b>	<b>Amateur Sport</b>			
<b>a.</b>	<b>Ball games (rugby, hockey, amateur soccer)</b>			
	Deposit	R1 703.42	R1 805.63	R1 913.96
	Day match	R756.84	R802.25	R850.39
	Night match	R4 373.56	R4 635.97	R4 914.13
	Additional 3 phase electricity	R95.40 per hour	R101.12 per hour	R107.19 per hour
	Deposit kitchen appliances	R1 026.08	R1 087.64	R1 152.90
	Development clinics	R1 026.08	R1 087.64	R1 152.90
	Marking of facility for clinics	R355.10	R376.41	R398.99
	PA System	R362.52	R384.27	R407.33
<b>b.</b>	<b>Athletics meeting</b>			
	Deposit	R1 703.42	R1 805.63	R1 913.96
	Electronic timing	R1 703.42	R1 805.63	R1 913.96
	Morning: 07:00 - 12:00	R885.10	R938.21	R994.50
	Afternoon: 12:00 - 18:00	R885.10	R938.21	R994.50
	All day : 07:00 - 18:00	R1 577.28	R1 671.92	R1 772.23
	Evening : After 18:00 Facilities and lights included	R526.82 per hour with a minimum of R1 022.90	R558.43 per hour with a minimum of R1 084.27	R591.93 per hour with a minimum of R1 149.33
	Development clinics	R341.32	R361.80	R383.51
	Deposit on athletics equipment	R1 703.42	R1 805.63	R1 913.96
	Additional 3 phase electricity	R95.40 per hour	R101.12 per hour	R107.19 per hour
	Deposit kitchen appliances	R970.96	R1 029.22	R1 090.97
	PA System	R307.40	R325.84	R345.39
<b>2.2.4</b>	<b>Events at other Sports and Recreation facilities</b>			
<b>a.</b>	<b>Where entrance fees is not charged: Events such as cultural festivals, meetings, religious gatherings, military parades and music festivals</b>			
	Deposit	R20 355.18	R21 576.49	R22 871.08
	All day	R10 786.56	R11 433.75	R12 119.78
	Additional 3 phase electricity	R95.40 per hour	R101.12 per hour	R107.19 per hour
	Deposit kitchen appliance	R1 026.08	R1 087.64	R1 152.90
	Cleaning	R4 845.26	R5 135.98	R5 444.13
<b>b.</b>	<b>Where entrance fees is charged: Events such as cultural</b>			

	<b>festivals, meetings, religious gatherings, military parades and music festivals</b>			
	Deposit	R22 815.44	R24 184.37	R25 635.43
	All day	R21 571.00	R22 865.26	R24 237.18
	Additional 3 phase electricity	R95.40	R101.12	R107.19
	per hour		per hour	per hour
	Deposit kitchen appliance	R101.76	R107.87	R114.34
	Cleaning	R4 844.20	R5 134.85	R5 442.94
c.	<b>Kiosks outside Stadium</b>			
	Per kiosk per day	R171.72	R182.02	R192.94
	Key Deposit	R273.48	R289.89	R307.28
2.2.5	<b>Rental of Oom Koos Smit hall</b>			
a.	<b>When the hall is not in use, it is leased to individuals / organizations.</b>			
	Renting of hall	R1 703.42	R1 805.63	R1 913.96
	Rent sound system	R307.40	R325.84	R345.39
	Deposit hall	R1 026.08	R1 087.64	R1 152.90
	Deposit for use of sound equipment	R1 424.64	R1 510.12	R1 600.73
b.	<b>Leasing of the hall by sports clubs, sports bodies, and sports unions, with the purpose of having a meeting.</b>			
	Leasing of hall	R171.72	R182.02	R192.94
	Deposit hall	R572.40	R606.74	R643.15
	Deposit kitchen appliances	R1 026.08	R1 087.64	R1 152.90
	Deposit for use of sound equipment	R1 411.92	R1 496.64	R1 586.43
2.2.6	<b>Road races and Cross Country meetings</b>			
	Use of toilets and change-rooms during road races and cross country meetings at a time (no equipment will be available)	R885.10	R938.21	R994.50
	Deposit	R1 605.90	R1 702.25	R1 804.39
2.2.7	<b>Practice at the Stadium</b>			
a.	<b>Rugby practice Professional</b>			
	Rugby practice session for 2 hours at a time – Practice lights and marking of field included.	R714.44	R757.31	R802.74
	Pre-match training (match day minus one)	R682.64	R723.60	R767.01
	Deposit	R13 206.54	R13 998.93	R14 838.87
b.	<b>Soccer practice Professional</b>			
	Soccer practice session by a professional soccer team for 2 hours at a time – practice lights and marking of field included	R714.44	R757.31	R802.74
	Pre –match training(match day minus one)	R682.64	R723.60	R767.01
	Deposit	R13 206.54	R13 998.93	R14 838.87
c.	<b>Athletics practice</b>			
i.	Practice session of 2 hours or less	R16.96	R17.98	R19.06
	per athlete		per athlete	per athlete
ii.	<b>Group bookings</b>			
	All schools which fall within the Polokwane municipal area, per year ticket, upon presentation of a year ticket, entry will be allowed to the stadium for athletics practice purposes for the period between the 1st of July and 30th of June of the following year	R16.96	R17.98	R19.06
	per athlete with a minimum of		per athlete with a minimum of	per athlete with a minimum of
	R2 418.92		R2 564.06	R2 717.90
	per annum		per annum	per annum
iii.	<b>Season Ticket</b>			
	A person who is not a member of an athletic club but who regularly practices at the stadium can obtain a seasonal ticket which will be valid for the period between the 1st of July and 30th of July of the following year and which will, upon presentation thereof, allow access to the athletic track for practice purposes.			
d.	<b>Per seasonal ticket per person per year</b>	R712.32	R755.06	R800.36
	pa		pa	pa
i	Squash Courts at Stadium			
	Practice per individual for 2 hours	R42.40	R44.94	R47.64
ii	Seasonal tickets per club per individual	R756.84	R802.25	R850.39
iii	Per individual plus lights (Tokens to be bought)			
	Practice 3 times per week for a maximum of two hours daily	R3 265.86	R3 461.81	R3 669.52
2.2.8	<b>Key Deposit</b>	R273.48	R289.89	R307.28
	Parking Areas			
	<b>Per occasion:</b>	R712.32	R755.06	R800.36
	Peter Mokaba Stadium – Parking			
	Peter Mokaba Stadium – VIP Area			
	B + C Rugby Fields – Parking			
2.2.9	<b>Office space</b>			
	Lease of office space per square meter per month			

		R42.40	R44.94	R47.64
<b>2.3</b>	<b>REGIONAL SPORT FIELDS (POLOKWANE)</b>			
<b>2.3.1</b>	<b>Netball clubhouse</b>			
	Renting of the clubhouse by sports clubs for meetings			
		R171.72	R182.02	R192.94
	Renting of clubhouse by sports clubs for functions			
		R518.34	R549.44	R582.41
	Deposit for equipment (tables and chairs)	R518.34	R549.44	R582.41
<b>2.3.2</b>	<b>Rental of Sports facilities by Schools / clubs without leasing contract at the Municipality</b>			
<b>a.</b>	Use of grass per court per match Lights included	R171.72 not marked R341.32 marked	R182.02 not marked R361.80 marked	R192.94 not marked R383.51 marked
<b>b.</b>	Use of all-weather per court per match Lights included	R164.30	R174.16	R184.61
<b>c.</b>	Use of grass surfaces for practice purposes per grass surface per season, (unmarked), for a maximum of 2 hours daily, 2 times per week; per club Schools Clubs Lights included	R811.96 R3 238.30	R860.68 R3 432.60	R912.32 R3 638.55
<b>d.</b>	Use of all-weather court surfaces for practice purposes: per all-weather surface court per season; for a maximum of 2 hours daily, 3 times a week; per club Schools Clubs Lights included	R756.84 R2 038.38	R802.25 R2 160.68	R850.39 R2 290.32
<b>e.</b>	<b>Practice for (2 hours per session)</b>			
<b>i</b>	Grass Surface: Amateur Professional	R114.48	R121.35	R128.63
<b>ii</b>	All-weather Surface:	R74.78	R79.27	R84.03
<b>iii</b>	Amateur Professional	139.5172	147.888232	156.7615259
<b>iv</b>	Cricket pitch per match	R279.84	R296.63	R314.43
<b>v</b>	Synthetic cricket pitch per match	R139.92	R148.32	R157.21
<b>vi</b>	Practice nets per net per match	R95.40	R101.12	R107.19
<b>2.3.3</b>	<b>Events where entrance fees is not charged</b>			
<b>a.</b>	Rental of grass surface (per field)at sports fields for presenting a sports day by sport organizations or other business or cultural organizations, per day Deposit lights included	R1 876.20 Sport organizations R3 752.40 Business Organizations R3 410.02	R1 988.77 Sport organizations R3 977.54 Business Organizations R3 614.62	R2 108.10 Sport organizations R4 216.20 Business Organizations R3 831.50
<b>b.</b>	Deposit	R11 912.28	R12 627.02	R13 384.64
<b>c.</b>	Use of change room facilities per meeting	R885.10	R938.21	R994.50
<b>d.</b>	<b>Lights included</b>			
	Deposit	R1 608.02	R1 704.50	R1 806.77
<b>e.</b>	<b>Hiring of the mobile sound system to sports clubs and institutions</b>			
	Deposit	4 867.52	5 159.57	5 469.15
<b>f.</b>	Hiring per occasion	R1 359.98	R1 441.58	R1 528.07
<b>2.3.4</b>	<b>Recreation Centre</b>			
		R1 876.20 Sport organizations R3 776.78 Business organizations R3 410.02	R1 988.77 Sport organizations R4 003.39 Business organizations R3 614.62	R2 108.10 Sport organizations R4 243.59 Business organizations R3 831.50
<b>a.</b>	Rental of all halls in the recreation centre by a sports club to present a tournament			
	Rental per day	R1 703.42	R1 805.63	R1 913.96
	Deposit	R1 703.42	R1 805.63	R1 913.96
<b>b.</b>	<b>Rental of hall for other functions</b>			
	Per hall per day	R1 703.42	R1 805.63	R1 913.96
	Deposit per hall	R1 703.42	R1 805.63	R1 913.96
<b>c.</b>	<b>Kiosk</b>			
	Rental of kiosk by sports clubs when presenting a sports tournament:			
	Per day	R171.72	R182.02	R192.94
	Deposit	R171.72	R182.02	R192.94
<b>2.3.5</b>	<b>Pigeon Club Hall</b>			
<b>a.</b>	<b>Leasing of hall per occasion other than the pigeon club</b>			
	Per occasion	R852.24	R903.37	R957.58

	Deposit	R1 703.42	R1 805.63	R1 913.96
<b>2.3.6</b>	<b>Tennis Courts</b>			
	Use of court per individual – non club members (net supplied)	R12.72 match (2 hours)	R13.48 match (2 hours)	R14.29 match (2 hours)
	Use of court per individual – non club members (net supplied) Seasonal ticket. 2 hours two times per week.	R714.44	R757.31	R802.74
<b>2.3.7</b>	<b>Tennis complex Burger Street Kiosk</b>			
	Lease of kiosk per month	R1 222.18	R1 295.51	R1 373.24
<b>2.4</b>	<b>NIRVANA STADIUM</b>			
<b>2.4.1</b>	<b>Semi Professional Sport (e.g. Soccer, Rugby, League)</b>	15 % of the gate taking with a minimum of	15 % of the gate taking with a minimum of	15 % of the gate taking with a minimum of
<b>a.</b>	All stadium facilities, parking area and lights	R2 589.58	R2 744.95	R2 909.65
<b>b.</b>	Cleaning fee	R4 070.40	R4 314.62	R4 573.50
<b>c.</b>	Deposit	R20 355.18	R21 576.49	R22 871.08
<b>2.4.2</b>	<b>Amateur Sports</b>			
<b>a.</b>	<b>Ball games (Rugby, hockey and amateur soccer)</b>			
	(Field not marked)			
	<b>Matches</b>			
	Deposit	R1 703.42	R1 805.63	R1 913.96
	Day match	R355.10	R376.41	R398.99
	Night match	R712.32	R755.06	R800.36
<b>b.</b>	<b>Athletics meetings</b>			
	Deposit	R1 831.68	R1 941.58	R2 058.08
	Morning : 07:00 - 12:00 (marking included)	R338.14	R358.43	R379.93
	Afternoon : 12:00 - 18:00 (marking included)	R356.16	R377.53	R400.18
	All day : 07:00 - 18:00 (marking included)	R683.70	R724.72	R768.21
	Evening : 18:00 - 23:00 Facilities and lights included (Marking of track extra)	R338.14	R358.43	R379.93
<b>c.</b>	<b>Events</b>			
	<b>Occasions such as cultural festivals, meetings, church gatherings, military parades, drum majorettes etc.</b>			
	Deposit	R6 817.92	R7 227.00	R7 660.61
	All day	R6 817.92	R7 227.00	R7 660.61
	Cleaning	R4 209.26	R4 461.82	R4 729.52
<b>d.</b>	<b>Athletics Practice</b>			
<b>i.</b>	Practice session of 3 hours or less 3 times per week allowed	R7.42 per athlete	R7.87 per athlete	R8.34 per athlete
<b>ii.</b>	<b>Group bookings</b>			
	All schools which fall within the Polokwane municipal area, per year ticket, upon presentation of a year ticket, entry will be allowed to the stadium for athletics practice purposes for the period between the 1st of July and 30th of June of the following year	R7.42 per athlete with a minimum of R967.78 per annum	R7.87 per athlete with a minimum of R1 025.85 per annum	R8.34 per athlete with a minimum of R1 087.40 per annum
<b>iii.</b>	<b>Season Ticket</b>			
	A person who is not a member of an athletic club, but who regularly practices at the stadium, may obtain a seasonal ticket which will be			
	Per seasonal ticket per person per year	R304.22 p.a	R322.47 p.a	R341.82 p.a
<b>2.5</b>	<b>NIRVANA SPORTS FACILITIES</b>			
<b>a.</b>	<b>Various Ball Games/Soccer field</b>			
	Renting of field for a match by schools / clubs without leasing contract with Municipality. Lights included	R171.72 not marked R341.32 marked	R182.02 not marked R361.80 marked	R192.94 not marked R383.51 marked
<b>b.</b>	<b>Cricket Field</b>			
<b>i.</b>	Cricket pitch per game	R281.96	R298.88	R316.81
<b>ii.</b>	Synthetic pitch per game	R145.22	R153.93	R163.17
<b>iii.</b>	Practice nets per net per 2 hours.	R71.02	R75.28	R79.80
<b>iv.</b>	Hire of clubhouse per occasion	R856.48	R907.87	R962.34
<b>v.</b>	Deposit	R1 425.70	R1 511.24	R1 601.92
<b>c.</b>	<b>Tennis courts</b>			
<b>i.</b>	Renting of court for a match by schools / clubs without leasing contract per court for 2 hours			

	Lights included	R171.72	R182.02	R192.94
ii.	Renting of court for <u>practice</u> by schools / clubs without leasing contract per court per occasion Lights included	R95.40	R101.12	R107.19
iii.	Use of all-weather court surface for practice purposes per all-weather court <u>per season</u> for a maximum of 2 hours daily, 3 times per week, per club Individuals and Schools Clubs Lights included	R756.84 R1 743.70	R802.25 R1 848.32	R850.39 R1 959.22
iv.	Per individual – non members (2 hours) 3 times a week Lights included	R8.48	R8.99	R9.53
d.	<b>Action soccer (all weather court)</b>			
i.	Renting of soccer court for a <u>match</u> by schools / clubs without leasing contract per match Lights included	R171.72	R182.02	R192.94
ii.	Renting of soccer court for <u>practice</u> purposes by schools / clubs without leasing contract per court for 2 hours. Lights included	R95.40	R101.12	R107.19
iii.	Use of all-weather court surface for practice purposes per all-weather surface <u>per season</u> for a maximum of 2 hours daily, 2 times a week, per club Schools Clubs Lights included	R756.84 R2 047.92	R802.25 R2 170.80	R850.39 R2 301.04
iv.	Use of all-weather court surface ( <u>meetings</u> ) per court per occasion – schools and clubs Lights included	R171.72	R182.02	R192.94
e.	<b>Basketball court</b>			
i.	Renting the basketball court for a <u>match</u> by Schools / clubs without leasing contract per court per match. Lights included	R171.72	R182.02	R192.94
ii.	Renting of the basketball court for <u>practice</u> purposes by Schools / clubs without leasing contract per court per match. Lights included	R171.72	R182.02	R192.94
iii.	Use of all-weather court surface for practice purposes per all-weather court <u>per season</u> for a maximum of 2 hours daily, 3 times a week, per club Schools Clubs Lights included	R756.84 R2 047.92	R802.25 R2 170.80	R850.39 R2 301.04
iv.	Use of all-weather court surface (meetings) per court per occasion – schools and clubs Lights included	R171.72	R182.02	R192.94
f.	<b>Squash court</b>			
	Practice per individual for 2 hours	R43.46	R46.07	R48.83
	Seasonal ticket per club	R3 265.86	R3 461.81	R3 669.52
	Practice 3 times per week for a maximum of 2 hours daily	R756.84	R802.25	R850.39
	Per individual			
	Key Deposit			
2.6	<b>SESHEGO STADIUM</b>			
2.6.1	<b>Professional Sport</b>	15 % of the gate takings with a minimum of R2 587.46	15 % of the gate takings with a minimum of R2 742.71	15 % of the gate takings with a minimum of R2 907.27
	(e.g. PSL Soccer League) All stadium facilities, parking area and lights			
	Cleaning fee	R4 070.40	R4 314.62	R4 573.50
	Deposit	R20 355.18	R21 576.49	R22 871.08
2.6.2	<b>Amateur sports</b>			
	<b>Ball games (Rugby, hockey and amateur soccer)</b>			
	Practice – 2 hours (practice lights included) - Professional	R341.32	R361.80	R383.51
a.	<b>Matches</b>			
	Deposit	R1 703.42	R1 805.63	R1 913.96
	Day match (marking included)	R355.10 per match	R376.41 per match	R398.99 per match
	Night match (Marking of field not included)	R709.14 per match	R751.69 per match	R796.79 per match
b.	<b>Athletics meetings</b>			
	Deposit on athletics equipment	R1 703.42	R1 805.63	R1 913.96
	Morning 07:00 - 12:00 (marking included)	R355.10	R376.41	R398.99
	Afternoon 12:00 - 18:00 (marking included)	R355.10	R376.41	R398.99
	All day 07:00 – 18:00 (marking included)	R709.14	R751.69	R796.79

	Evening After 18:00 – 23:00 Facilities and lights included (Marking of track not included)	R170.66 per hour minimum of R340.26	R180.90 per hour minimum of R360.68	R191.75 per hour minimum of R382.32
<b>c.</b>	<b>Events</b>			
	<b>Occasions such as cultural festivals, meetings, church gatherings, military parades, drum majorettes etc.</b>			
	Deposit	R6 820.04	R7 229.24	R7 663.00
	All day	R6 820.04	R7 229.24	R7 663.00
	Cleaning	R4 070.40	R4 314.62	R4 573.50
<b>d.</b>	<b>Athletics Practice</b>			
<b>i.</b>	Practice session of 2 hours	R12.72 per athlete	R13.48 per athlete	R14.29 per athlete
<b>ii.</b>	Group bookings			
	All schools which fall within the Polokwane municipal area, per year ticket, upon presentation of a year ticket, entry will be allowed to the stadium for athletics practice purposes for the period between the 1st of July and 30th of June of the following	R10.60 per athlete with a minimum of R1 161.76 p.a	R11.24 per athlete with a minimum of R1 231.47 p.a	R11.91 per athlete with a minimum of R1 305.35 p.a
<b>iii.</b>	Season Ticket	R304.22	R322.47	R341.82
	A person who is not a member of an athletics club but who regularly practises at the stadium, can obtain a seasonal ticket which will be valid for the period between the 1st of July and 30th of July of the following year and which will, upon presentation thereof, allow access to the athletic track for practise purposes per seasonal ticket per person per year	R145.22 R per athlete with a minimum of R1 161.76 p.a.	R153.93 R per athlete with a minimum of R1 231.47 p.a.	R163.17 R per athlete with a minimum of R1 305.35 p.a.
<b>2.7</b>	<b>SESHEGO SPORT COMPLEX</b>	R304.22	R322.47	R341.82
<b>a.</b>	<b>Netball courts</b>			
<b>i.</b>	Rental of court for <u>match</u> by schools / clubs without leasing contract with the Municipality, per court per match Lights included	R145.22	R153.93	R163.17
<b>ii.</b>	Rental of the court for <u>practice</u> purposes by schools / clubs without leasing contract per court for 2 hours. Lights included	R71.02	R75.28	R79.80
<b>iii.</b>	Use of all-weather court surface for practice purposes per season for a maximum of 2 hours daily, 3 times a week, per club Schools Clubs Lights included	R519.40 R2 047.92	R550.56 R2 170.80	R583.60 R2 301.04
<b>iv.</b>	Use of all-weather surface ( <u>meetings</u> ) per court per match – schools and clubs Lights included	R145.22	R153.93	R163.17
<b>b.</b>	<b>Basketball court</b>			
<b>i.</b>	Rental of court for <u>match</u> by schools / clubs without leasing contract per court for 2 hours Lights included	R145.22	R153.93	R163.17
<b>ii.</b>	Rental of the court for <u>practice</u> purposes by schools / clubs without leasing contract per court for 2 hours daily, Lights included	R71.02	R75.28	R79.80
<b>iii.</b>	Use of all-weather court surface for practice purposes per all-weather court <u>per season</u> for a maximum of 2 hours daily, 3 times a week; per club Schools [lights included] Clubs [lights included]	R519.40 R2 047.92	R550.56 R2 170.80	R583.60 R2 301.04
<b>iv.</b>	Use of all-weather surface ( <u>meetings</u> ) per court per match. Lights included. per court per occasion – schools and clubs Lights included	R145.22	R153.93	R163.17
<b>c.</b>	<b>Volleyball courts</b>			
<b>i.</b>	Rental of court for <u>matches</u> by schools / clubs without leasing contract per court per match. Lights included	R145.22	R153.93	R163.17
<b>ii.</b>	Rental of the court for <u>practice</u> by schools / clubs without leasing contract per court per court for 2 hours. Lights included	R71.02	R75.28	R79.80
<b>iii.</b>	Use of all-weather court surface for practice purposes per all-weather surface <u>per season</u> for a maximum of 2 hours daily, 3 times a week (Lights included), per club Schools Clubs	R519.40 R2 047.92	R550.56 R2 170.80	R583.60 R2 301.04
<b>iv.</b>	Use of all-weather surface ( <u>meetings</u> ) per court per match – schools and clubs Lights included	R145.22	R153.93	R163.17
<b>d.</b>	<b>B - Soccer field (grass) and Zone 6 soccer fields</b>			
<b>i.</b>	Rental of field for <u>match</u> by schools / clubs without leasing contract per field per match. Lights included	R145.22 not marked R295.74 marked	R153.93 not marked R313.48 marked	R163.17 not marked R332.29 marked

ii.	Rental of the field for <u>practice</u> by schools / clubs without leasing contract per field for 2 hours. Lights included	R145.22 not marked R290.44 marked	R153.93 not marked R307.87 marked	R163.17 not marked R326.34 marked
iii.	Use of grass surface for practice purposes per grass surface <u>per season</u> (unmarked), for a maximum of 2 hours daily, 2 times a week, per club Schools Clubs Lights included	R519.40 R3 728.02	R550.56 R3 951.70	R583.60 R4 188.80
iv.	Use of grass surface (meetings) per field per occasion – schools and clubs Lights included	R145.22 not marked R290.44 marked	R153.93 not marked R307.87 marked	R163.17 not marked R326.34 marked
e.	<b>Softball court</b>			
i.	Rental of the field for <u>matches</u> by schools / clubs without leasing contract with the Municipality per court per match. Lights included	R145.22 not marked R290.44 marked	R153.93 not marked R307.87 marked	R163.17 not marked R326.34 marked
ii.	Rental of the field for <u>practice</u> by schools / clubs without leasing contract per court per occasion Lights included	R71.02	R75.28	R79.80
iii.	Use of grass surface for practice purposes per grass surface <u>per season</u> for a maximum of 2 hours daily, 3 times a week; per club Schools Clubs Lights included	R520.46 R3 410.02	R551.69 R3 614.62	R584.79 R3 831.50
iv.	Use of all-weather surface ( <u>meetings</u> ) per court per court – schools and clubs Lights included	R155.82 not marked R319.06 marked	R165.17 not marked R338.20 marked	R175.08 not marked R358.50 marked
f.	<b>Tennis courts</b>			
i.	Rental of court for <u>matches</u> by Schools / clubs without leasing contract per court per match. Lights included	R145.22	R153.93	R163.17
ii.	Rental of the court for <u>practice</u> by Schools / clubs without leasing contract per court for 2 hours. Lights included	R71.02	R75.28	R79.80
iii.	Use of all-weather court surface for practice purposes per all-weather court <u>per season</u> for a maximum of 2 hours daily, 3 times a week; per club Individuals and Schools Clubs Lights included	R520.46 R2 047.92	R551.69 R2 170.80	R584.79 R2 301.04
iv.	Use of all-weather surface ( <u>meetings</u> ) per court schools and clubs Lights included	R152.64	R161.80	R171.51
v.	Per individual – non members (2 hours) Lights included	R13.78	R14.61	R15.48
g.	<b>CRICKET PRACTICE NETS;</b>			
	Hire of practice nets per occasion	R58.30	R61.80	R65.51
h.	<b>OTHER;</b>			
	Clubhouse rental for sport meetings	R49.82	R52.81	R55.98
	Clubhouse rental for functions	R153.70	R162.92	R172.70
	Deposit	R485.48	R514.61	R545.49
2.8	<b>NGOAKO RAMATHLODI INDOOR CENTRE</b>			
a.	<b>SPORT EVENTS:</b>			
	Rental			
1	International sports event	R12 320.38 per day	R13 059.60 per day	R13 843.18 per day
	Deposit	R12 320.38 per booking	R13 059.60 per booking	R13 843.18 per booking
2	National sports event	R9 208.22 per day	R9 760.71 per day	R10 346.36 per day
	Deposit	R9 208.22 per booking	R9 760.71 per booking	R10 346.36 per booking
3	Provincial sports event	R6 145.88 per day	R6 514.63 per day	R6 905.51 per day
	Deposit	R6 145.88 per booking	R6 514.63 per booking	R6 905.51 per booking
4	Club sports event	R1 533.82 per day	R1 625.85 per day	R1 723.40 per day



	Deposit	R1 533.82 per booking	R1 625.85 per booking	R1 723.40 per booking
<b>b.</b>	<b>Sport training</b>			
	<b>Monday to Thursdays only maximum of 3 hours per week</b>			
<b>1</b>	<b>National sports code</b>	R967.78 morning (08:00 – 13:00)	R1 025.85 morning (08:00 – 13:00)	R1 087.40 morning (08:00 – 13:00)
		R1 026.08 afternoon (13:00 – 18:00)	R1 087.64 afternoon (13:00 – 18:00)	R1 152.90 afternoon (13:00 – 18:00)
		R920.08 evening (18:00 – 22:00)	R975.28 evening (18:00 – 22:00)	R1 033.80 evening (18:00 – 22:00)
	Deposit	R5 804.56 per booking	R6 152.83 per booking	R6 522.00 per booking
<b>2</b>	<b>Provincial sports code</b>	R765.32 morning (08:00 – 13:00)	R811.24 morning (08:00 – 13:00)	R859.91 morning (08:00 – 13:00)
		R765.32 afternoon (13:00 – 18:00)	R811.24 afternoon (13:00 – 18:00)	R859.91 afternoon (13:00 – 18:00)
		R765.32 evening (18:00 – 22:00)	R811.24 evening (18:00 – 22:00)	R859.91 evening (18:00 – 22:00)
	Deposit	R1 446.90 per booking	R1 533.71 per booking	R1 625.74 per booking
<b>3</b>	<b>Club level (all codes)</b>			
	Seasonal ticket	R3 408.96	R3 613.50	R3 830.31
	Deposit	R1 446.90 per booking	R1 533.71 per booking	R1 625.74 per booking
<b>4</b>	<b>Schools (all codes)</b>	R253.34 morning (08:00 – 13:00)	R268.54 morning (08:00 – 13:00)	R284.65 morning (08:00 – 13:00)
	Seasonal ticket	R253.34 afternoon (13:00 – 18:00)	R268.54 afternoon (13:00 – 18:00)	R284.65 afternoon (13:00 – 18:00)
	Deposit	R1 446.90 per booking	R1 533.71 per booking	R1 625.74 per booking
<b>c.</b>	<b>Church services, cultural events, schools, weddings, funerals and meetings etc</b>			
	<b>Rental</b>			
<b>1</b>	The use of the Indoor sport centre by individuals, schools, sport clubs, NGO's and other cultural organisations, per day	R5 473.84 per day	R5 802.27 per day	R6 150.41 per day
	Deposit (1)	R5 450.52	R5 777.55	R6 124.20
<b>2</b>	The use of the Indoor sport centre by Government Organisations and other organisations, per day	R8 690.94 per day	R9 212.40 per day	R9 765.14 per day
	Deposit (2)	R8 690.94	R9 212.40	R9 765.14
<b>3</b>	The use of the Indoor sport centre by Business, per day	R12 284.34 per day	R13 021.40 per day	R13 802.68 per day
	Deposit (3)	R12 284.34	R13 021.40	R13 802.68
<b>d.</b>	<b>Exhibitions</b>			
	<b>Rental</b>			
<b>1</b>	Week days (Monday to Thursday)	R12 284.34 per day	R13 021.40 per day	R13 802.68 per day
	Deposit	R12 284.34 per day	R13 021.40 per day	R13 802.68 per day
<b>2</b>	Weekend (Friday, Saturday and Sunday)	R15 358.34 per day	R16 279.84 per day	R17 256.63 per day
	Deposit	R15 358.34 per day	R16 279.84 per day	R17 256.63 per day
<b>e.</b>	<b>Events where entrance fee is charged</b>			
	<b>Rental</b>			
	15% of the ticket sales with a minimum of	R8 690.94	R9 212.40	R9 765.14
	Deposit	R8 690.94	R9 212.40	R9 765.14
<b>2.9</b>	<b>WESTENBURG SPORT FACILITIES</b>			
<b>a.</b>	<b>Various ball games - Soccer field (Stadium)</b>			
<b>i.</b>	Renting of field for a match by Schools / clubs without leasing contract at Municipality per field per match. Lights included	R171.72 not marked R341.32 marked	R182.02 not marked R361.80 marked	R192.94 not marked R383.51 marked
<b>ii.</b>	Renting of the field for practice by Schools / clubs without leasing contract at the Municipality per field for 2 hours. Lights included	R171.72	R182.02	R192.94
<b>iii.</b>	Use of grass surface for practice purposes per grass surface per season – Lights included schools clubs	R756.84 R3 410.02	R802.25 R3 614.62	R850.39 R3 831.50

iv.	Use of grass surface ( <u>meetings</u> ) per field per occasion – schools and clubs	R171.72 not marked R341.32 marked	R182.02 not marked R361.80 marked	R192.94 not marked R383.51 marked
v.	Practise – 2 hours (practice lights included) - Amateur	R171.72	R182.02	R192.94
vi.	Practise – 2 hours (practice lights included) – Semi -Professional	R224.72	R238.20	R252.50
<b>b.</b>	<b>Netball courts</b>			
i.	Renting of court for a <u>match</u> by schools / clubs without leasing contract with Municipality, per court per match. Lights included	R171.72	R182.02	R192.94
ii.	Renting of the court for <u>practice</u> by schools / clubs without leasing contract with Municipality, per court for 2 hours. Lights included	R95.40	R101.12	R107.19
iii.	Use of all-weather court surface for practice purposes per all-weather court <u>per season</u> for a maximum of 2 hours daily, 3 times a week, per club Individuals and Schools Clubs Lights included	R756.84 R2 045.80	R802.25 R2 168.55	R850.39 R2 298.66
iv.	Use of all-weather surface ( <u>meetings</u> ) per court– schools and clubs Lights included	R171.72	R182.02	R192.94
v.	Per individual – non members Lights included 2 Hours	R12.72	R13.48	R14.29
<b>c.</b>	<b>Tennis courts</b>			
i.	Renting of court for a <u>match</u> by Schools / clubs without leasing contract with Municipality, per court per match. Lights included	R171.72	R182.02	R192.94
ii.	Renting of the court for <u>practice</u> by Schools / clubs without leasing contract with Municipality, per court for 32 hours. Lights included	R95.40	R101.12	R107.19
iii.	Use of all-weather court surface for practice purposes per all-weather court <u>per season</u> for a maximum of 2 hours daily, 3 times a week, per club Individuals and Schools Clubs Lights included	R756.84 R2 045.80	R802.25 R2 168.55	R850.39 R2 298.66
	Use of all-weather surface ( <u>meetings</u> ) per court per occasion – schools and clubs			

	Lights included	R171.72	R182.02	R192.94
	Per individual – non members (2 hours)			
	Lights included	R12.72	R13.48	R14.29
<b>2.10</b>	<b>GA-MANAMELA SPORTING COMPLEX</b>			
<b>a.</b>	<b>Athletics meetings</b>			
	Day	R567.10	R601.13	R637.19
	Deposit	R567.10	R601.13	R637.19
	Cleaning	R567.10	R601.13	R637.19
<b>b.</b>	<b>Soccer / Other ball games</b>			
<b>i.</b>	Rental of field per <u>match</u> schools clubs	R114.48 not marked R218.36 marked	R121.35 not marked R231.46 marked	R128.63 not marked R245.35 marked
<b>ii.</b>	Rental of the field for <u>practice</u> by schools clubs	R118.72 not marked R230.02 marked	R125.84 not marked R243.82 marked	R133.39 not marked R258.45 marked
	contract per field per occasion	marked	marked	marked
<b>iii.</b>	Use of surface for practice purposes per <u>per season</u> (unmarked), for a maximum of 2 hours daily, 2 times a week, per club Schools Clubs	R1 370.58	R1 452.81	R1 539.98
<b>c.</b>	<b>Events</b>			
	<b>Church services, cultural events, schools, weddings, funerals, and meetings etc</b>			
<b>i.</b>	The use of the center by individuals, schools, sport clubs, NGO's and other cultural organizations, per day	R5 443.10 per day	R5 769.69 per day	R6 115.87 per day
<b>ii.</b>	Deposit (1)	R5 443.10	R5 769.69	R6 115.87
<b>iii.</b>	The use of the center by Government Organizations and other organizations, per day	R8 690.94 per day	R9 212.40 per day	R9 765.14 per day
<b>iv.</b>	Deposit (2)	R8 690.94	R9 212.40	R9 765.14
<b>v.</b>	The use of the centre by Business, per day	R12 285.40 per day	R13 022.52 per day	R13 803.88 per day
<b>vi.</b>	Deposit (3)	R12 285.40	R13 022.52	R13 803.88
<b>d.</b>	<b>Tennis courts</b>			
<b>i.</b>	Rental of court for <u>matches</u> by Schools / clubs without leasing contract per court per match.	R146.28	R155.06	R164.36
<b>ii.</b>	Rental of the court for <u>practice</u> by Schools / clubs without leasing contract per court for 2 hours.	R72.08	R76.40	R80.99
<b>iii.</b>	Use of all-weather court surface for practice purposes per all-weather court <u>per season</u> for a maximum of 2 hours daily, 3 times a week. Schools Clubs	R513.04 R2 165.58	R543.82 R2 295.51	R576.45 R2 433.25
<b>iv.</b>	Use of all-weather surface ( <u>meetings</u> ) per court per occasion – schools and clubs	R146.28	R155.06	R164.36
<b>v.</b>	Per individual – non members (2 hours)	R13.78	R14.61	R15.48
<b>e.</b>	<b>Netball courts</b>			
<b>i.</b>	Renting of court for a <u>match</u> by schools / clubs without leasing contract with Municipality, per court per match.	R146.28	R155.06	R164.36
<b>ii.</b>	Renting of the court for <u>practice</u> by schools / clubs without leasing contract with Municipality, per court for 2 hours.	R68.90	R73.03	R77.42
<b>iii.</b>	Use of all-weather court surface for practice purposes per all-weather court <u>per season</u> for a maximum of 2 hours daily, 3 times a week. per club Schools Clubs	R513.04 R2 047.92	R543.82 R2 170.80	R576.45 R2 301.04
<b>iv.</b>	Use of all-weather surface ( <u>meetings</u> ) per court per match – schools and clubs	R146.28	R155.06	R164.36
<b>2.11</b>	<b>SWIMMING POOLS</b>			
<b>2.11.1</b>	<b>Entrance Fees</b>			
<b>a.</b>	Non-residents and residents who do not have seasonal tickets, per person per swimming session	R19.08	R20.22	R21.44
<b>b.</b>	A resident can buy a seasonal ticket which seasonal ticket on presentation allows the holder thereof entry to any municipal swimming pool during a swimming season or part thereof			
<b>2.11.2</b>	<b>Seasonal tickets</b>			
	The period of validity of the seasonal ticket is the period during which the swimming pool is open to the public as stipulated by the Council in Clause 2 (a) of the Council swimming pool regulations. (1 September – 30 April) Cost of ticket: Per person p.a.	R421.88	R447.19	R474.02
<b>2.11.3</b>	<b>Group Reservations</b>			
	All schools and pre-schools in Polokwane within the municipal boundaries of Polokwane, may buy a seasonal ticket, which would ensure entrance to the swimming pool during the period from the 1st of September to 30th of April of the following year.			
	Cost per year ticket - per institution	R19.08	R20.22	R21.44

		per child with a minimum of R2 483.58	per child with a minimum of R2 632.59	per child with a minimum of R2 790.55
<b>2.11.4</b>	<b>USE OF SWIMMING POOLS BY SPORTS CLUBS</b>			
<b>a.</b>	For practice purpose by an amateur swimming club per swimming season per lane per annum	R1 137.38	R1 205.62	R1 277.96
<b>b.</b>	Swimming instruction per instructor per lane per annum	R1 137.38	R1 205.62	R1 277.96
<b>c.</b>	Rental of the diving-pool by a diving-instructor for the purposes of presenting a diving-course, per diver, per day.	R28.62 per diver per day	R30.34 per diver per day	R32.16 per diver per day
<b>d.</b>	Rental of the swimming pool area for swimming galas by the Pietersburg Swimming Club and schools per gala	R715.50	R758.43	R803.94
<b>e.</b>	Parking Areas per day per occasion	R715.50	R758.43	R803.94

**a. TARIFFS FOR DEVELOPMENT CLINICS (AGE GROUP 6 – 18 YEARS)**

<b>Ci</b>	<b>FOR CLUBS WHO DO DEVELOPMENT</b>			
	<b>All grass surfaces.</b>			
	Surfaces such as: Soccer, rugby, softball, hockey, etc.			
	Per age group per year for 2 hours 2 times per week. For those who don't charge per age group-per year for 2 hours 2 times per week for those who charge fees	R885.10 pa	R938.21 pa	R994.50 pa
	Surface such as Netball, volleyball, korfbal, ring tennis, tennis etc.	R1 242.32 pa	R1 316.86 pa	R1 395.87 pa
	<b>All weather surfaces</b>			
	Per age group per year 2 hours 3 times per week for those who don't charge fees	R508.80	R539.33	R571.69
	Per age group per year 2 hours 3 times per week for those who charges fees	R1 242.32 pa	R1 316.86 pa	R1 395.87 pa
	Per age group per year	R508.80 pa	R539.33 pa	R571.69 pa
	<b>Swimming pools</b>			
	Per age group per year	R366.76 per child pa	R388.77 per child pa	R412.09 per child pa
<b>Cii</b>	Clubs/individuals which charge for development	R367.22 per child pa	R389.25 per child pa	R412.60 per child pa
<b>Ciii</b>	<b>PRIVATE ORGANISATIONS / INDIVIDUALS</b>			
	<b>Cricket Facilities</b>			
	Cricket pitch per occasion	R283.02	R300.00	R318.00
	Synthetic cricket pitch per occasion	R146.28	R155.06	R164.36
	Cricket practice nets per net per occasion	R103.88	R110.11	R116.72
	Concrete cricket practice wicket per wicket per year	R1 424.64	R1 510.12	R1 600.73
	<b>All Weather Surfaces</b>			
	Surfaces such as: Netball, volleyball, korfbal, ring tennis, tennis, etc. per occasion (games / practice)	R171.72	R182.02	R192.94
	<b>Grass Surfaces</b>			
	Surfaces such as: Soccer, rugby, softball, hockey, etc. Unmarked per occasion (game / practice) Marked per occasion (game / practice)	R171.72 R341.32	R182.02 R361.80	R192.94 R383.51
	<b>Swimming Pools</b>			
	For practice purposes per lane per occasions	R72.08	R76.40	R80.99
	<b>HEALTH SERVICE TARIFFS</b>			
1	Registration of Social development institutions	R144.16	R152.81	R161.98
2	Inspections for issuing of Certificate of Acceptability	R288.32	R305.62	R323.96

**SHOWGROUND**

<b>1</b>	<b>The leasing of the oval track to host an event including ticket offices, kitchen, kiosk, beer garden, two sets of toilets and commentary box per 24 hours.</b>			
	Category A = individuals schools, sport clubs, NGO's	R5 316.26 (VAT Included)	R5 635.24 (VAT Included)	R5 973.35 (VAT Included)
	And other cultural organisations			
	Category B = Government and other organisations	R8 262.82	R8 758.59	R9 284.10

		(VAT Included)	(VAT Included)	(VAT Included)
	Category C = Businesses	R11 208.40 (VAT Included)	R11 880.90 (VAT Included)	R12 593.76 (VAT Included)
	Deposit payable by Category A, B, C -users:	R7 447.05	R7 893.87	R8 367.51
	Key Deposit	R145.33	R154.05	R163.29
	Practice on oval track	R145.33 car for two hours	R154.05 car for two hours	R163.29 car for two hours
2	<b>The leasing of a hall to host an event including ticket offices, kiosk, beer garden, toilets (main block) per 24 hours per hall:</b>	R5 450.46 (VAT Included)	R5 777.48 (VAT Included)	R6 124.13 (VAT Included)
	Category A = individual's schools, sport clubs, NGO's And other cultural organisations	R5 171.22 (VAT Included)	R5 481.49 (VAT Included)	R5 810.38 (VAT Included)
	Category B = Government and other organisations	R5 195.97 (VAT Included)	R5 507.73 (VAT Included)	R5 838.19 (VAT Included)
	Category C = Businesses	R7 377.72 (VAT Included)	R7 820.38 (VAT Included)	R8 289.60 (VAT Included)
	Deposit payable by Category A, B C -users:	R3 012.67	R3 193.43	R3 385.03
3	<b>The leasing of the arena to host a musical festival, including ticket offices, kitchen, kiosk, beer garden, toilet facilities, commentary boxes per 24 hour:</b>			
	Category A = individuals schools, sport clubs, NGO's and other cultural organisations	15% of the gate taking with a minimum of R9 704.95 (VAT Included)	15% of the gate taking with a minimum of R10 287.24 (VAT Included)	15% of the gate taking with a minimum of R10 904.48 (VAT Included)
	Category B = Government and other organisations	15% of the gate taking with a minimum of R15 100.11 (VAT Included)	15% of the gate taking with a minimum of R16 006.12 (VAT Included)	15% of the gate taking with a minimum of R16 966.49 (VAT Included)
	Category C = Businesses	15% of the gate taking With a Minimum of R21 571.00 (VAT Included)	15% of the gate taking With a Minimum of R22 865.26 (VAT Included)	15% of the gate taking With a Minimum of R24 237.18 (VAT Included)
	Deposit payable by Category A, B C -users:	R15 100.11	R16 006.12	R16 966.49
	The use of 3 phase power per hour:			
	Category A = individual's schools, sport clubs, NGO's And other cultural organisations	R42.85 per hour (VAT Included)	R45.42 per hour (VAT Included)	R48.14 per hour (VAT Included)
	Category B = Government and other organisations	R60.81 per hour (VAT Included)	R64.46 per hour (VAT Included)	R68.33 per hour (VAT Included)
	Category C = Businesses	R103.69 per hour (VAT Included)	R109.91 per hour (VAT Included)	R116.51 per hour (VAT Included)
	<b>Additional Fees</b>			
	The following fees are payable if the Council has to clean the toilet facilities and surrounding area during an event mentioned in 1,2 or 3 per 24 hours:	Week days and Saturdays/Sundays	Week days and Saturdays/Sundays	Week days and Saturdays/Sundays
	Category A = individual's schools, sport clubs, NGO's And other cultural organisations	R1 025.93 Week days R1 273.34 Saturdays/Sundays (VAT Included)	R1 087.49 Week days R1 349.74 Saturdays/Sundays (VAT Included)	R1 152.74 Week days R1 430.72 Saturdays/Sundays (VAT Included)
	Category B = Government and other organisations	R1 511.23 Week days R1 862.42 Saturdays/Sundays (VAT Included)	R1 601.91 Week days R1 974.17 Saturdays/Sundays (VAT Included)	R1 698.02 Week days R2 092.62 Saturdays/Sundays (VAT Included)
	Category C = Businesses	R2 032.88 Week days R2 649.41 Saturdays/Sundays (VAT Included)	R2 154.85 Week days R2 808.37 Saturdays/Sundays (VAT Included)	R2 284.14 Week days R2 976.87 Saturdays/Sundays (VAT Included)
4	<b>The lease of all the facilities at the showground to host the</b>			

	<b>annual show.</b>			
	Category C = Businesses	R146 968.02 (VAT Included)	R155 786.11 (VAT Included)	R165 133.27 (VAT Included)
	Deposit halls	R44 432.06	R47 097.99	R49 923.87
	Deposit water consumption	R29 051.24	R30 794.31	R32 641.97
	Deposit electricity consumption	R68 356.39	R72 457.77	R76 805.24
	During the duration of the show, the organiser will be responsible for the following:			
	Cleaning of the site, halls, toilets, and stables. All the rubbish to be put in the skip containers provided by the Council.			
	Toilet paper and cleaning material for toilets, as well as refuse bags to collect rubbish.			
	Own security.			
	Key Deposit			

#### **OCCASIONAL LEASING OF FACILITIES**

<b>1</b>	<b>Flea markets</b>			
	Sport facilities.			
	The following conditions will be applicable:			
	Time duration, 07:00 – 22:00;			
	Area of 500 square metres to be leased;			
	Should the area not have toilet facilities the organiser must make provision for toilets, electricity and water;			
	The organisers is responsible for the			
	removal of refuse from the area;			
	Lease tariff per day;	R1 511.24	R1 601.92	R1 698.03
	Deposit per occasion.	R1 708.97	R1 811.51	R1 920.20
<b>2</b>	<b>Art markets</b>			
	Sport facilities situated in Nirvana, Westenburg and Seshego;			
	The following conditions will be applicable:			
	No foodstuffs / vegetables may be sold here;			
	Maximum duration, 5 days;			
	Exhibitors must provide their own toilet facilities if not available;			
	Area of 50 square meters to be leased;			
	Rental tariff, per day.	R85.71	R90.85	R96.31
<b>3</b>	<b>Circus or amusement park area</b>			
a.	For the first two days - per day or part thereof	R1 511.24	R1 601.92	R1 698.03
b.	Thereafter - per day or part of a day	R756.21	R801.59	R849.68
	General			
	Should electricity be required Deposit	R1 375.75	R1 458.30	R1 545.80
	Consumption for water is paid at the approved tariffs for the current financial year.			
	Provision of services i.e. mowing lawns, water supply and rubbish removal are included in the tariffs, named in 3a and 3b (Circus amusement areas)	Refer 3a and 3b	Refer 3a and 3b	Refer 3a and 3b

#### **GA-KGOROSHI RECREATIONAL PARK**

##### **Entrance into the picnic area.**

	Per vehicle	R24.60	R26.08	R27.64
	Per adult in the vehicle	R18.45	R19.56	R20.74
	Per person under the age of 18 years in the vehicle	R14.76	R15.64	R16.58
	School bus entrances – per bus	R92.28	R97.82	R103.69
	For conferences, meetings, parties and church ceremonies	Deposit of R2 215.02 plus R764.73 fee per day	Deposit of R2 347.92 plus R810.61 fee per day	Deposit of R2 488.79 plus R859.25 fee per day
	For open-air festivals and other income – generating activities	Deposit of R2 461.13 plus R861.39 fee per day	Deposit of R2 608.80 plus R913.07 fee per day	Deposit of R2 765.32 plus R967.86 fee per day
	Market stalls sites – and area of 50 square meters to be leased	R99.24 per day	R105.19 per day	R111.50 per day

##### **Usage of Halls.**

	For conferences, meetings, parties and church ceremonies	Deposit of R1 845.78	Deposit of R1 956.52	Deposit of R2 073.92
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		plus R615.28 fee per day	plus R652.19 fee per day	plus R691.33 fee per day
	For in-house/under-roof festivals and other income – generating activities	Deposit of R2 215.02 plus R799.87 fee per day	Deposit of R2 347.92 plus R847.86 fee per day	Deposit of R2 488.79 plus R898.73 fee per day

**TARRIFS PAYABLE I.R.O NEW PETER MOKABA STADIUM COMMUNITY DEVELOPMENT FACILITY  
COMMERCIALISATION**

		Approved tariff from 1/07/2023	Approved tariff from 1/07/2024	Proposed tariff from 1/07/2025
	<b>Basement</b>			
1	Players Lounge ( Theatre style 60)	R6 976.94	R7 395.56	R7 839.29
	Bar with Equipment	R3 101.32	R3 287.40	R3 484.64
2	TV Studios (Tables and Chairs 80)	R3 101.36	R3 287.44	R3 484.69
3	Mixed Zone (Theatre style 300 – tables and Chairs)	R9 689.74	R10 271.12	R10 887.39
	<b>Ground Floor</b>			
1	Press Theatre (148 Seated)	R9 689.74	R10 271.12	R10 887.39
2	Press Working Room (50 seated)	R4 844.86	R5 135.55	R5 443.68
	<b>First Floor</b>			
1	Executive Lounge North (500 Theatre)	R12 433.58	R13 179.59	R13 970.37
2	Executive Lounge South (500 Theatre)	R13 179.59	R13 970.37	R14 808.59
3	Kitchen	R3 930.82	R4 166.67	R4 416.67
	Cold Storage room	R1 938.50	R2 054.81	R2 178.09
1	Suites Western side (1-12) 22 seated	R3 875.61	R4 108.15	R4 354.64
2	Suites Eastern side (1-14) 22 seated	R3 875.61	R4 108.15	R4 354.64
3	VVIP Suite West ( no. 13) 48 seated	R7 752.48	R8 217.63	R8 710.69
	<b>Furniture</b>			
1	Tables	R49.74 per table	R52.72 per table	R55.88 per table
2	Chairs	R49.77 per chair	R52.75 per chair	R55.92 per chair
	Office Rentals			
1	Blue Bulls Rugby	R18 798.76	R19 926.69	R21 122.29
2	Limpopo Cricket	R11 278.43	R11 955.14	R12 672.45
3	Black Leopards FC	N/A	N/A	N/A
	<b>Tours/ Educational visits</b>			
1	Adults	R31.80 per adult	R33.71 per adult	R35.73 per adult
2	Children under the age of 15 years	R15.90 per child	R16.85 per child	R17.87 per child
	<b>Usage of Parking Areas</b>			
1	Exhibitions	R3 875.60 per day	R4 108.14 per day	R4 354.63 per day
2	Fun Parks	R3 875.60 per day	R4 108.14 per day	R4 354.63 per day
3	Competitions (Excl drag racing and spinning)	R3 875.60 per day	R4 108.14 per day	R4 354.63 per day
	<b>Others</b>			
1	Pitch	R97 653.85 per day	R103 513.08 per day	R109 723.86 per day
2	Pitch Cover (Excl transport and Installation)	R66.36	R70.34	R74.56

		per m <sup>2</sup> per day	per m <sup>2</sup> per day	per m <sup>2</sup> per day
3	Speed Fence (Excl transport and Installation)	R95.38	R101.10	R107.17
		per section per day	per section per day	per section per day



**SCHEDULE 7:**

**TARIFFS PAYABLE I.R.O. CEMETERIES, TOWN LANDS, GRAZING, GRASS, RENTAL OF LAND ON OCCASIONAL BASIS, NURSERY – DECORATIONS, PARKS, AREAS FOR FLEA MARKETS, AREAS FOR ART MARKETS, STALLS AT PUBLIC MUNICIPAL FUNCTIONS, GAME RESERVE & CARAVAN PARK, BIRD SANCTUARY, WEIGHBRIDGE AT WELTEVREDEN LANDFILL SITE: 2023/2024**

The determined tariffs are as follows:

<b>1. CEMETERIES</b>						
<b>1.1 DAHL STREET CEMETERY</b>	<b>Approved tariff 1/07/2023</b>		<b>Approved tariff 1/07/2024</b>		<b>Proposed tariff 1/07/2025</b>	
	<b>Resident</b>	<b>Non - resident</b>	<b>Resident</b>	<b>Non - resident</b>	<b>Resident</b>	<b>Non - resident</b>
<b>a) Purchase of a grave for immediate use for such cases as mentioned in Clause 19 (1) (a), (b) and (c):</b>	No more applicable in this cemetery	No more applicable in this cemetery	No more applicable in this cemetery	No more applicable in this cemetery	No more applicable in this cemetery	No more applicable in this cemetery
Adult grave Child grave						
<b>b) Opening of graves</b>						
Adult grave	R960.93	R1 056.30	R1 018.59	R1 119.68	R1 079.70	R1 186.86
Child grave	R651.21	R716.19	R690.28	R759.16	R731.70	R804.71
Cremated ashes burial	R225.35	R247.49	R238.87	R262.34	R253.20	R278.08
<b>c) For enlarging a grave</b>						
Per 0,25 sqm or part thereof	R496.36	R989.97	R526.14	R1 049.36	R557.71	R1 112.33
<b>d) Wall of remembrance</b>						
For the approval of affixing a plate to a niche on the wall of remembrance	R183.87	R201.85	R194.90	R213.96	R206.59	R226.79
<b>e) Tombstone approvals</b>						
Single tombstone approval	R183.87	R194.97	R194.90	R206.66	R206.59	R219.06
Double tombstone approval	R359.47	R378.88	R381.04	R401.61	R403.90	R425.70
<b>1.2 POLOKWANE, SESHEGO, MANKWENG, SEBAYENG CEMETERIES</b>	<b>Resident</b>	<b>Non-resident</b>	<b>Resident</b>	<b>Non-resident</b>	<b>Resident</b>	<b>Non-resident</b>
<b>Purchase of a grave for immediate use in cases such as mentioned in Clause 19 (1), (a), (b) and (c) of the Pietersburg Municipality: Cemetery By-Laws</b>						
Adult grave	489.4656	R931.89	518.833536	R987.80	R549.96	R1 047.07
Child grave	R306.92	R580.69	R325.34	R615.53	R344.86	R652.46
Cremated ashes burial	R232.27	R463.17	R246.20	R490.96	R260.98	R520.41
<b>b) Opening of graves</b>						
Adult	R642.14	R1 378.50	R680.67	R1 461.21	R721.51	R1 548.88
Child grave	R523.13	R1 045.29	R554.52	R1 108.00	R587.79	R1 174.48
<b>c) For enlarging a grave:</b>						
Per 0,25 sq.m or part thereof	R465.93	R735.56	R493.89	R779.69	R523.52	R826.47
<b>d) Tombstone approvals</b>						
Single tombstone approval	R146.55	R288.00	R155.34	R305.28	R164.66	R323.60
Double tombstone approval	R283.41	R564.10	R300.42	R597.95	R318.44	R633.82
<b>1.3 CHURCH STREET SOUTH CEMETERY</b>						
<b>a) Purchase of a grave for immediate use in cases such as mentioned in Clause 19 (1), (a), (b) and (c)</b>						
Adult grave	R678.87	R1 354.99	R719.60	R1 436.29	R762.77	R1 522.46
Child grave	R473.37	R949.88	R501.78	R1 006.87	R531.88	R1 067.28
Cremated ashes burial	R229.81	R464.55	R243.60	R492.42	R258.21	R521.96
<b>b) Opening of graves</b>						
Adult grave	R613.89	R1 865.19	R650.72	R1 977.10	R689.77	R2 095.72
Child grave	R651.21	R1 299.69	R690.28	R1 377.67	R731.70	R1 460.33
<b>c) For enlarging a grave:</b>						
Per 0,25 sq.m or part thereof	R483.91	R967.85	R512.95	R1 025.93	R543.72	R1 087.48
<b>d) Tombstone approvals</b>						

Single tombstone approval	R194.93	R232.27	R206.63	R246.20	R219.03	R260.98
Double tombstone approval	R387.12	R463.17	R410.35	R490.96	R434.97	R520.41
<b>1.4 EXHUMATION</b>						
<b>a) Exhumation (Council Cemeteries)</b>	<b>Resident</b> R557.56	<b>Non resident</b> R892.52	<b>Resident</b> R591.01	<b>Non resident</b> R946.07	<b>Resident</b> R626.47	<b>Non resident</b> R1 002.84

<b>2. TOWN LANDS</b>	<b>Approved tariff from 1/07/2023</b>	<b>A*pproved tariff from 1/07/2024</b>	<b>Proposed tariff from 1/07/2025</b>
<b>2.1 GRAZING</b>			
Tariff structure based on carrying capacity of camp and relevant lease agreement. – Per large stock unit per month. Or as per recommendations of the property valuer and approved by Council.	R113.36	R120.16	R127.37
Lease of municipal grazing camps or open spaces.	As per recommendations of the property valuer and approved by Council.	As per recommendations of the property valuer and approved by Council.	As per recommendations of the property valuer and approved by Council.
<b>2.2 GRASS</b>			
Grass, per bundles with a diameter of 15cm per bundle	R16.57	R17.56	R18.62
<b>2.2.1 WOOD SALES</b>			
a) Per 8kg bundle			
b) Per bakkie load			
<b>NO WOOD TO BE REMOVED FROM THE GAME RESERVE.</b>			
<b>2.3 RENTAL OF LAND ON AN OCCASIONAL BASIS (Circus and amusement park)</b>			
For the occasional rental of land on which to pitch tents, erect structures and/or park vehicles on the natural land surface and for which no foundations or permanent hard floors are erected. Per day or part of a day Areas: - Seshego Zone 7 Open area next to Police Station - Open area next to Peter Mokaba Stadium - Nirvana - Open area next to Nirvana Community Hall - Nirvana Open area next to Nirvana Stadium	R912.54	R967.30	R1 025.33
<b>Deposit</b>	R1 520.92	R1 612.17	R1 708.91
<b>2.3.1 General</b>			
Should electricity be required -Contact Electrical Department at Municipal Offices, Burger Centre, Landdros Mare Street. Consumption is paid at the stipulated tariffs. Provision of services i.e. mowing lawns, water supply and rubbish removal are included in the tariffs, named in 2.3			
<b>3. NURSERY – DECORATIONS</b>			
3.1 Decoration consisting of 5 large, 25 medium and 300 small plants	R5 855.58	R6 206.91	R6 579.33
The provision of a fountain extra at 3.1	R532.30	R564.24	R598.09
<b>Deposit</b>	R1 977.20	R2 095.83	R2 221.58
3.2 For the provision of decoration at the stadium during athletics meetings, and other related sports activities.	R2 281.37	R2 418.26	R2 563.35
3.3 The provision of 15 plant containers	R1 520.92	R1 612.17	R1 708.91
3.4 Provision of plants individually			
a) Small (per plant)	R52.51	R55.66	R59.00
b) Medium (per plant)	R91.23	R96.71	R102.51
c) Large (per plant)	R228.12	R241.81	R256.32
<b>Deposit</b>	R1 520.92	R1 612.17	R1 708.91
3.5 Decorations remaining longer than one day – per day extra	R456.26	R483.63	R512.65
3.5 General Plant decorations should be booked <b>14 days</b> in advance and full payment must be received <b>5 days</b> in advance.			
3.6 Removal of trees on sidewalks			
Removal per tree	R6 083.72	R6 448.74	R6 835.67
<b>4. PARKS</b>			
<b>4.1 AREAS FOR AD HOC CHURCH SERVICES AND OPEN-AIR FUNCTIONS</b>			
§ MacDonald street Park (Park 6149 Flora Park)			
§ River area to the West of Dahl street cemetery			
§ Westernburg Park			

§ RDP Area - Westenburg			
§ Nirvana Park			
§ Zone 1, 2, 3, 4, 5, 7 and Zone 8 Parks, Seshego			
§ Penina Park			
§ Annadale Park			
§ Mankweng Park			
§ Sebayeng Park			
The following conditions will be applicable:			
a) Maximum of 5 days permitted.			
b) Maximum surface of 500 square metres.			
c) No group may use an area / park more than one time per six months for a church service.			
d) Only church services for church groups, weddings and funerals will be allowed. NO AFTER FUNCTIONS.			
e) No activities after 21:00.			
f) The organisers must provide their own toilets, water and electricity and must also clean the area.			
g) The activities are limited to an 85-decibel sound level.			
<b>Tariff per day</b>	R476.40	R504.98	R535.28
<b>Deposit per occasion</b>	R2 450.39	R2 597.41	R2 753.26
<b>4.2 AREAS FOR FLEA MARKETS</b>			
Park situated in Marshall Street (Flora Park Dam)	R130.42 per 50m² per day	R138.25 per 50m² per day	R146.54 per 50m² per day
City Plaza	R130.42 per 50m² per day	R138.25 per 50m² per day	R146.54 per 50m² per day
Kobie van Zyl Park	R130.42 per 50m² per day	R138.25 per 50m² per day	R146.54 per 50m² per day
Sterpark Park	R130.42 per 50m² per day	R138.25 per 50m² per day	R146.54 per 50m² per day
Welgelegen Park	R130.42 per 50m² per day	R138.25 per 50m² per day	R146.54 per 50m² per day
Savannah Park	R130.42 per 50m² per day	R138.25 per 50m² per day	R146.54 per 50m² per day
Grimm Street Park	R130.42 per 50m² per day	R138.25 per 50m² per day	R146.54 per 50m² per day
Tzaneen Park	R130.42 per 50m² per day	R138.25 per 50m² per day	R146.54 per 50m² per day
Penina Park	R130.42 per 50m² per day	R138.25 per 50m² per day	R146.54 per 50m² per day
Annadale Park	R130.42 per 50m² per day	R138.25 per 50m² per day	R146.54 per 50m² per day
Nirvana Park	R130.42 per 50m² per day	R138.25 per 50m² per day	R146.54 per 50m² per day
Westenburg Park	R130.42 per 50m² per day	R138.25 per 50m² per day	R146.54 per 50m² per day
Zone 1, 2, 3, 4, 5, 7 and Zone 8 Parks, Seshego	R138.25 per 50m² per day	R146.54 per 50m² per day	R155.33 per 50m² per day
The following conditions will be applicable:			
a) Time duration, 07:00 – 22:00;			
b) Area of 500 square metres to be leased;			
c) Should the area not have toilet facilities the organiser must make provision for toilets, electricity and water;			
d) The organisers is responsible for the removal of refuse from the area;			
<b>Tariff per day</b>	R1 731.61	R1 835.50	R1 945.63
<b>Deposit per occasion</b>	R1 443.00	R1 529.58	R1 621.35
The following conditions will be applicable:			
i) No foodstuffs / vegetables may be sold here;			
ii) Maximum duration, 5 days;			
iii) Exhibitions must provide their own toilet facilities if not available;			
iv) Area of 50 square meters to be leased;			
v) Rental tariff per day			
<b>4.4 STALLS AT PUBLIC MUNICIPAL FUNCTIONS</b>			
Per stall per day	R197.69	R209.55	R222.12

<b>4.5. GAME RESERVE / CARAVAN PARK</b>			
<b>ENTRANCE</b>			
Per vehicle	R52.51	R55.66	R59.00
Per Adult in vehicle	R34.56	R36.63	R38.83
Per person under the age of 18 in vehicle	R29.86	R31.65	R33.55
Per Pensioner in vehicle	R29.01	R30.75	R32.60
Bush braai by qualified Tour operator for 6 people.	R291.32	R308.80	R327.33
Entrance permit	R279.05	R295.79	R313.53
A person may obtain a permit allowing entrance to the facility. The validity of the permit is valid for 1 financial year. 1st of July to 30th of June of the following year.	R835.40	R885.52	R938.65
Persons entering the area on foot. Minimum 2 and maximum 20 per group			
Adults	R34.56	R36.63	R38.83
Children under the age of 18	R27.63	R29.29	R31.05
Entering the game reserve by horse	R49.76	R52.74	R55.91
Per person with a maximum of 4 persons			
Entering the game reserve by bicycle	R49.76	R52.74	R55.91
Per adult with a maximum of 2 persons			
Per adult with a minimum of 2 persons	R35.02	R37.12	R39.35
Per person under the age of 18 years	R59.43	R63.00	R66.78
School bus trips Per school bus / visit	R278.78	R295.51	R313.24
<b>Season ticket game reserve:</b>			
Season ticket to NPO's, NGO's and Educational institutions within the Polokwane Municipal boundaries may purchase a season ticket to gain access to the game reserve valid for 12 months from the 1 <sup>st</sup> day of July to the 30 <sup>th</sup> day of June the following year. This allows for 10 registered members free access without paying individual or per vehicle entrance fees.			
Cost of year-ticket per institution	R3 348.54	R3 549.45	R3 762.42
<b>5. ACCOMMODATION</b>			
<b>5.2 CARAVAN PARK</b>			
<b>5.2.1 Caravans</b>			
Caravan stands per night (12m x 12m in size)	R306.64	R325.04	R344.54
<b>5.2.2 Usage of caravan park by members of the Caravan Club of Southern Africa and Pensioners (Caravan or tent campsites)</b>	R243.32	R257.92	R273.40
a) For a CSA member, when presenting his / her membership card when reserving a campsite, per night.			
b) Group reservations arranged by	R219.82	R233.01	R246.99
CSA, per caravan site, per night			
c) Pensioners, presenting their pension card when making a reservation, per caravan site, per night	R212.90	R225.68	R239.22
<b>5.3 TENT CAMPING SITES</b>			
Tent camping site per site per night (12m x 12m in size)	R306.64	R325.04	R344.54
Only 6 persons per tent is allowed			
<b>5.4 RONDAVELS</b>			
a) Per 2 bed rondavel per 24 hour period or part thereof	R679.61	R720.38	R763.61
b) Per 4 bed rondavel per 24 hour period or part thereof	R775.66	R822.19	R871.53
c) Per 6 bed rondavel per 24 hour or part thereof	R1 162.80	R1 232.57	R1 306.52
d) Cahlet visitors entrance fee per person	R33.49	R35.49	R37.62
e) Reservation and breakage deposit per rondavel	R478.38	R507.08	R537.51
f) An amount of R250-00 will be forfeited should a reservation not be cancelled 5 days in advance or a rondavel not be utilised, for whatever reason.			
Rondavels must be evacuated not later than 09:00 on the day of departure	R478.38	R507.08	R537.51
f) Hiring of mattress			
Per mattress per night	R98.15	R104.03	R110.28
g) One 2-bed rondavel for emergency accommodation for Council employees only, per month. (maximum 2 persons for maximum of 30 days)	R5 254.13	R5 569.38	R5 903.54
<b>5.5 WASHING AND DRYING EQUIPMENT</b>			
Use of washing machine, per cycle	R60.80	R64.45	R68.32
Use of tumble dryer, per cycle	R60.80	R64.45	R68.32

<b>5.6 KUDU HOUSE</b>			
Can accommodate 20 people	R967.85	R1 025.93	R1 087.48
Reservation and breakage deposit			
Per 24 hour or part thereof:			
maximum of 6 persons	R1 451.70	R1 538.80	R1 631.13
thereafter per person per night	R178.07	R188.75	R200.08
<b>5.7 DRIES ABRAHAMSE LAPA (09:00 - 24:00)</b>			
Can accommodate 100 people			
Reservation and breakage deposit	R2 965.81	R3 143.75	R3 332.38
Lease tariff per day	R1 292.78	R1 370.34	R1 452.56
Vehicle inclusive and Fire wood exclusive			
<b>5.8 LEASING OF COLD STORAGE FACILITIES</b>			
Per carcass per day	R138.25	R146.54	R155.33
<b>5.9 NIGHT DRIVES</b>			
a) Per person over the age of 18	R228.12	R241.81	R256.32
b) Per person under the age of 18 accompanied by parents or legal guardian	R98.15	R104.03	R110.28
c) Presentation of nature lectures for private groups	R493.50	R523.11	R554.50
d) Hiring of Game-viewing truck for 3 hours for 20 people	R1 140.69	R1 209.13	R1 281.68
e) Hiring of game viewing truck for 2 hours for a couple	R558.09	R591.58	R627.07
f) Presentation of one-day nature courses per person	R338.73	R359.06	R380.60
Per person			
<b>6. BIRD SANCTUARY</b>			
<b>6.1 ENTRANCE</b>			
Only vehicles occupied by the aged and disabled persons may be permitted entrance:			
a) per vehicle	R49.97	R52.97	R56.14
b) Persons entering the facility per foot; per adult	R34.56	R36.63	R38.83
c) Per child under the age of 18 years	R27.74	R29.40	R31.17
d) School bus trips – per school bus visit	R279.05	R295.79	R313.53
<b>6.2 Season ticket to NPO's, NGO's and Educational Institutions</b> withing the Polokwane Municipal boundaries, may purchase a season ticket, to gain access to the bird sanctuary valid for 12 months from the 1 <sup>st</sup> of July to 30 <sup>th</sup> June the following year. This allows for 10 registered members free access without paying per individual or vehicle entrance fees. Cost of a season ticket per 10 members	R3 348.54	R3 549.45	R3 762.42
Months from the 1 <sup>st</sup> of July to			
<b>LEASING OF THE LAPAS</b>			
<b>6.3 BARN OWL LAPA (NONNETJIES-UIL LAPA)</b> <b>(07:00 - 19:00)</b>			
Can accommodate 50 persons			
Deposit	R988.60	R1 047.91	R1 110.79
Lease tariff per day	R584.76	R619.85	R657.04
<b>6.4 FISH EAGLE LAPA (VISAREND LAPA)</b> <b>(09:00 - 24:00)</b>			
Can accommodate 150 persons			

Deposit	R2 904.96	R3 079.26	R3 264.02
Lease tariff per day	R1 444.86	R1 531.56	R1 623.45
<b>6.5 GENERAL</b>			
a) Selling of game/ trophy and carcass	R62.21	R65.94	R69.90
	per kg	per kg	per kg
b) Lease of tractor-drawn scraper (own transport and excluding the tractor)	R547.50	R580.35	R615.17
	per day	per day	per day

**ANIMAL POUND TARIFFS**

These tariffs are prescribed in terms of Section 3(a) of Limpopo Pounds Act of 2002.

	<b>ENVIRONMENTAL EDUCATIONAL CENTRE LAPA (EEC LAPA)</b>		
	(09:00 - 24:00)		
	Can accommodate 30 persons		
	Deposit	R1 284.27	R1 361.33
	Lease tariff per day	R583.75	R618.78

Animal type	Pound fees	Transport cost	Type of transport	Tending fee	Clinical / medical Services	Trespassing
Large stock Cattle, donkey, Horses	R30.00	R14.00	Truck	R50.00	Pending	Pending
Small stock Goats, sheep	R20.00	R14.00	Truck	R30.00	Pending	Pending

Pigs	R25.00	R11.00	Light delivery vehicle	R50.00	Pending	Pending
Dogs	R25.00	R11.00	Light delivery vehicle	R30.00	Pending	Pending



**SCHEDULE 8:**

**TARIFFS PAYABLE FOR FIRE EMERGENCY SERVICES: FIRE FIGHTING COURSES, DELIVERY OF FIRE, RESCUE, SPECIAL SERVICES AND FIRE SAFETY SERVICES RENDERED: 2025-2026.**

**FIRE SERVICES**

Tariffs for Courses

	1.Course	Approved tariff from 1/07/2023	Approved tariff from 1/07/2024	Proposed tariff from 1/07/2025
	Fire Fighter 1	R9 691.11	R10 272.58	R10 888.94
	Fire Fighter 2	R4 844.86	R5 135.55	R5 443.68
	Hazmat Awareness	R1 046.68	R1 109.48	R1 176.04
	Hazmat Operations	R1 638.75	R1 737.07	R1 841.30
	Dangerous goods transportation	R1 046.68	R1 109.48	R1 176.04
	First Aid level 1	R1 342.56	R1 423.12	R1 508.51
	First Aid level 2	R1 342.56	R1 423.12	R1 508.51
	First Aid level 3	R1 641.22	R1 739.69	R1 844.07
	Extinguisher course	R457.66	R485.11	R514.22
	Elementary course	R1 342.56	R1 423.12	R1 508.51
	Fire Service Instructor 1	R5 537.56	R5 869.81	R6 222.00
	Vehicle Extrication	R3 691.70	R3 913.21	R4 148.00
	Breathing Apparatus Operator	R984.44	R1 043.51	R1 106.12
	High Angle Rope Rescue	R3 691.68	R3 913.18	R4 147.98
	Confined Space Rescue	R3 691.70	R3 913.21	R4 148.00
	Structural Collapse 1 & 2	R13 426.53	R14 232.12	R15 086.05
	Swift Water Rescue	R6 654.89	R7 054.19	R7 477.44
	Trench Rescue 1 & 2	R7 939.17	R8 415.52	R8 920.45
	Fire Officer 1	R3 852.84	R4 084.01	R4 329.05
	Driver/Pump Operator	R5 253.86	R5 569.09	R5 903.24
	Driver/ Aerial Operator	R5 253.86	R5 569.09	R5 903.24
	Hazmat Technician	R9 923.95	R10 519.39	R11 150.55
	Fire Instructor 2	R5 595.93	R5 931.69	R6 287.59
	Accommodation			

Tariffs for Delivery of Fire, Rescue and Special Services Rendered

Service			
<b>2</b>	<b>Call out fees:</b>		
	Hydraulic Platform	R459.04	R486.59
	Heavy Duty Pump	R300.03	R318.03
	Medium Duty Pump	R246.11	R260.88
	Light Duty Pump	R192.19	R203.72
	Rescue Tender	R254.40	R269.66
	Water Tender	R214.31	R227.17
	Service Vehicle	R233.67	R247.69
	Mobile Control Unit	R300.03	R318.03
<b>3</b>	<b>Service fees per hour or part thereof:</b>		
	Hydraulic Platform	R300.03	R318.03
	Heavy Duty Pump	R233.67	R247.69
	Medium Duty Pump	R179.73	R190.52
	Light Duty Pump	R147.93	R156.81
	Rescue Tender	R181.11	R191.98
	Water Tender	R214.31	R227.17

	Service Vehicle	R95.39	R101.11	R107.18
	Mobile Control Unit	R279.29	R296.05	R313.81
	Officer	R333.21	R353.20	R374.40
	Fire Fighter	R167.30	R177.34	R187.98
<b>4</b>	<b>Travelling</b>			
	Within Municipal boundaries	R13.82	R14.65	R15.53
	Outside Municipal boundaries	R20.71	R21.96	R23.27

DESCRIPTION OF SERVICE FLAMMABLE SUBSTANCES AND DANGEROUS GOODS- ANNUAL REGISTRATION				
5. Tariffs for Flammable Liquid Registrations	Approved tariff from 1/07/2023	Approved tariff from 1/07/2024	Proposed tariff from 1/07/2025	
<b>5.1. Group 1</b>				
Explosives	R334.85	R354.95	R376.24	
<b>6. Group II Gases</b>				
<b>6.1. Bulk Liquefied Petroleum Gas (Class 0)</b>	R1 085.36	R1 150.48	R1 219.51	
0-50 Kiloliter	R684.17	R725.22	R768.73	
51- 100 Kiloliter	R917.66	R972.72	R1 031.09	
101-150 Kiloliter	R1 151.17	R1 220.24	R1 293.46	
151-and above	R1 384.68	R1 467.76	R1 555.82	
Other flammable gases exceed 50 kg	R334.85	R354.95	R376.24	
Non-Flammable gases exceed 333 kg	R334.85	R354.95	R376.24	
Toxic gases	R334.85	R354.95	R376.24	
<b>The storage, handling, and use</b>				
<b>6.2. Liquefied Petroleum Gas (Class 0)</b>				
42 - 1000 Liters	R353.21	R374.41	R396.87	
1 001 - 2 500	R441.06	R467.52	R495.57	
2 501 - 25 000	R464.57	R492.44	R521.99	
25 001 and above	R677.50	R718.15	R761.24	
<b>7. Group III</b>				
<b>7.1. Bulk flammable liquids storage</b>	R1 037.62	R1 099.88	R1 165.87	
200-800 Kiloliter	R654.08	R693.33	R734.93	
801-1400 Kiloliter	R877.32	R929.96	R985.76	
1401-2400 Kiloliter	R1 100.56	R1 166.59	R1 236.58	
2401- and above	R1 323.79	R1 403.22	R1 487.41	
<b>The storage, handling and use</b>				
<b>7.2. Flammable Liquids (Class 1, 2 and 3)</b>				
40 - 1000 Liters	R337.68	R357.95	R379.42	
1 001 - 2 500	R421.67	R446.97	R473.79	
2 501 - 25 000	R444.14	R470.79	R499.04	
25 001 and above	R647.71	R686.58	R727.77	
<b>8. Group VI Flammable Solids</b>				
Flammable Solid	R334.85	R354.95	R376.24	
Pyrophoric substances	R334.85	R354.95	R376.24	
Water-reactive substance	R334.85	R354.95	R376.24	
<b>9. Group V Oxidizing and organic peroxides</b>				
Oxidizing agents	R334.85	R354.95	R376.24	
Group I organic exceed 200 kg	R334.85	R354.95	R376.24	
Group II organic exceed 200 kg	R334.85	R354.95	R376.24	
<b>10. Group VI Toxic /Infective substances</b>				
Group I toxic substances in packets exceed 5kg	R334.85	R354.95	R376.24	
Group II toxic substances in packets exceed 50kg	R334.85	R354.95	R376.24	
Group III toxic substances in packets exceed 500kg	R334.85	R354.95	R376.24	
<b>11. Group VII Radioactive materials</b>				
<b>12. Group VIII Corrosive / Caustic Substances</b>				
Group I acids in packets exceed 50 kg	R334.85	R354.95	R376.24	
Group II acids in packets exceed 200 kg	R334.85	R354.95	R376.24	
Group III acids in packets exceed 1000 kg	R334.85	R354.95	R376.24	
Group I alkaline substances in packets exceed 50 kg	R334.85	R354.95	R376.24	
Group II alkaline substances in packets exceed 200 kg	R334.85	R354.95	R376.24	
Group III alkaline substances in packets exceed 1000 kg	R334.85	R354.95	R376.24	
<b>13. Group IX Miscellaneous substances</b>				
Liquids exceed 210 liters	R334.85	R354.95	R376.24	
Solids exceed 210 kg	R334.85	R354.95	R376.24	
<b>14. Spray Booth / Rooms registrations</b>				
a. For each subsequent Spray Booth / Spray room at an additional cost	R111.62	R118.32	R125.41	
<b>15. Restoration of lapsed registration certificate-fee for each year that registration certificate was not renewed, plus current</b>	R334.85	R354.95	R376.24	

registration fees.			
16. Temporary storage certificate of registration for flammable liquids or Gases	R334.85	R354.95	R376.24
Restoration of lapsed temporary registration certificate-fee for each period that registration certificate was not renewed, plus current registration fees.	R167.43	R177.47	R188.12
<b>Annexure VII of the By-Law</b>			
<b>Exemptions for Certificate of Registration</b>			
17. Inspection of Vehicle and issuing of transport Permits (Dangerous Goods)			
a. Flammable Liquids and Gases			
0-1500 liters	R558.09	R591.58	R627.07
1501-3499 liters	R669.71	R709.89	R752.48
3500-9999 liters	R781.33	R828.21	R877.90
10000- liters and above	R892.94	R946.52	R1 003.31
b. Hazardous Substances			
0-1000 kilogram	R558.09	R591.58	R627.07
1001-3500 kilogram	R669.71	R709.89	R752.48
3501-10000 kilogram	R781.33	R828.21	R877.90
10001 and above	R892.94	R946.52	R1 003.31
Restoration of lapsed transport permit-fee for each year that transport permit were not renewed, plus current fees.	R334.85	R354.95	R376.24
<b>18. Annexure VI of the By-Law</b>			
<b>Exemptions for transporting Permit</b>			
19. Charges for inspection (rate per hour or part thereof)			
19.1. General routine Fire Safety inspection requested.	R279.05	R295.79	R313.53
19.2. Certificate of compliance for all public Buildings A-type occupancy for a period of not exceeding one (1) calendar year.	R334.85	R354.95	R376.24
19.3. Certificate of compliance for all public Buildings B, C, D, E, F, G, H, -type occupancy for a period of not exceeding one (1) calendar year.	R334.85	R354.95	R376.24
19.4. Fireworks Display or Storage	R558.09	R591.58	R627.07
19.5. Warehousing/storage of dangerous goods internal or external.	R279.05	R295.79	R313.53
19.6. Flammable substances inspection.	R279.05	R295.79	R313.53
19.7. Fire Report.	R279.05	R295.79	R313.53
19.8. Re-inspection fee.	R279.05	R295.79	R313.53
19.9. Certificate of compliance of temporary buildings or structures for a maximum of two inspections			
<b>Public attendance</b>			
1-2000	R558.09	R591.58	R627.07
2001-5000	R669.71	R709.89	R752.48
5001-10000	R781.33	R828.21	R877.90
10001-30000	R892.94	R946.52	R1 003.31
30001 and above	R1 004.56	R1 064.84	R1 128.73
<b>20. EXEMPTION FROM PAYMENTS OF CHARGES</b>			
No charges shall be payable where –			
(1) A false alarm has been given in good faith;			
(2) The services were required as a result of civil commotion, riot or natural disaster;			
(3) The services were rendered in the interest of public safety;			
(4) The Chief Fire Officer is of the opinion that the services were of purely humanitarian nature or were rendered solely for saving life.			
<b>Fines as indicated below in Annexure VIII of the Fire Emergency By Law, Section 18 of the Fire Services Act (Act 99 of 1987 as amended) and Fire Emergency Services By-Law of the Polokwane Local Municipality Notice No 3011 Section 86 as published in the Provincial Gazette, 28 June 2019.</b>			

**ANNEXURE VIII  
OFFENCES AND PENALTIES/FINES**

(Refer also to Section 48 of these By-laws for further contraventions and penalties)

Art / Section	Description of the Offence	1st Offence	2nd Offence	3rd Offence
5	Illegitimate wearing of fire services uniform or any other way of impersonating a member of the fire services.	R1 000.00	R1 000.00	Court
6	Failing to comply with the instruction given by a member of the service.	R5 000.00	R5 000.00	Court
6.1	Failure at the request of a Chief Fire Officer to render assistance with firefighting or contain a fire or any other emergency.	R5 000.00	R5 000.00	Court
6.1	Failure at the command or instruction of the Chief Fire Officer to stop an existing condition or act in respect of fire.	R5 000.00	R5 000.00	Court
6.3	Failure to leave an area that is closed by the Chief Fire Officer, Traffic Officer or a member of the Police Services for the efficient fighting of a fire.	R5 000.00	R5 000.00	Court
8.1	Storing combustible materials in a manner that create a danger or	R2 500.00	R5 000.00	Court

	fire hazard and/or Failure to store combustible, flammable or explosive material in a manner prescribed by the Chief Fire Officer.			
8.2	Allowing accumulation of saw dust / powder quantities sufficient to pose a fire hazard to persons, animals or property.	R2 500.00	R2 500.00	Court
8.3	Using or allowing sawdust or similar combustible materials to soak up flammable liquid.	R2 500.00	R2 500.00	Court
8.4	Permit soot or other combustible substances to accumulate in a chimney, flue or duct.	R2 500.00	R2 500.00	Court
8.5	Allowing vegetation to become overgrown on the premises with grass, weeds and reeds shrubs and trees to the extent that may pose a fire hazard to persons, animals or property.	R2 500.00	R5 000.00	Court
8.6	Failing to eliminate any fire hazard.	R2 500.00	R2 500.00	Court
9.1	Making a fire in a manner that it will endanger the safety of any person, animal or property.	R2 500.00	R5 000.00	Court
9.1	Failure to take reasonable steps to ensure that fire does not endanger persons or animals.	R2 500.00	R5 000.00	Court
9.2	Burning of rubbish or any combustible materials without written approval from the Service.	R2 500.00	R5 000.00	Court
10.1	Failing to comply with requirements for control of plant growth causing a fire hazard on premises	R500.00	R2 500.00	Court
10.2	Failing to comply with requirements for control of plant growth causing a fire hazard in rural settlements and stands to requirements.	R500.00	R2 500.00	Court
10.3(a)	Failing to provide and/or comply with requirements for fire breaks / belts on agricultural holdings and farms.	R2 500.00	R5 000.00	Court
10.3(b)	Failing to comply with a gradient effected fire break / belt requirements	R2 500.00	R2 500.00	Court
10.3(c)	Burning / creating any fire on an Agricultural holding or farm without permission.	R2 500.00	R2 500.00	Court
10.4	Failing to obtain permission (a fire permit) to make fire breaks / belts by burning.	R2 500.00	R5 000.00	Court
10.6	Failure to comply with all regulations as stipulated towards fire protection in terms of the National Veld and Forest Fires Act (Act 101 of 1998).	R2 500.00	R2 500.00	Court
11.1	Interfering with the activities of a Fire Official or hinder him/her in the execution of his/her duties.	Court	Court	Court
12	Failing to provide accessibility to all firefighting installations and mitigating agents installed.	R5 000.00	R5 000.00	Court
13.2	Failing to design and construct building to allow drainage of water used during fire extinguishing.	R2 500.00	R2 500.00	Court
13.3	Failing to comply with the requirements for a transformer room.	R2 500.00	R2 500.00	Court
13.4	Failing to comply with the requirements for a sprinkler system.	R2 500.00	R2 500.00	Court
13.5(a)	Failing to comply with the requirements for escape doors.	R2 500.00	R2 500.00	Court
13.5(b)	Failing to comply with the requirements for doors in a feeder route.	R2 500.00	R2 500.00	Court
13.5(c)	Failing to provide alternative means of escapes when feeder route is locked.	R2 500.00	R2 500.00	Court
13.5(d)	Failing to keep escape doors unlocked, unblocked and to provide clear approved exit signs.	R2 500.00	R5 000.00	Court
13.6(a)	Allowing electrical supply outlet to be overloaded.	R1 000.00	R2 500.00	Court
13.6(b)	Allowing electrical appliances or extension leads to be used in a manner that may pose a fire hazard	R1 000.00	R2 500.00	Court
13.7	Causing or allowing the use of flame-emitting device that may pose fire hazard to persons or property.	R1 000.00	R2 500.00	Court
14.1	Failing to redress a condition or use that impedes the working of the services or the escape of people to safety.	R2 500.00	R5 000.00	Court
14.1	Failing to design premises so that there is (provide) access for firefighting and rescue appliances for firefighting and rescue purposes.	R5 000.00	R5 000.00	Court
14.2(a) & (b)	Failing to comply with the requirements for easy identification of premises number and maintenance thereof.	R2 500.00	R5 000.00	Court
15.1	Failing to comply with the requirements for the installation and maintenance of fire equipment.	R2 500.00	R5 000.00	Court
15.4	Removing, damaging, misusing or interfering with firefighting equipment.	R2 500.00	R5 000.00	Court
16.1	Failing to comply with the requirements for the design, construction or installation of an extractor fan system.	R2 500.00	R5 000.00	Court
16.2 & 16.3	Failing to maintain an extractor fan system in accordance with the requirements.	R2 500.00	R5 000.00	Court
17.1	Failing to comply with the requirements to design and construct a rational design as contemplated by the National Building Regulations and Building Standards Act.	R5 000.00	R5 000.00	Court
17.2	Failing to comply with the requirements for the construction of aircraft hanger and helicopter pad.	R5 000.00	R5 000.00	Court
18	Failing to comply with the requirements for design and construction of dumping sites.	R5 000.00	R5 000.00	Court
19.1	Failing to keep an emergency evacuation plan for the premises.	R2 500.00	R5 000.00	Court
19.2	Failing to provide an official with a copy of an emergency evacuation plan at a specified time and place.	R2 500.00	R5 000.00	Court

20	Failing to comply with the requirements for public gatherings.	R2 500.00	R5 000.00	Court
20.1	Failing to obtain a certificate of fitness for a building or temporary structure to hold a public gathering.	R2 500.00	R5 000.00	Court
20.3	Failing to ensure that the certificate of fitness contains all required information.	R2 500.00	R5 000.00	Court
20.6	Failing to ensure that the Council is in possession of up to date set of building plans before a certificate of fitness is issued.	R2 500.00	R5 000.00	Court
20.7	Failing to display the certificate of fitness.	R2 500.00	R5 000.00	Court
20.11	Failing to comply with the application requirements for the erection and use of Tents/Marquees for events	R2 500.00	R2 500.00	Court
20.12	Failing to comply with the requirements for the erection of Tents/Marquees for events	R5 000.00	R5 000.00	Court
21.1	Failing to ensure that sufficient water supply for firefighting purposes is Provided when developing a township.	R5 000.00	R5 000.00	Court
21.3	Failing to ensure that all the fire hydrants are plotted on a plan and installed and spaced in accordance with SANS 100 and SANS 11200	R2 500.00	R2 500.00	Court
21.4	Failing to ensure that sufficient water supply is provided in accordance to the risk category.	R 2500 .00	R2 500.00	Court
21.5	Failing to ensure that the fire protection plans for premises is submitted to the Service/Chief Fire Officer for approval.	R2 500.00	R2 500.00	Court
21.5	Failing to ensure that water connection to the water reticulation system of the controlling authority, if premises are to be protected by a sprinkler installation, the supply and requirements are calculated and submitted	R2 500.00	R5 000.00	Court
23.1	Failing to submit fire plans to the fire department for approval.	R5 000.00	R5 000.00	Court
24.1	Failing to comply with the requirements to have a Certificate of Registration in respect of Dangerous Goods for the premises.	R2 500.00	R2 500.00	Court
24.2	Use, handle or store dangers good that endangers the safety of a building and/or person and/or animal.	R2 500.00	R2 500.00	Court
24.4	Failing to complete and submit an application for certificate of registration of flammable liquids and substances.	R2 500.00	R2 500.00	Court
24.5	Failing to comply with the requirements for which certificate of registration was issued.	R2 500.00	R2 500.00	Court
24.5(k)	Transfer of certificate of registration without permission.	R2 500.00	R2 500.00	Court
24.8	Failing to make available certificate of registration for the premises.	R2 500.00	R2 500.00	Court
25.1(a)	Use, store or handling dangerous goods not specified and more than specified on the registration certificate.	R5 000.00	R5 000.00	Court
25.1(b)	Supplying and delivering dangerous goods to premises not in possession of a registration certificate.	R5 000.00	R5 000.00	Court
27.1	Failing to renew a registration certificate.	R2 500.00	R5 000.00	Court
28.1	Failing to apply for temporary Certificate of Registration for storage of dangerous goods on the prescribed form or failure to comply with the requirements in respect of temporary storage.	R2 000.00	R2 000.00	Court
28.2	Failing to comply with the requirements for the temporary storage of dangerous goods.	R2 500.00	R2 500.00	Court
28.2	Failing to comply with the requirements for the temporary certificate of registration.	R2 500.00	R2 500.00	Court
29.1	While delivering dangerous goods let delivery hose lie on or across pavement, public road and other structures as provided, fail to provide 9kg DCP fire extinguisher, physically earthed delivery vehicle to the supplied source, not position vehicle in such a way that it can be moved quickly during an emergency, no spillage and transfer to the source while power source is in operation.	R1 500.00	R2 500.00	Court
30.1(a)	Use, storage or handling of dangerous goods where there is a danger of ignition that may cause a fire or explosion.	R2 500.00	R2 500.00	Court
30.1(b)	Storing or handling dangerous goods that obstructs the escape or	R2 500.00	R2 500.00	Court
30.2	Spilling or dumping of dangerous goods.	R2 500.00	R2 500.00	Court
30.4	Bringing fire or device capable of producing an open flame closer than 5 meters of a place where dangerous goods are stored.	R2 500.00	R2 500.00	Court
30.5	Use or allow dangerous goods in a basement level.	R2 500.00	R2 500.00	Court
30.7	Deliver or supply flammable substances to premises that are not in possession of a valid Certificate of Registration.	R2 500.00	R2 500.00	Court
31.1	Failing to display symbolic signs prohibiting smoking and open flames and as the case may be.	R2 500.00	R5 000.00	Court
32.1	Failing to provide the required firefighting equipment.	R2 500.00	R5 000.00	Court
32.2	Failing to provide the necessary maintenance of firefighting equipment.	R1 000.00	R2 500.00	Court
32.3	Failing to satisfactory position and indicate the required firefighting equipment.	R1 000.00	R2 500.00	Court
33.1	Failing to report any fire, accident or dumping of dangerous goods, by the occupier, that might cause harm to humans, animals, the environment or property.	R1 000.00	R2 500.00	Court
34	Failing to comply with the requirements of payment for cost incurred by the council for analysis of samples.	R5 000.00	R5 000.00	Court
35.1	Failing to remove absolute tanks or tanks that are no more in use.	R2 500.00	R5 000.00	Court
36	Failing to comply with the requirement for access to repair and do maintenance on the storage tanks	R2 500.00	R2 500.00	Court
37.1	Failing to comply with the requirements for installing, erecting, and removal and demolishing without prior notice.	R2 500.00	R2 500.00	Court
37.2	Failing to comply with conditions as indicated on the registration certificate	R2 500.00	R5 000.00	Court
37.3	Failing to reapply for registration and submission of plans for	R2 500.00	R2 500.00	Court
38.3	Failing to ensure that the fireworks license in terms of the Explosives Act and submit to the authority of the Fire Department is in	R5 000.00	R5 000.00	Court
38.4	Failing to meet the requirements/obtain permission for firework displays.	R5 000.00	R5 000.00	Court

38.5	Lights or ignites fireworks on any day or time unless authorized in terms of section 38.4.	R2 500.00	R2 500.00	Court
38.6	Lights or ignites fireworks at a place where animals are present.	R2 500.00	R500.00	Court
39.1, 39.2 and 39.3	Failing to comply with requirements when handling or storage of dangerous goods Group II in portable containers.	R2 500.00	R2 500.00	Court
39.4	Failing to comply with requirements when handling or storage of dangerous goods Group II in a bulk depot.	R5 000.00	R2 000.00	Court
39.5, 39.6, 39.7 and 39.8	Failing to adhere to the requirements determined by the Chief Fire Officer for the use, handling and storage of Group II cylinders at manifold installations, use of hydrogen gas, welding or underground pipelines.	R2 500.00	R2 500.00	Court
39.1	Failing to report fires, accident and/or dumping involving a Group II dangerous good to the	R2 500.00	R500.00	Court
<b>Chief Fire Officer.</b>				
40	Failing to comply with the requirements under SANS 1535 as to tank manufacture and installation for Group III dangerous goods	R5 000.00	R2 000.00	Court
41.1 and 41.2	Failing to comply with the requirements for storage tanks for Group III dangerous goods.	R2 500.00	R2 500.00	Court
42.1	Failing to comply with the requirements to obtain a permit for the transportation of dangerous goods.	R2 500.00	R5 000.00	Court
42.1(e)	Failing to have the transport permit of dangerous goods available in the vehicle.	R2 500.00	R2 500.00	Court
42.2	Failing to comply with the requirements of the transport permit.	R2 500.00	R2 500.00	Court
42.4	Altering or attempting to alter a transport permit.	R2 500.00	R2 500.00	Court
43.1	Failing to indicate a dangerous goods store room as such and indicating the Group and quantity of the dangerous good.	R1 500.00	R2 500.00	Court
43.2	Failing to comply with the requirements for symbolic safety signs for dangerous goods storeroom.	R2 500.00	R2 500.00	Court
43.3	Failing to display the registration certificate of the dangerous goods.	R1 000.00	R2 500.00	Court
43.4	Failing to comply with the requirements for the construction of a dangerous goods store room.	R2 500.00	R2 500.00	Court
43.5	Failing to comply with the requirements for store room doors.	R2 500.00	R2 500.00	Court
43.6	Failing to comply with the requirements for storeroom windows.	R2 500.00	R2 500.00	Court
43.7	Failing to comply with the requirements for store room catchment pit.	R2 500.00	R2 500.00	Court
43.8, 43.9 and 43.10	Failing to comply with the requirements for ventilation of store room.	R2 500.00	R2 500.00	Court
43.11 & 43.12	Failing to comply with the requirements for electrical equipment in a store room.	R2 500.00	R2 500.00	Court
43.14	Failing to comply with the requirements to use and enter a store room.	R2 500.00	R2 500.00	Court
43.14 (e)	Failing to comply with the requirements for use of intrinsically safe hand tools in a flammable substance storeroom.	R2 500.00	R2 500.00	Court
45.1	Failing to comply with the requirements to register and have a spray permit for spray painting with dangerous goods.	R2 500.00	R5 000.00	Court
45.2	Failing to comply with the general prohibition regarding spraying room.	R2 500.00	R2 500.00	Court
45.3	Failing to comply with the requirements and conditions of the spray permit.	R2 500.00	R2 500.00	Court
46.1-46.21	Failing to comply with the requirements for the construction and design of spray painting rooms.	R2 500.00	R2 500.00	Court
47	Failing to comply with the requirements for the handling of animals during emergencies.	R2 500.00	R2 500.00	Court

#### EXEMPTION FROM TRANSPORT PERMIT

A transport permit is in terms of section 42 not required for the transport of dangerous goods of the type and not exceeding the quantity stipulated below.

GROUP	DESCRIPTION	QUANTITY
I	<b>GASES</b>	

Flammable gases	Total cylinder capacity may not exceed 50 kilograms
Non-flammable gases	Total cylinder capacity may not exceed 333 kilograms
<b>II</b>	<b>FLAMMABLE LIQUIDS</b>
With flash points < 18°C	Total quantity may not exceed 100
With flash points > 18°C but < 23°C	Total quantity may not exceed 420
With flash points > 23°C but < 61°C	Total quantity may not exceed 1100
With flash points > 61°C but < 100°C	Total quantity may not exceed 1100
<b>III</b>	<b>FLAMMABLE SOLIDS</b>
Flammable solids	Total quantity may not exceed 250 kg
<b>IV</b>	<b>OXIDIZING AGENTS AND ORGANIC PEROXIDES</b>
Oxidizing agents	Total quantity may not exceed 200 kg
Group II organic peroxides in packets	Total quantity may not exceed 200 kg
<b>V</b>	<b>TOXIC/INFECTIVE SUBSTANCES</b>
Group I toxic substances in packets	Total quantity may not exceed 5 kg
Group II toxic substances in packets	Total quantity may not exceed 50 kg
Group III toxic substances in packets	Total quantity may not exceed 500 kg
<b>VI</b>	<b>CORROSIVE/CAUSTIC SUBSTANCES</b>
Group I acids in packets	Total quantity may not exceed 50 kg
Group II acids in packets	Total quantity may not exceed 200 kg
Group III acids in packets	Total quantity may not exceed 1000
Group I alkaline substances in packets	Total quantity may not exceed 50 kg
Group II alkaline substances in packets	Total quantity may not exceed 200 kg
Group III alkaline substances in packets	Total quantity may not exceed 1000
<b>VII</b>	<b>MISCELLANEOUS SUBSTANCES</b>
Liquids	Total quantity may not exceed 210
Solids	Total quantity may not exceed 210 kg

#### **ANNEXURE VIII**

##### **EXEMPTION FROM CERTIFICATE OF REGISTRATION**

A certificate of registration is in terms of section 24 not required if the flammable substances concerned are of a type and do not exceed the quantity stipulated below.

<b>GASES</b>		
Class 0	Liquefied petroleum gas	<p>Flat – Total cylinder capacity may not exceed 9kg per flat.</p> <p>Houses or commercial premises – Total maximum of 19kg inside on the premises.</p> <p>Industrial premises – Maximum of 19kg per 600 m³.</p>
<b>FLAMMABLE LIQUIDS AND COMBUSTIBLE LIQUIDS</b>		

Class I	Liquids that have a closed cap flash point of below 38°C	Total maximum of 40 litres
Class II	Liquids that have a closed cap flash point of 38°C or above, but below 60.5°C	Total quantity of Class II and Class IIIA together may not exceed the maximum quantity of 210 litres
Class IIIA	Liquids that have a closed cap flash point of 60.5°C or above but below 62°C	

**TARIFFS PAYABLE I.R.O. TRAFFIC & LICENSING FEES, TRAFFIC ESCORT SERVICES, MOTOR AND ANIMAL POUND FEES AND OTHER GENERAL CHARGES: 2025/2026**

**TRAFFIC FINES AND LICENCES**

1	<b>PARKING FEES</b>	Approved tariff from 1/07/2023	Proposed tariff from 1/07/2024	Proposed tariff from 1/07/2025
	<b>Off-site parking VAT inclusive</b>			
	<b>0-15 Minutes</b>	<b>Free parking</b>	<b>Free parking</b>	<b>Free parking</b>
	15 Minutes – hour	R8.00	R8.00	R8.00
	1-2 hours	R15.00	R15.00	R15.00
	2-3 hours	R23.00	R23.00	R23.00
	3-4 hours	R30.00	R30.00	R30.00
	> 4 hours	R60.00	R60.00	R60.00
	<b>Any other parking square except City square</b>			
	0 – 1 hour	R8.00	R8.00	R8.00
	1-2 hours	R15.00	R15.00	R15.00
	2-3 hours	R23.00	R23.00	R23.00
	3-4 hours	R30.00	R30.00	R30.00
	> 4 hours	R60.00	R60.00	R60.00
	Lost parking ticket at all parking squares	R60.00	R60.00	R60.00
	Bus daily drop and pickup	R75.00	R75.00	R75.00
	Monthly tariff for Busses and any other vehicle	R435.00	R435.00	R435.00
	<b>ONSTREET PARKING – VAT INCLUSIVE</b>			
	Per hour up to a maximum of 9 hours. Parking in excess of 9 hours will be clamped.	R8.00	R8.00	R8.00
	Other penalties may be imposed in terms of the National Road Traffic Act 93 of 1996.			
2	<b>License Fees</b>  The tariffs includes but are not limited to: <input type="checkbox"/> Traffic fines <input type="checkbox"/> Duplicate public motor vehicle clearance receipt <input type="checkbox"/> Duplicate public motor vehicle clearance certificate (disc) <input type="checkbox"/> Furnishing of information <input type="checkbox"/> Instructor Certificates <input type="checkbox"/> Application and issue of driver's license <input type="checkbox"/> Application and issue of roadworthy Certificates	Tariffs will remain as determined by the Provincial Dept. of Transport, Road Safety and Liaison (e-NATIS) and the Judiciary.		
3	<b>Traffic Escort Services</b>			
	Funerals	R735.56	R779.69	R826.47
	(Deposit) Sporting Activities	R1 706.63	R1 809.03	R1 917.57
	Sporting Activities	R15 565.12	R16 499.03	R17 488.97
		+ R563.67 per hour	+ R597.49 per hour	+ R633.33 per hour
	Abnormal Load	R735.56	R779.69	R826.47
	Any other event	R1 470.01	R1 558.21	R1 651.70
4	<b>Motor vehicle pound fees</b>			

The following tariffs will be applicable after impoundment of a vehicle and proof of ownership shall be required before releasing the vehicle from the pound.

<b>4.1 Pounding fees</b>			
For the first 8 hours per vehicle:	Free of charge	Free of charge	Free of charge
For the next 16 hours up to 24hours: Release fee per vehicle.	Release fee R468.80	Release fee R496.92	Release fee R526.74
The first 24hours if free. No storage fee will be charged.			
For every hour after 24 hours: Release fee per vehicle			
Light motor vehicle	R27.91	R29.58	R31.36
Light delivery vehicle	R55.81	R59.16	R62.71
Minibus	R133.94	R141.98	R150.50
Midibus	R178.59	R189.30	R200.66
Bus	R256.72	R272.12	R288.45



	Bus train	R379.50	R402.27	R426.41
	Truck	R334.85	R354.95	R376.24
	Half truck	R279.05	R295.79	R313.53
		<b>Per day:</b>	<b>Per day:</b>	<b>Per day:</b>
	Vehicles 3500kg << per day	R113.85	R120.69	R127.93
	Vehicles 3500kg >> 16000kg per day	R137.29	R145.53	R154.26
	Vehicles 16001kg >> per day	R189.75	R201.14	R213.20
<b>5</b>	<b>Animal pound fees</b>			
<b>5.1</b>	<b>Pound fees</b>			
	Bovine animals			
	Large stock per head per day	R134.10	R142.15	R150.68
	Small stock per head per day	R84.32	R89.38	R94.75
<b>5.2</b>	<b>Tending fees</b>			
	Large stock per head per day	R55.29	R58.61	R62.12
	Small stock per head per day	R26.25	R27.82	R29.49
<b>5.3</b>	<b>Fees for dipping, dressing and treating</b>			
	Large stock per head per day			
	Dipping or spraying	R16.58	R17.57	R18.63
	Dressing	R11.03	R11.70	R12.40
	Inoculating	R16.58	R17.57	R18.63
	Medicine	Actual cost plus 20%	Actual cost plus 20%	Actual cost plus 20%
	<b>Small stock per head per day</b>			
	Dipping or spraying	R12.26	R13.00	R13.78
	Dressing	R9.67	R10.25	R10.86
	Inoculating	R9.67	R10.25	R10.86
	Medicine	Actual Cost plus 20%	Actual Cost plus 20%	Actual Cost plus 20%
<b>5.4</b>	<b>Trespass fees</b>			
	Large stock per head per day			
	On fenced land	R77.42	R82.07	R86.99
	On unfenced land	R55.29	R58.61	R62.12
	On grazing land	R125.80	R133.35	R141.35
	Small stock per head per day			
	On fenced land	R55.34	R58.66	R62.18
	On unfenced land	R77.42	R82.07	R86.99
	On grazing land	R77.42	R82.07	R86.99
<b>5.5</b>	<b>Transport fee</b>			
	Will be determined by the distance the animal (s) shall be transported up to its destination.	Distance x AA Rate	Distance x AA Rate	Distance x AA Rate
<b>6</b>	<b>Advertisement fees</b>			
	Posters: per poster per day			
	Banners: per banner per 21 days			
	Pamphlets per 1000			
	Trailers: per trailer per month	R513.44	R544.25	R576.90
<b>7</b>	<b>General Charges</b>			
	Accident reports: per reports			
	Rent R			
	Rent of Auditorium per day			
	Law enforcement training per person per course			
	Weighbrige for motor vehicles			
	Estate agents: per agent per month			
<b>8</b>	<b>Towing fees All Vehicles</b>			
	Light Vehicles up to 3500kg	R1 294.77	R1 372.45	R1 454.80
	Vehicles from 3501kg up to 5000kg	R1 521.35	R1 612.64	R1 709.39
	Vehicles 5001kg and above	Contractor price+ 10%Admin fee payable to the municipality	Contractor price+ 10%Admin fee payable to the municipality	Contractor price+ 10%Admin fee payable to the municipality

#### **TARIFFS PAYABLE I.R.O. ROADS & STORM WATER**

<b>1</b>	<b>Way Leave</b>			
	Application fee	R16 928.00	R17 943.68	R19 020.30
	Supervision & Management fee per month	R24 182.86	R25 633.83	R27 171.86
	Travelling cost per month	R8 060.94	R8 544.60	R9 057.27

	Consumables per month	R4 135.54	R4 383.67	R4 646.69
<b>2</b>	<b>Loading Bay</b>			
	Non refundable application fee	R4 836.56	R5 126.75	R5 434.36
	Monthly rental	R241.96	R256.47	R271.86
<b>3</b>	<b>Temporary road closure</b>			
<b>3.1</b>	<b>Refundable deposit payable</b>			
	Gravel rural	R152.61	R161.76	R171.47
	Surfaced	R152.61	R161.76	R171.47
	Rural Gravel	R152.61	R161.76	R171.47
	urban	R152.61	R161.76	R171.47
<b>3.2</b>	<b>Cost per request</b>			
	Gravel rural	R564.11	R597.96	R633.83

	Surfaced	R1 207.28	R1 279.71	R1 356.50
	Rural gravel	R806.08	R854.44	R905.71
	Urban	R1 450.40	R1 537.42	R1 629.67
	Surfaced urban			
4	<b>Damage of Infrastructure</b>	Cost to repair + 25% admin fee	Cost to repair + 25% admin fee	Cost to repair + 25% admin fee

#### SCHEDULE 10:

#### TARIFFS PAYABLE I.R.O. DANIE HOUGH CULTURE CENTRE FACILITIES. ALL ACTIVITIES ROOMS. BAKONE MALAPA OPEN AIR MUSEUM ENTRANCE FEES & CONFERENCE & "BOMA" FACILITIES& LIBRARIES: 2025/2026

#### CULTURAL SERVICES

#### DANIE HOUGH CULTURE CENTRE FACILITIES

#### AUDITORIUM

	Services Rendered	Approved tariff from 1/07/2023	Approved tariff from 1/07/2024	Proposed tariff from 1/07/2025
	Rent – Standard Day Tariff			
	Monday – Thursday	R2 212.26	R2 345.00	R2 485.70
	Friday	R2 958.89	R3 136.43	R3 324.61
	Saturday	R2 958.89	R3 136.43	R3 324.61
	Deposit	R1 219.51	R1 292.68	R1 370.24

#### AUDIO – VISUAL EQUIPMENT

	Data Projector	R1 548.58	R1 641.49	R1 739.98
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#### KITCHEN/ FOYER FOR CATERING

	Rent – Standard Day Tariff			
	Monday – Saturday	R829.59	R879.36	R932.12
	Deposit	R483.92	R512.96	R543.73

#### FOYER FOR EXHIBITIONS

	Rent – Standard Day Tariff			
	Monday – Saturday	R829.59	R879.36	R932.12
	Deposit	R483.71	R512.73	R543.50

#### ALL ACTIVITIES ROOMS

	Rent – Standard Day Tariff			
	Monday – Saturday	R829.59	R879.36	R932.12
	Deposit	R483.69	R512.71	R543.47

#### BAKONE MALAPA CONFERENCE AND 'BOMA' FACILITIES

	Rent			
	Monday – Thursday per day during office hrs (8:00 – 16:30)	R636.02	R674.18	R714.63
	Friday – Sunday and after 16:30 weekdays	R871.08	R923.34	R978.74
	In addition to the tariffs above which is for the rental of the facility, an amount of R12 per person is payable	R17.85 Per person	R18.92 Per person	R20.06 Per person

#### BAKONE MALAPA ENTRANCE FEES

	Adults (Entrance for Braai/events per person)	R17.06	R18.08	R19.16
	Children (not Booked)	R11.05	R11.71	R12.41
	The above tariff is for individuals or schools who have not made a group booking in advance. Per person (children)			
	Tariffs for schools or individuals who has made a booking in advance for a group visit: Adult.	R13.81	R14.64	R15.52
	Tariffs for schools or individuals who has made a booking in advance for a group visit: Children	R9.67	R10.25	R10.86

#### LIBRARY FEES

1	<b>MEMBERSHIP FEES</b>			
1.1	<b>Deposit</b>			
	For any person/family without a current Municipal account at the Polokwane Municipality.	221.4976	234.787456	R248.87
1.2	<b>Membership fees</b>			
	Per adult, per year	R110.75	R117.39	R124.44
	Per child, per year	R55.36	R58.69	R62.21
1.2.1	Membership fees and deposit are payable in advance. Membership is valid for a period of 12 months from the date of application or renewal			

	Application of Refund			
1.2.2	No refund of membership fees will be made at early cancellation of the membership.			
1.2.3	Pensioners above 65 or persons receiving a social pension are condoned from membership fees, if sufficient proof is submitted.			
1.2.4	Pensioners without a current municipal account will pay the prescribed deposit.			
<b>2 USER FEES (payable in advance)</b>				
(i)	Inter-library loan, per book request	R92.28	R97.82	R103.69
	Inter-library loan, photocopies as per SAIS fees (per 15 pages)	R79.99	R84.79	R89.87
(ii)	Special request, per request	R16.60	R17.60	R18.65
(iii)	Compact discs, per loan	R11.07	R11.73	R12.43
(iv)	Photocopies A4, each Inc. Printouts (database/internet),	R1.22	R1.29	R1.37
	Photocopies A3, each	R3.07	R3.26	R3.45
	Colour (when available)	R9.22	R9.78	R10.36
<b>3 FINES</b>				
(i)	Per overdue book, per week or part thereof	R8.60	R9.11	R9.66
(ii)	Per overdue record/compact disc/art print/video per week or part the	R11.07	R11.73	R12.43
(iii)	Loss of plastic cover, per cover	R20.90	R22.16	R23.49
(iv)	Reference/Study Collection, per item, per day	R8.60	R9.11	R9.66
(v)	Replacement of membership card	R36.91	R39.12	R41.47
<b>4 ADMINISTRATION COSTS REGARDING THE RECOVERY OF OVERDUE/LOST/DAMAGED LIBRARY MATERIAL</b>				
(i)	Reminder (Letter/e-mail/SMS)	R11.07	R11.73	R12.43
(ii)	Registered letter	R49.22	R52.17	R55.30
(iii)	Placement on Municipal service account	R96.71	R102.52	R108.67
(iv)	Further action: (ii) and (iii) plus real expenses incurred			
<b>5 LOST/DAMAGED BOOKS/ OTHER LIBRARY MATERIAL</b>				
(i)	Replace at current publisher/trade price			
(ii)	If publishers prices are not obtainable e.g. book out of print, replace at average replacement value for applicable category as per Table 1:			
<b>Table 1 – Average replacement value of books per category</b>				
<b>Category</b>				
	Vernacular	R150.70	R159.74	R169.33
	Afrikaans Fiction	R239.19	R253.54	R268.75
	English Fiction	R463.18	R490.97	R520.43
	Non Fiction	R564.12	R597.97	R633.85
	Study Collection	R882.12	R935.05	R991.15
	Reference	R1 005.20	R1 065.51	R1 129.44
	Junior Non Fiction	R214.31	R227.17	R240.80
	Junior Fiction	R214.31	R227.17	R240.80
	Toddlers' Books	R189.41	R200.78	R212.82
	Compact Discs/DVD	R377.46	R400.10	R424.11

Audio books	R755.04	R800.34	R848.36
CD-Rom	R302.80	R320.97	R340.23
Videos	R250.23	R265.25	R281.16
Newspapers & periodicals	Publishers price plus R15.18 admin cost	Publishers price plus R16.09 admin cost	Publishers price plus R17.06 admin cost

#### INTERNET CAFE

	Browsing/downloads: per half-hour or part thereof	Free service provided by the Dept of Sport, Arts & culture, on condition that it must be free for all users in order	Free service provided by the Dept of Sport, Arts & culture, on condition that it must be free for all users in order	Free service provided by the Dept of Sport, Arts & culture, on condition that it must be free for all users in order
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	all users in order to promote reading and learning	all users in order to promote reading and learning	all users in order to promote reading and learning
Printing: A4 black & white	R1.16	R1.22	R1.30
A4 colour	R10.50	R11.13	R11.80

#### SCHEDULE 11.

#### TARIFFS PAYABLE I.R.O. TOWN PLANNING APPLICATIONS, ADVERTISING & INSPECTION FEES, FEES OTHER THAN ADVERTISING & INSPECTION FEES, FEES PAYABLE WHERE MUNICIPALITY'S INPUT REQUIRED ON APPLICATIONS, GENERAL REPRODUCTION OF DOCUMENTATION & MAPS: 2025/2026.

The determined tariffs are as follows:

#### PLANNING AND ECONOMIC DEVELOPMENT

Type of fee	Approved tariff from 1/07/2023	Approved tariff from 1/07/2024	Proposed tariff from 1/07/2025
<b>1 Application for consent of Local Authority: Polokwane/Perskebult Town Planning Scheme, 2016 (read together with the provisions of Section 73 of the Polokwane Municipal Planning By-Law, 2017)</b>			
(a) Written consent i.t.o. -			
(i) Clause 33.1(a) & (b)	R1 916.37	R2 031.36	R2 153.24
(ii) Clauses 33.1(a) (Household Enterprise)	R1 916.37	R2 031.36	R2 153.24
(iii) Clause 33.1(a) (Spaza/kiosk)	R1 915.20	R2 030.11	R2 151.92
(iv) Clause 33.1(c); 33.1(d) and 33.1(g)	R1 915.20	R2 030.11	R2 151.92
(v) Clauses 33.1(e); 33.1(f); 33.1(h – m)	R1 242.81	R1 317.38	R1 396.42
(b) Special consent i.t.o. -			
(i) Clause 32.1(a) for Tavern and Household Enterprise.	R1 916.37	R2 031.36	R2 153.24
(ii) Clause 32.1(a) for all other uses excluded uses mentioned in (a) above.	R2 904.97	R3 079.27	R3 264.03
(iii) Clause 32.1(b)(c)	R1 916.37	R2 031.36	R2 153.24
<b>2 Application for consent of Local Authority: Mankweng/ Sebayeng and Rural Remainder areas Land-Use Management Scheme, 2017 (read together with the provisions of Section 73 of the Polokwane Municipal Planning By-Law, 2017)</b>			
(a) Written consent i.t.o. -			
(i) Clause 22.1.1	R1 916.37	R2 031.36	R2 153.24
(ii) Clauses 22.1.2 (Household Enterprise)	R1 916.37	R2 031.36	R2 153.24
(iii) Clause 22.1.3 (Spaza/kiosk)	R1 916.37	R2 031.36	R2 153.24
(iv) Clause 22.1.4; 22.1.5 and 22.1.8	R1 916.37	R2 031.36	R2 153.24
(v) Clauses 22.1.6, 22.1.7, 22.1.9	R1 241.62	R1 316.12	R1 395.08
(b) Special consent i.t.o. -			
(i) Clause 21.1.1	R1 916.37	R2 031.36	R2 153.24
(ii) Clause 21.1.1 (for Telecommunication Mast)	R2 904.97	R3 079.27	R3 264.03
(iii) Clause 21.1.2	R1 916.37	R2 031.36	R2 153.24
<b>3 Application for amendment of Town Planning Scheme [Sec 56(1)], which include any *application i.t.o. any other law where the scheme is/can be ultimately amended. (See note) (read together with the provisions of Section 61 of the Polokwane Municipal Planning By-Law, 2017)</b>	R6 018.74	R6 379.87	R6 762.66
<b>4 Application for establishment of township [Sec 96(1)], which include any *application i.t.o. any other law where the scheme is/can be ultimately amended. (See note) (read together with the provisions of Section 54 of the Polokwane Municipal Planning By-Law, 2017)</b>	R13 037.15 plus R132.71 per 100 erven (rounded off to the nearest 100)	R13 819.38 plus R140.67 per 100 erven (rounded off to the nearest 100)	R14 648.54 plus R149.12 per 100 erven (rounded off to the nearest 100)
<b>5 Application for extension of boundaries of approved township [Sec 88(1)] (read together with the provisions of Section 54 of the Polokwane Municipal Planning By-Law, 2017)</b>	R5 823.79 plus R132.71 per 100 Ervin (Rounded off to the nearest 100)	R6 173.22 plus R140.67 per 100 Ervin (Rounded off to the nearest 100)	R6 543.61 plus R149.12 per 100 Ervin (Rounded off to the nearest 100)
<b>6 Application for subdivision and/or consolidation: (read together with the provisions of Section 67 of the Polokwane Municipal Planning By-Law, 2017)</b>			
(a) (i) Subdivision of erf into 5 or lesser portions [Sec 92(1)(a)]	R1 298.31	R1 376.21	R1 458.78
(ii) Subdivision of erf in more than 5 portions [Sec 92(1)(b)]	R1 231.80	R1 305.71	R1 384.06

		Plus R107.83	Plus R114.30	Plus R121.16
	(b) Consolidation of erven [Sec 92(1)(b)]	R902.88	R957.05	R1 014.47
	(c) Division of a Township (read together with the provisions of Section 55 of the Polokwane Municipal Planning By-Law, 2017)	R1 298.31	R1 376.21	R1 458.78
	(d) Exemption of subdivision or consolidation (read together with the provisions of Section 70 of the Polokwane Municipal Planning By-Law, 2017)	R615.28	R652.19	R691.33
7	<b>Preparation of Town Planning Scheme by local authority i.t.o. establishment of townships</b>			
	(i) by Local Authority [Sec 125(3)]	R3 708.29 plus R17.95 Erf for each Erf in the township	R3 930.79 plus R19.02 Erf for each Erf in the township	R4 166.64 plus R20.16 Erf for each Erf in the township
	(ii) if applicant prepare document [Sec 125(3)]	None	None	None
8	<b>Application for Council's reasons [Sec 57(3) and with regard to applications as contemplated in Sec 96]</b>	R1 937.11	R2 053.33	R2 176.53
	The following fees shall be paid in addition to the fees prescribed in Part A hereof to:			
	(a) If the Local Authority gives notice of an application in:			
	(i) the Provincial Gazette	R2 781.12 Per notice	R2 947.99 Per notice	R3 124.87 Per notice
	(ii) a news paper	R5 169.78 Per notice	R5 479.97 Per notice	R5 808.76 Per notice
	(b) If the Local Authority or a Committee of the Local Authority inspects the property to which an applicant relates and conducts a hearing	The costs incurred by the municipality in respect of the records of proceeding as well as other administration costs in this regard.		
	<b>A. Fees other than advertising and inspection fees</b>			
	1. Application for division [Sec 6(1)]:			
	(a) in 5 of lesser portions	R696.83	R738.64	R782.96
	(b) in more than 5 portions	R696.83 R30.39 per portion	R738.64 R32.21 per portion	R782.96 R34.15 per portion
	<b>B. Advertising and Inspection fees</b>			
	2. Application for reasons.	R622.19	R659.52	R699.09
	The following fees shall be paid in addition to the fees prescribed in Part A hereof to:			
	(a) If the Local Authority gives notice of an application in:			
	(i) the Provincial Gazette	R2 645.60 Per notice	R2 804.34 Per notice	R2 972.60 Per notice
	(ii) a newspaper	R5 169.78 Per notice	R5 479.97 Per notice	R5 808.76 Per notice
	(b) If the Local Authority or a committee of the Local Authority inspects the property to which an applicant relates and conducts a hearing:	The costs incurred by the municipality in respect of the records of proceeding as well as other administration costs in his regard.		

**FEES PAYABLE WHERE THE MUNICIPALITY'S INPUT AND/OR COMMENTS ARE REQUIRED ON**

	Approved tariff from 1/07/2023	Approved tariff from 1/07/2024	Proposed tariff from 1/07/2025
1. Applications for change in land use, any consent or permit to be granted by any other controlling authority, any permission i.t.o. the Title Deed, any land development application for:			
1.1 Application for second dwelling unit where Title Deed permits such consent	R1 916.36	R2 031.35	R2 153.23
1.2 Application for any household enterprise conducted from dwelling unit similar to "Household Enterprise" contemplated in the Polokwane/Perskebult Town Planning Scheme, 2016.	R1 916.36	R2 031.35	R2 153.23
1.3 Application for spaza or kiosk conducted similar to "Spaza"	R1 916.36	R2 031.35	R2 153.23
contemplated in the Polokwane/Perskebult Town Planning Scheme, 2016 and/or application for a shop restricted to 300m²	R4 987.27 up to a total building floor area of 300m² plus R259.92 for every	R5 286.50 up to a total building floor area of 300m² plus R275.52 for every	R5 603.69 up to a total building floor area of 300m² plus R292.05 for every

	additional 50m² or part thereof.	additional 50m² or part thereof.	additional 50m² or part thereof.
1.4 Application for tavern or kiosk conducted similar to "Tavern" contemplated in the Polokwane/Perskebut Town Planning Scheme, 2016.	R1 916.36	R2 031.35	R2 153.23
1.5 Applications for guests' houses, overnight accommodation and/or any game lodge, hotel, conference facility, place of amusement, private club, restaurant, and recreation facility.	R1 916.36	R2 031.35	R2 153.23
1.6 Applications for place of instruction, place of public worship (church), charitable institution, clinic.	R4 987.27 up to a total building floor area of 300m² plus R259.92 for every additional 50m² or part thereof.	R5 286.50 up to a total building floor area of 300m² plus R275.52 for every additional 50m² or part thereof.	R5 603.69 up to a total building floor area of 300m² plus R292.05 for every additional 50m² or part thereof.
1.7 All other uses excluding uses contemplated in 1.1 to 1.6 above, which may include uses such as shops exceeding 300m², service industries, filling station, public garage, offices, warehouse and commercial use, institution, medical consulting rooms & offices other than household enterprise, scrap yard, panel beating and industrial uses.	R4 987.27 up to a total building floor area of 300m² plus R259.92 for every additional 50m² or part thereof.	R5 286.50 up to a total building floor area of 300m² plus R275.52 for every additional 50m² or part thereof.	R5 603.69 up to a total building floor area of 300m² plus R292.05 for every additional 50m² or part thereof.
1.8 Subdivision of land to be granted by any other controlling authority other than the municipality, any permission i.t.o. the Title Deed, any land development application into the following portions:			
1.8.1 3 or lesser portions	R1 046.65	R1 109.45	R1 176.02
1.8.2 More than 3 portions	R1 046.65 plus R30.39 per portion	R1 109.45 plus R32.21 per portion	R1 176.02 plus R34.15 per portion
2. Consolidation of land to be granted by any other controlling authority, any permission i.t.o. the Title Deed, any land development application	R223.54	R236.96	R251.17

#### **MONIES AND DEPOSITS PAYABLE IN TERMS OF OUTDOOR ADVERTISING**

	ADVERTISEMENTS/APPLICATION TYPE.	Approved tariff from 1/07/2023	Approved tariff from 1/07/2024	Proposed tariff from 1/07/2025
	Billboard including LED	For signs < 18m2 R2 597.25 For signs > 18m2 R2 597.25	For signs < 18m2 R2 753.09 For signs > 18m2 R2 753.09	For signs < 18m3 R2 918.28 For signs > 18m3 R2 918.28
	Banners	50% of collected revenue as per signed SLA		
	Posters	R209.64 Per Event	R222.21 Per Event	R235.55 Per Event
	On premises business advertisement	R1 473.25	R1 561.65	R1 655.35
	Election poster	50% of collected revenue as per signed SLA		
	Temporary Sign	R4 086.28	R4 331.46	R4 591.34
	Street name adverts	25% of collected revenue as per signed SLA		
	Transit Advertising Sign	R3 046.32	R3 229.10	R3 422.85

#### **MONIES AND DEPOSITS PAYABLE IN PROPERTY MANAGEMENT**

	Consent Title Conditions	R255.77	R271.11	R287.38
	Application for land purchase	R171.43	R181.72	R192.62
	Lease agreement admin fee	R598.68	R634.60	R672.67
	Deed of sale fee	R598.68	R634.60	R672.67
	<b>R293 APPLICATIONS</b>			
	Small Developments/Applications: Spaza, Tavern, Crèche, Day Care	R427.23	R452.87	R480.04



Medium Developments/Applications: Place of Worship, Old Age Centre, Overnight Accommodation (Guest House/Lodge),	R854.49	R905.76	R960.10
Big Developments/Applications: Filling Station, Shopping Complex, Office building, Institutional (New School or College), Business Related Uses	R6 018.71	R6 379.83	R6 762.62
Other/ Special use:	R854.47	R905.73	R960.08

The tariff outlined above does not include advertisement costs. The applicants will be responsible for advertising.

**GENERAL REPRODUCTION OF DOCUMENTATION AND MAPS AND PROVISION OF INFORMATION  
I.R.O. TOWN PLANNING MATTERS.**

1. Zoning certificates per certificate (including Zoning Confirmation letters);	R114.75	R121.63	R128.93
2. Town Planning Scheme (clauses):			
2.1 Color copy	R580.70	R615.54	R652.47
2.2 Black and white copy	R195.38	R207.10	R219.53
3. Map 3's of sheets from the town planning scheme (scheme maps) or scheme clauses from Amendment Scheme:			
3.1 Per A0 sheet; 1: 2500 scale.	R195.38	R207.10	R219.53
3.2 Single extract from scheme maps with regard to zoning on specific erf: Per A3 sheet or A4 sheet; smaller scale. (Also for purposes of zoning certificate)	R74.65	R79.12	R83.87
3.3 Scheme clauses from Amendment Scheme or Annexure	R37.31	R39.55	R41.92
4. Provision of erf measurements with map by GIS draught office	R37.31	R39.55	R41.92
<b>Other Town Planning Tariffs</b>			
Removal of restrictive title deed conditions (read together with the provisions of Section 62 and Section 173 of the Polokwane Municipal Planning By-Law, 2017)	R6 028.25	R6 389.95	R6 773.34
Amendment of approved conditions of Council	R2 091.96	R2 217.48	R2 350.53
SDF(Hard Copy)	R871.06	R923.32	R978.72
Relaxation of parking requirement (Clause 30)	R3 682.04	R3 902.96	R4 137.14
Extension of timeframe for lodging documents SG/Deeds; to be calculated for each year of lapsing. (read together with the provisions of and Section 110 of the Polokwane Municipal Planning By-Law, 2017)	R1 915.98	R2 030.94	R2 152.80
Park and Street Closure (read together with the provisions of Section 72 of the Polokwane Municipal Planning By-Law, 2017)	R2 904.97	R3 079.27	R3 264.03
Amendment of Conditions of Establishment	R2 091.96	R2 217.48	R2 350.53
Amendment of a General Plan of a Township (read together with the provisions of Section 64 of the Polokwane Municipal Planning By-Law, 2017)	R5 823.79	R6 173.22	R6 543.61
Applications for Land use rights and PTO (read together with the provisions of Section 74 of the Polokwane Municipal Planning By-Law, 2017)	R193.56	R205.17	R217.48
Regulation 38/Consolidation Certificate i.t.o. Ordinance 15 of 1986 (read together with the provisions of Section 68 of the Polokwane Municipal Planning By-Law, 2017 & Section 53 SPLUMA Letters)	R232.28	R246.21	R260.99
Section 101 Certificate i.t.o. Ordinance 15 of 1986 (read together with the provisions of Section 57 of the Polokwane Municipal Planning By-Law, 2017)	R232.28	R246.21	R260.99
Condemnation of incorrect Advertising	R1 742.13	R1 846.66	R1 957.46
Deeds search	R95.38	R101.10	R107.17
Temporary Consent	R1 110.28	R1 176.89	R1 247.51
Land Development Application on Communal Land or Rural Areas - "Major Impact Development" (read together with the provisions of Section 74 (2) of the Polokwane Municipal Planning By-Law, 2017)	R6 018.71	R6 379.83	R6 762.62
Phasing of established townships	R1 230.56	R1 304.40	R1 382.66
Permanent Departure of the Town Planning Scheme (For e.g. relaxation of parking requirements) (read together with the provisions of Section 75 of the Polokwane Municipal Planning By-Law, 2017)	R1 845.85	R1 956.60	R2 074.00
Reservation of a Township Name (read together with the provisions of Section 54(2)(d) of the Polokwane Municipal Planning By-Law, 2017)	R1 230.56	R1 304.40	R1 382.66
Exemption to facilitate expedited procedures (read together with the provisions of Section 114 of the Polokwane Municipal	R3 691.70	R3 913.21	R4 148.00

<b>Planning By-Law, 2017)</b>			
Fee for the lodgment of appeals (read together with the provisions of Chapter 8 of the Polokwane Municipal Planning	R2 461.13	R2 608.80	R2 765.32
Penalty application fee for an application to formalize an existing illegal land use – can be imposed at any time before the finalization of the application. This is to be charged in addition to the normal application fee.	R2 461.13	R2 608.80	R2 765.32

**CHARGES PAYABLE FOR CUSTOMISED AND STANDARD MAPS, LAND SURVEY ELECTRONIC DATA AND INTERNAL AND EXTERNAL CLIENTS.**

**PLANS (ZONING, LOCALITY, and INFRASTRUCTURE CONNECTIONS) ON PAPER**

PLAN SIZE		Approved tariff from 1/07/2023	Approved tariff from 1/07/2024	Proposed tariff from 1/07/2025
A0	Copies on paper R/copy	R171.43	R181.72	R192.62
	Copies on photo gloss R / copy	R290.34	R307.77	R326.23
A1	Copies on paper R/copy	R116.12	R123.09	R130.48
	Copies on photo gloss R / copy	R290.34	R307.77	R326.23
A2	Copies on paper R/copy	R78.79	R83.52	R88.53
	Copies on photo gloss R / copy	R136.81	R145.02	R153.72
A3	Copies on paper R/copy	R58.05	R61.53	R65.22
	Copies on photo gloss R / copy	R78.79	R83.52	R88.53
A4	Copies on paper R/copy	R37.31	R39.55	R41.92
	Copies on photo gloss R / copy	R60.80	R64.45	R68.32
A0	Colour copy R/copy	R454.88	R482.17	R511.10
	Monochrome copy R/copy	R232.27	R246.20	R260.98
A1	Colour copy R/copy	R320.76	R340.00	R360.40
	Monochrome copy R/copy	R174.20	R184.65	R195.73
A2	Colour copy R/copy	R154.84	R164.14	R173.98
	Monochrome copy R/copy	R109.21	R115.76	R122.71
A3	Colour copy R/copy	R87.09	R92.31	R97.85
	Monochrome copy R/copy	R66.36	R70.34	R74.56
A4	Colour copy R/copy	R66.36	R70.34	R74.56
	Monochrome copy R/copy	R49.76	R52.74	R55.91
<b>DIGITAL DATA</b>				
<b>COST PER ERF (R)</b>				
DXF and Shape files or Jpeg, Bmp and tiff files				
Cost per feature		R1.29	R1.37	R1.45
<b>DIGITAL AERIAL PHOTOGRAPHY (2008) AND CONTOURS</b>				
<b>AERIAL PHOTOS</b>				
Cost per CD		R34.56	R36.63	R38.83
Cost per Title		R95.37	R101.09	R107.16
Cost per complete set		R295.87	R313.62	R332.44
<b>CONTOURS</b>				
Cost per CD		R290.33	R307.75	R326.22
Cost per Title		R29.01	R30.75	R32.60
Cost per complete set		R2 904.77	R3 079.06	R3 263.80
<b>MAPBOOK ON CD/HARD COPY</b>				
Scale at 1:2500 & 1:5000-A3 sheet size when printed Cadastral data available: stand, township, farm and land Survey		R388.50	R411.81	R436.52

**IDENTIFICATION OF STAND PEGS COST PER STAND:**

Indigents( Upon Verification on the indigent list)	R467.61 /Stand	R495.66 /Stand	R525.40 /Stand
Non Indigents ( R293 and RDP township) ( Cost/peg)	R1 076.74 /peg	R1 141.34 /peg	R1 209.82 /peg
Non Indigents (Ordinance/DFA/SPLUMA townships) (Cost/peg)	R1 538.20 /peg	R1 630.49 /peg	R1 728.32 /peg
<b>DEMARICATION OF SITES (Survey of Rural Townships)</b>			

Business sites (Cost/peg)	R615.29	R652.20	R691.34
Residential sites : 1-50 (Cost/site)	R615.29	R652.20	R691.34
Residential sites : 51-200 (Cost/site)	R430.69	R456.53	R483.92
Residential sites : 201-400 (Cost/site)	R369.17	R391.32	R414.80
Residential sites : 401-600 (Cost/site)	R307.64	R326.10	R345.67
Residential sites : 601-800 (Cost/site)	R246.11	R260.88	R276.53
Residential sites : 801- (Cost/site)	R184.58	R195.65	R207.39

#### MONIES AND DEPOSITS PAYABLE IN TERMS OF OUTDOOR ADVERTISING

	Approved tariff from 1/07/2023	Approved tariff from 1/07/2024	Proposed tariff from 1/07/2025
A – D: "Billboards "including LED	For signs < 18m2 R2 734.91  For signs > 18m2 R2 734.91	For signs < 18m2 R2 899.00  For signs > 18m2 R2 899.00	For signs < 18m2 R3 072.94  For signs > 18m2 R3 072.94
A: Large posters & street furniture	For signs < 18m2 R2 734.91  For signs > 18m2 R2 734.91	For signs < 18m2 R2 899.00  For signs > 18m2 R2 899.00	For signs < 18m2 R3 072.94  For signs > 18m2 R3 072.94
B: Banners & flags	50% of collected revenue as per signed SLA	50% of collected revenue as per signed SLA	50% of collected revenue as per signed SLA
C: Suburban ads.	For signs < 18m2 R2 734.91  For signs > 18m2 R2 734.91	For signs < 18m2 R2 899.00  For signs > 18m2 R2 899.00	For signs < 18m2 R3 072.94  For signs > 18m2 R3 072.94
D: Temporary ads.	R4 300.04	R4 558.04	R4 831.52
E: Street name ads.	25% of collected revenue as per signed SLA	25% of collected revenue as per signed SLA	25% of collected revenue as per signed SLA
F: Neighbourhood watch etc.	For signs < 18m2 R399.85  For signs > 18m2 R2 734.91	For signs < 18m2 R423.84  For signs > 18m2 R2 899.00	For signs < 18m2 R449.28  For signs > 18m3 R3 072.94
G: Product replicas & 3-d signs.	For signs < 18m2 R2 734.91  For signs > 18m2 R2 734.91	For signs < 18m2 R2 899.00  For signs > 18m2 R2 899.00	For signs < 18m2 R3 072.94  For signs > 18m2 R3 072.94
A – M			
Sky, roof, flat, protecting, verandah, canopy, window signs, Signs incorporated in building fabric, ads on business premises, towers, site boundaries etc.	For signs < 18m2 R2 734.91  For signs > 18m2 R2 734.91	For signs < 18m2 R2 899.00  For signs > 18m2 R2 899.00	For signs < 18m2 R3 072.94  For signs > 18m2 R3 072.94
A: Sponsored road traffic projects	For signs < 18m2 R2 734.91  For signs > 18m2 R2 734.91	For signs < 18m2 R2 899.00  For signs > 18m2 R2 899.00	For signs < 18m2 R3 072.94  For signs > 18m2 R3 072.94
B: Service facility signs	For signs < 18m2 R2 734.91  For signs > 18m2 R2 734.91	For signs < 18m2 R2 899.00  For signs > 18m2 R2 899.00	For signs < 18m2 R3 072.94  For signs > 18m2 R3 072.94
C: Tourism signs	For signs < 18m2 R2 734.91  For signs > 18m2 R2 734.91	For signs < 18m2 R2 899.00  For signs > 18m2 R2 899.00	For signs < 18m2 R3 072.94  For signs > 18m2 R3 072.94
D: Functional ads by public bodies	For signs < 18m2 R2 734.91	For signs < 18m2 R2 899.00	For signs < 18m2 R3 072.94

		For signs > 18m2 R2 734.91	For signs > 18m2 R2 899.00	For signs > 18m2 R3 072.94
A: Aerial signs		R4 302.85	R4 561.02	R4 834.68
B: Vehicular ads		R3 046.32	R3 229.10	R3 422.85
C: Trailer ads				
		R3 207.77	R3 400.24	R3 604.25
Confiscation fee		R1 382.65 /m2	R1 465.61 /m2	R1 553.55 /m2

#### **SCHEDULE 12.**

#### **TARIFFS PAYABLE I.R.O. BUILDING & STRUCTURAL PLANS, OCCUPATION CERTIFICATES, RE-INSPECTION FEES & PAVEMENT DEPOSITS: 2025/2026**

The determined tariffs are as follows:

#### **Housing and Building Inspections**

		Approved tariff from 1/07/2023	Approved tariff from 1/07/2024	Proposed tariff from 1/07/2025
1	Building plan fees per sq metre of the gross floor area □□ Minimum	R27.74 /m2 R2 931.23	R29.40 /m2 R3 107.10	R31.17 /m2 R3 293.53
2	Occupation certificate fees	R345.64 per unit	R366.38 per unit	R388.37 per unit
3	Re-Inspection fees	R345.64	R366.38	R388.37
4	Pavement deposits R1-00 per sq metre □□ minimum □□ Maximum			
	Pavement deposits			
	Residential properties	R1 357.76	R1 439.23	R1 525.58
	Commercial properties	R27 137.60	R28 765.86	R30 491.81
	Pavement rental			
	Residential properties	R969.23 /month	R1 027.39 /month	R1 089.03 /month
	Commercial properties	R4 180.34 /month	R4 431.16 /month	R4 697.03 /month
	Commercial (CBD)	R9 689.73 /month	R10 271.11 /month	R10 887.38 /month
5	For the making or provision of plan reproductions: Per A1 size (area) or any part thereof	R49.76	R52.74	R55.91
6	For the furnishing of Information.			

		R37.31	R39.55	R41.92
7	For a list of approved building plans, copies, duplicates or reproductions of such list, per list:			
(i)	Per month	R37.31	R39.55	R41.92
(ii)	Per annum	R464.56	R492.43	R521.97

**SCHEDULE 13:**

**TARIFFS PAYABLE BY HAWKERS FOR SELLING OF PRODUCTS AND OTHER ACTIVITIES: 2025/2026**

	Products allowed	Areas	Approved tariff from 1/07/2023	Approved tariff from 1/07/2024	Proposed tariff from 1/07/2025
	Accessories: belts, bags, hair products, gloves, Cosmetics, Toys	Township	R58.06	R61.54	R65.23
		City	R136.88	R145.09	R153.80
	Herbal products	Township	R58.07	R61.55	R65.24
		City	R136.88	R145.09	R153.80
	Fruits and vegetables	Township	R58.05	R61.53	R65.22
		City	R95.39	R101.11	R107.18
	Mobile hawkers (Ice cream, cool drinks, nuts)	Township	R20.71	R21.96	R23.27
		City	R58.06	R61.54	R65.23
	Home utensils (Grass brooms & wooden spoons, steel wool, scrubbing products)	Township	R20.71	R21.96	R23.27
		City	R58.06	R61.54	R65.23
	Hair dresser	Township	R95.39	R101.11	R107.18
		City	R136.88	R145.09	R153.80
	Cooking	Township	R95.39	R101.11	R107.18
		City	R136.88	R145.09	R153.80
	Shoe repairs	Township	R37.35	R39.60	R41.97
		City	R95.39	R101.11	R107.18
	All Tenants	Limpopo cooking facility	R35.92 /m2	R38.08 /m2	R40.36 /m2
	All Tenants	Mankweng taxi rank, Bus terminus and Business centre	R20.71 /m2	R21.96 /m2	R23.27 /m2
	Micro	African Market	R37.32 /m2	R39.56 /m2	R41.94 /m2
	Small		R49.77 /m2	R52.75 /m2	R55.92 /m2
	Medium		R58.05 /m2	R61.53 /m2	R65.22 /m2
	All Tenants	Itsooseng Entrepreneurial centre	R20.75 /m2	R22.00 /m2	R23.32 /m2
	All Tenants	Mankweng Business centre (University)	R20.71 /m2	R21.96 /m2	R23.27 /m2
	New products permit tariffs				
	Snacks, Newspapers	Township	R43.08	R45.66	R48.40
	airtime, cigarettes	City	R92.28	R97.82	R103.69
	Mopani Worms and Ground nuts	Township	R43.08	R45.66	R48.40
		City	R92.28	R97.82	R103.69
	Photography	Township	R55.28	R58.60	R62.11
		City	R89.86	R95.25	R100.96
	Bunny chow	Township	R89.87	R95.26	R100.97
		City	R128.58	R136.29	R144.47
	Trolley Services	Township	R19.35	R20.51	R21.74
		City	R55.28	R58.60	R62.11
	Stall at all Municipality facilities	Township and city	R228.12 p/day	R241.81 p/day	R256.32 p/day

**AGANANG CLUSTER RENTAL AND OTHER SUNDRY CHARGES:**

		Approved tariff from 1/07/2023	Approved tariff from 1/07/2024	Proposed tariff from 1/07/2025
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		from 1/1/2023	from 1/1/2024	from 1/1/2025
1	RENT Rental of space for photos ID /licence passport photos	Per lease agreement R152.08	Per lease agreement R161.20	Per lease agreement R170.88
2	Processing applications for allocation of stand	Market related Lease	Market related Lease	Market related Lease
3	Residential properties cluster	Market related (lease agreement)	Market related (lease agreement)	Market related (lease agreement)
4	Rental Of Municipal office space(indoor and outdoor)	Rental of hall R2 765.33 and R691.32 is refundable if no damage incurred after usage. 25% of amount will not be refundable if booking is cancelled.  No cancellation will be considered after the event date  (No refund than the R691.32 deposit)	Rental of hall R2 931.25 and R732.80 is refundable if no damage incurred after usage. 25% of amount will not be refundable if booking is cancelled.  No cancellation will be considered after the event date  (No refund than the R732.80 deposit)	Rental of hall R3 107.12 and R776.77 is refundable if no damage incurred after usage. 25% of amount will not be refundable if booking is cancelled.  No cancellation will be considered after the event date  (No refund than the R776.77 deposit)
5	Rental of Aganang Municipal Hall	R1 659.19 per day of which R553.06 is refundable if no damage incurred. Cancellations to be handled as above	R1 758.74 per day of which R586.24 is refundable if no damage incurred. Cancellations to be handled as above	R1 864.26 per day of which R621.41 is refundable if no damage incurred. Cancellations to be handled as above
6	Rental of MPCC Hall – One stop	R228.12	R241.81	R256.32
7	Rental of Municipal Market stalls	R1 659.23 per day of which R553.06 is refundable if no damage incurred. Cancellations to be handled as above	R1 758.78 per day of which R586.24 is refundable if no damage incurred. Cancellations to be handled as above	R1 864.31 per day of which R621.41 is refundable if no damage incurred. Cancellations to be handled as above
8	Rental of Municipal Sports Grounds (No entrance fees)	R9 678.67 per day and 15% of gate takings of which R2 765.32 the R9 680.77 is refundable if no damage incurred. Cancellations to be handled as above	R10 259.39 per day and 15% of gate takings of which R2 931.24 the R10 261.61 is refundable if no damage incurred. Cancellations to be handled as above	R10 874.95 per day and 15% of gate takings of which R3 107.11 the R10 877.31 is refundable if no damage incurred. Cancellations to be handled as above
9	Rental of Municipal Sports Grounds (Entrance fees)	R1 659.19 per day of which R553.06 is refundable if no damage incurred	R1 758.74 per day of which R586.24 is refundable if no damage incurred	R1 864.26 per day of which R621.41 is refundable if no damage incurred
10	Rental of Seema Halls			

		Damage incurred. Cancellations to be handled as above	Damage incurred. Cancellations to be handled as above	Damage incurred. Cancellations to be handled as above
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**SCHEDULE 14:**

**TARIFFS PAYABLE FOR THE ISSUING OF CERTIFICATES AND DOCUMENTS AND FURNISHING OF INFORMATION TO ANY PERSON OR INSTITUTION WITH THE EXCLUSION OF INFORMATION TO CENTRAL, PROVINCIAL AND LOCAL GOVERNMENT**

		Approved tariff from 1/07/2023	Approved tariff from 1/07/2024	Proposed tariff from 1/07/2025
1	For any certificate for which no charges are laid down in any Act, ordinance or by-law applicable to the council:			
(i)	Per original, typed A4 page or part thereof	R52.51	R55.66	R59.00
(ii)	completed page of a copy, reproduction or duplicate of a pro forma certificate	R29.02	R30.76	R32.61
2(i)	For the furnishing of information to the same person or institution of a maximum of three names, addresses of persons or three descriptions of properties, per day subject to Section 18 (1) of the Promotion of Information act, 2000. (Act 2 of 2000). Regulation 6 and on the prescribed document.	Free of charge	Free of charge	Free of charge
(ii)	Thereafter for the furnishing of information to the same person or institution of the name and address of a person or the description of a property, subject to Section 18 (1) of the Promotion of Information act, 2000. (Act 2 of 2000). Regulation 6. and on the prescribed document	R37.31	R39.55	R41.92
3	Inspection of, or the perusal of any deed, document, sketch or diagram:			
(i)	For the first hour	Free of charge	Free of charge	Free of charge
(ii)	Thereafter, per hour, or part of an hour	R29.01	R30.75	R32.60
4	For endorsements on declaration of purchasers forms, per endorsement	R20.71	R21.96	R23.27
5(i)	For the furnishing of information in order to obtain a clearance certificate (Manual) S118	R304.17	R322.42	R341.76
	For the furnishing of information in order to obtain a clearance certificate( electronic)	R207.39	R219.83	R233.02
5(ii)	For the issuing of a clearance certificate( Manual) S118	R326.47	R346.06	R366.82
	For the issuing of a clearance certificate (electronic)	R207.39	R219.83	R233.02
6(i)	For the continuous search or oral furnishing of information, per hour or part thereof	R132.71	R140.67	R149.12
(ii)	For the furnishing of information continuously searched for, if supplied in writing,per A4 page or part thereof	R58.05	R61.53	R65.22
(iii)	Deeds Office Enquiries: Per enquiry.	R145.16	R153.87	R163.10
(iv)	Request for revaluation of property, per valuation per property	R677.49	R718.14	R761.23
7	For voter's roll:			
(i)	Per main list:			
	Per main list – printed	R515.71	R546.65	R579.45
	Main list supplied per disc according to Council's format	R425.83	R451.38	R478.47
(ii)	Per Ward:			
	Ward list – printed	R132.71	R140.67	R149.12
8	For the retrieval of information stored on computer and to supply such information per disc.			
(i)	Computer costs per 15 minute day time or part thereof	R1 623.23	R1 720.62	R1 823.86
	For the writing and/or applying of computer programmes to retrieve			



(ii)	specific information and to supply such information per disc: per half hour or part thereof	R352.57	R373.72	R396.14
9	For the making or furnishing of copies, reproductions and duplicates, excluding copies of plans – not provided for elsewhere per A4 size (area) or part of any document:	R9.66	R10.24	R10.85
10	The provision of duplicate accounts and/or analysis reports of previous accounts for the purpose of settling such account	Free of charge	Free of charge	Free of charge
11	Interest rate on arrear amounts CR/03/07/05	Interest on arrear accounts is based on the Bank Prime Rate as on 30 June of the previous financial year plus 1% per annum	Interest on arrear accounts is based on the Bank Prime Rate as on 30 June of the previous financial year plus 1% per annum	Interest on arrear accounts is based on the Bank Prime Rate as on 30 June of the previous financial year plus 1% per annum
12	Charges in respect of some card payment and/or any other payment method via the 3rd party pay System CR/04/09/2003	All charges shall be for the account of the debtor and be debited to the debtor's next account.	All charges shall be for the account of the debtor and be debited to the debtor's next account.	All charges shall be for the account of the debtor and be debited to the debtor's next account.
13	Charges in respect of Debit or stop Orders "refer to drawer (unpaid Debit)" CR29/06/1992	Per cheque: R454.95	Per cheque: R482.25	Per cheque: R511.18
14	Unidentified/Unallocated Receipt fee/ Payment by the customer with incorrect or invalid reference details other than the account number per account per transaction.	R221.49	R234.78	R248.86

#### **SCHEDULE 15:**

#### **TARIFFS PAYABLE FOR LEETO POLOKWANE BUS FARES**

		Approved tariff from 1/07/2023	Approved tariff from 1/07/2024	Proposed tariff from 1/07/2025
1	Seshego	R 13.00	R 15.00	
2	FTA	R 8.00	R 9.00	
3	WTA	R 8.00	R 9.00	

#### **INDIGENT FEE:**

INDIGENT BASIC LEVY	R119.65	R126.83	R134.44
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· To qualify as Indigent, the household income must not exceed R5750.00 per month.

· Indigents will receive a 100% rebate on property rates and other basic charges.

o *The indigent write off will not include the penalty for by passing supply on the meters unless as incentive program.*

#### **ADVERTISING ON MUNICIPAL ACCOUNTS/STATEMENTS**

1	Per Full Page /Account	R0.10	R0.10	R0.10
2	Per Half Page or Part Thereof	R0.05	R0.05	R0.05
The advertising tariffs are per account per month. Full page means one side of A4 page. Advertisement cannot be done for more than three consecutive months, and space must be booked in advance.				

All charges exclude VAT except for Sundry charges and where otherwise indicated. The municipality may not provide change in cents up to R1.00 over the counter and such will be credited to the consumer's account.

Where zoning is not defined in terms of the scheme. Valuation roll category may be used for purpose of billing

Any person who wishes to lodge a dispute in respect of the account must submit such dispute within 60 days of the account. If a dispute is raised after this period, it will be treated as enquiry and the account will not be suspended for credit control purposes even if the person lodging the enquiry quote section 102 of the Municipal Systems Act.

**Ms. Thuso Nemugumoni**

**MUNICIPAL MANAGER**

Polokwane Municipality Civic Center  
Corner of Landdros Maré and Bodenstein Streets  
**POLOKWANE**  
'0699

# **Annexure J:**

## **MUNICIPAL MANAGERS QUALITY CERTIFICATE**

## Municipal Manager's Quality Certificate



I **THUSO NEMUGUMONI**, Municipal Manager of Polokwane Municipality hereby, certify that: -

- The Draft Annual Budget 2025/26 – 2027/28 and supporting documentation have been prepared in accordance with the Municipal Finance Management Act and the regulations made under the Act, and that the draft annual budget and supporting documents are consistent with the Integrated Development Plan of the municipality.

Print Name Thuso Nemugumoni

Municipal Manager of Polokwane Municipality (LIM354)

Signature Thuso Nemugumoni

Date 12/03/2025