DRAFT ANNUAL BUDGET OF POLOKWANE MUNICIPALITY

2026/27- 2028/29 MEDIUM-TERM REVENUE AND EXPENDITURE FORECASTS

The Ultimate in Innovation and Sustainable Development

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Contents

1. DRAFT MULTI-YEAR BUDGET 2026/27 – 2028/2029 4
1.1 OVERVIEW OF THE DRAFT 2026/27 MTREF 6
1.2 Revenue by Source 23
1.3 Operating Transfers and Grant Receipts per Division of Revenue Bill 25
1.4 Expenditure by Type 25
1.5 Summary of operating expenditure by standard classification item 26
1.6 Grant Allocations 28
1.7 CAPITAL BUDGET PER DIRECTORATE 29
2. OVERVIEW OF BUDGET RELATED POLICIES 35
Part B: Legislative Mandate 51
PART C - BUDGET INPUTS PER DIRECTORATE 56
PART D – MSCOA ROADMAP 134

ANNEXURE A – CAPITAL BUDGET AND RAL ROADS

ANNEXURE B – A SCHEDULE

ANNEXURE C – PHA

ANNEXURE D – MFMA BUDGET CIRCULARS

ANNEXURE E – BUDGET RELATED POLICIES_PARENT

ANNEXURE F- BUDGET RELATED POLICIES _PHA

ANNEXURE G- DIVISION OF REVENUE BILL

ANNEXURE H- SERVICE STANDARDS

ANNEXURE I - PROPOSED TARIFFS

ANNEXURE J – MUNICIPAL MANAGER QUALITY CERTIFICATE

Vision
The Ultimate in Innovation and Sustainable Development
Mission
Provide cost effective services which promote sustainable livelihood through socio economic development and good governance
Values
Sustainable development through responsive innovation
CITY OF Polokwane
NATURALLY PROGRESSIVE
Sustainable Development
Responsive
Innovation

Smart Economy
Smart Environment
Smart Governance
Smart Living
Smart Mobility
Smart People!
Collective movement for a reliable rapid public transport service
Smart Transport Vision 2030

TO: **COUNCIL**

DATE: **26 MARCH 2026**

FROM: **MAYORAL COMMITTEE**

SUBJECT: **DRAFT MULTI-YEAR BUDGET 2026/27 – 2028/2029**

Purpose of the report

The purpose of the report is to table the Draft Multi-year Budget 2026/27 – 2028/2029 Council for approval.

Background

The IDP/Budget Process Plan to review the 2026/27 IDP/Budget was adopted on 29th July 2025 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 2026/27 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 priorities,

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.132 was used to guide the compilation of the 2026/27 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 2026/27 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 2026/27 MTREF

General economic overview

South Africa's economy is expected to grow by 1.2 per cent in 2025/26, down from the 1.4 per cent estimated in the 2025/26 budget. Real GDP growth is forecast to strengthen, averaging 1.8 per cent over the medium-term, supported by a revival in investment as new infrastructure allocations take effect and reform implementation builds.

Over time, a lower target will decrease inflation and inflation expectations, creating the space for permanently lower interest rates, which will support household spending and investment – boosting economic growth and job creation.

The lower inflation will support higher levels of real economic growth. South Africa's inflation target will be more in line with its trading partners and peer economies, making the economy more competitive. Household spending and private investment will rise due to higher real disposable income and lower borrowing costs.

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 2026/2027 financial year is R7.442 billion made up of an operating budget of R6.148 billion and a capital budget of R1.294 billion.

The following assumptions were taken into account during the compilation of the 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 3.7% in comparison to 4.4% last year CPI.

For the next financial year **(2026/27 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 **4.7%** which is CPI plus **1%.**

Water tariffs will increase by **7.43%** which is the tariff increase by the Lepelle Northern Water.

Electricity tariffs will increase by **9.01%**. However, this is subject to NERSA finalizing the process before May of this year.

Description % Percentage	2026/27 Medium Term Revenue & Expenditure Framework Proposed % increase Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue			
Exchange Revenue			
Service charges - Electricity	9.01%	9.11%	9.36%
Service charges - Water	7.43%	7.53%	7.78%
Service charges - Waste Water Management	4.70%	4.80%	5.05%
Service charges - Waste Management	4.70%	4.80%	5.05%
Sale of Goods and Rendering of Services	4.70%	4.80%	5.05%
Agency services	4.70%	4.80%	5.05%
Interest	4.70%	4.80%	5.05%
Interest earned from Receivables	4.70%	4.80%	5.05%
Interest earned from Current and Non Current Assets	4.70%	4.80%	5.05%
Rent on Land	4.70%	4.80%	5.05%
Rental from Fixed Assets	4.70%	4.80%	5.05%
Licence and permits	4.70%	4.80%	5.05%
Operational Revenue	4.70%	4.80%	5.05%
Non-Exchange Revenue			
Property rates	4.70%	4.80%	5.05%
Surcharges and Taxes	4.70%	4.80%	5.05%
Fines, penalties and forfeits	4.70%	4.80%	5.05%
Licences or permits	4.70%	4.80%	5.05%
Transfer and subsidies - operational	0.00%	0.00%	0.00%
Transfers and subsidies - capital (monetary allocations)	0.00%	0.00%	0.25%
Interest	4.70%	4.80%	5.05%
Total Revenue	**0.00%**	**0.00%**	**0.00%**

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

1.1.1 Property Rates

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

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

done in the previous budget process and the Property Rates Policy of the Municipality has been amended accordingly.

The following stipulations in the Property Rates Policy are highlighted:

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

100 per cent rebate will be granted to registered indigents in terms of the Indigent Policy;

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 2026/2027 financial year based on a proposed 4.7% increase from 1 July 2026 is contained below:

Table 1 Comparison of proposed rates to levied for the 2026/27 financial year

Category	Current tariff From 1/07/2025	Proposed tariff From 1/07/2026	Proposed increase %
Residential Properties	0.00708	0.00735	3.70%
Industrial Properties	0.01458	0.01527	4.70%
Business and Commercial	0.01458	0.01527	4.70%
Agricultural Properties	0.00175	0.00184	4.70%
Public Service Purposes (Organ of State)	0.01458	0.01527	4.70%
Municipal Properties	Exempted	Exempted	Exempted
Public Service Infrastructure	0.00175	0.00184	4.70%
Mining	0.01458	0.01527	4.70%
Private open space	0.00729	0.00763	4.70%
Public Benefit Organizations	0.00175	0.00182	3.70%
Places of worship	Impermissible	Impermissible	Impermissible
Non Permitted Use/Illegal land use	0.05837	0.06112	4.70%

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 2026/2027 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	Category	Current tariff From 1/07/2025		Proposed tariff From 1/07/2026	Proposed increase %
(i)	For the first 5Kl; per Kl:	R13.06	R14.03	7.43%	
(ii)	For the following 10Kl; per Kl:	R21.72	R23.55	8.43%	
(iii)	For the following 15Kl; per Kl:	R25.39	R27.79	9.43%	
(iv)	For the following 20Kl; per Kl:	R33.87	R37.40	10.43%	
(v)	For the following 50Kl; per Kl:	R40.24	R44.84	11.43%	
(vi)	Thereafter, for consumption in excess of 100Kl, per Kl:	R48.71	R54.77	12.43%	

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	Category	Current tariff From 1/07/2025	Proposed tariff From 1/07/2026	Proposed increase %
(i)	For the first (5 x A) Kl or part thereof (where A is the sum of the number of customers served by such communal meter) per Kl	R13.06	R14.03	7.43%
(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	R21.72	R23.55	8.43%
(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	R25.39	R27.79	9.43%
(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	R33.87	R37.40	10.43%
(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	R40.24	R44.84	11.43%
(vi)	Thereafter, for consumption in excess of 100Kl, per Kl:	R48.71	R54.77	12.43%

For the supply of water to customers from water hydrants:

T6.3	Category	Current tariff From 1/07/2025	Proposed tariff From 1/07/2026	Proposed increase %
(i)	Per dwelling, building, structure or room separately occupied notwithstanding the fact that more than one such dwelling, building, structure or room is under one roof, for 5Kl per Kl per month	R14.72	R14.35	7.43%

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	Category	Current tariff From 1/07/2025	Proposed tariff From 1/07/2026	Proposed increase %
(i)	For the first 30Kl; per Kl:	R33.87	R36.72	8.43%
(ii)	For the following 20Kl; per Kl:	R44.47	R48.67	9.43%
(iii)	For the following 50Kl; per Kl:	R50.83	R56.13	10.43%
(iv)	For the following 19 900Kl; per Kl:	R57.19	R63.72	11.43%
(v)	Thereafter for consumption in excess of 20 000Kl, per Kl	R42.37	R47.64	12.43%

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	Category	Current tariff From 1/07/2025	Proposed tariff From 1/07/2026	Proposed increase %
(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	R33.87	R36.72	8.43%
(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	R44.47	R48.67	9.43%
(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	R50.83	R56.13	10.43%
(iv)	Thereafter, for consumption more than 100Kl, Per Kl	R57.19	R63.72	11.43%

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	Category	Current tariff From 1/07/2025	Proposed tariff From 1/07/2026	Proposed increase %
(i)	For the first 30Kl, per Kl:	R33.87	R36.72	8.43%
(ii)	For the following 20Kl, per Kl:	R44.47	R48.67	9.43%
(iii)	For the following 50Kl, per Kl:	R50.83	R56.13	10.43%
(iv)	Thereafter, for consumption in excess of 100Kl, per Kl:	R57.19	R63.72	11.43%

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	Category	Current tariff From 1/07/2025	Proposed tariff From 1/07/2026	Proposed increase %
(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	R33.87	R36.72	8.43%
(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	R44.47	R48.67	9.43%
(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	R50.83	R56.13	10.43%
(iv)	Thereafter, for consumption more than 100Kl, Per Kl	R57.19	R63.72	11.43%

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

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

Monthly consumption	Current amount payable	Proposed amount payable	Difference (Increase)	Percentage change
kℓ	R	R	R	%
R 30.00	R 663.35	R 722.50	R 59.15	8.43%
R 40.00	R 1 002.05	R 1 096.50	R 94.45	9.43%
R 50.00	R 1 340.75	R 1 470.50	R 129.75	10.43%
R 80.00	R 2 547.95	R 2 815.70	R 267.75	11.43%
R 100.00	R 3 352.75	R 3 712.50	R 359.75	12.43%

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 April 2026.

Considering the Eskom increases, the consumer tariff had to be increased as directed by NERSA's benchmark tariff increase proposal from 1 July 2026. Furthermore, it should be noted that given the magnitude of the tariff increase and load shedding, it is expected to depress growth in electricity consumption, which will have a negative impact on the municipality's revenue from electricity. Registered indigents will again be granted 100 kWh per 30-day period free of charge in the municipal supply area.

Table 8.1

	Residential (Stepped tariff rates)	Current tariff From 1/07/2025	Proposed tariff From 1/07/2026	Proposed increase %
1.3.1	Block1(0-50) 50units	182.88 Cents/kWh	199.36 Cents/kWh	9.01%
1.3.2	Block2(51-350) 300units	238.74 Cents/kWh	260.25 Cents/kWh	9.01%
1.3.3	Block3(351-600) 250units	352.45 Cents/kWh	384.20 Cents/kWh	9.01%
1.3.4	Block4(>600)	414.42 Cents/kWh	451.76 Cents/kWh	9.01%

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	210.81	229.28	18.47	9.01%
250	568.92	618.75	49.83	9.01%
500	1 512.56	1 645.04	132.48	9.01%
750	2 310.42	2 512.78	202.37	9.01%
1 000	3 346.47	3 639.58	293.12	9.01%
2 000	7 490.67	8 146.78	656.12	9.01%

1.1.4 Sewerage and Impact of Tariff Increases

A tariff increase of 4.7% for sewerage services from 1 July 2026 is proposed. This is based on the input cost assumptions related to water. Sewer charges are based on the extent/land area (m2) of the property, the City will maintain the current stepped structure of its sewer tariffs as shown in table 9.1 and 9.2.

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

The following table compares the current tariffs and proposed increases for the 2026/27 financial year:

Table 5.1 – 9.2 Comparison between current sewer charges and increases

Residential property

T9.1	SEWERAGE	Current tariff From 1/07/2025	Proposed tariff From 1/07/2026	Proposed increase %
1	AVAILABILITY CHARGE			
	(i) For the first 500m² or part thereof, of surface area of the erf:	R153.41	R160.63	4,7%
	(ii) Thereafter, per 500m² or part thereof, up to 2 000m² of the surface area of the erf:	R24.86	R26.02	4.7%
	(iii) Thereafter, per 1 000m² or part thereof, of the surface area of the erf:	R20.18	R21.12	4.7%
	(iv) Maximum charge (887 000m²):	R17 895.94	R18 737.05	4.7%
2 2.1 (a)	ADDITIONAL CHARGES: RESIDENTIAL Dwelling houses and flats			
	(i) For the first dwelling house or other building mentioned in 2(1) above erected on any erf or piece of land, per building	R27.95	R29.27	4.7%
	(ii) For the second or subsequent dwelling house or other building mentioned in 2(1) above, per building	R102.52	R107.34	4.7%

Non – Residential property

T9.1	Non - Residential properties	Current tariff From 1/07/2025	Proposed tariff From 1/07/2026	Proposed increase %
	ADDITIONAL CHARGES			
	(i) For the first 500m² or part thereof, of surface area of the erf:	R151.78	R158.92	4.7%
	(ii) Thereafter, per 500m² or part thereof, up to 8000m² of the surface area of the erf:	R151.78	R158.92	4.7%
	(iii) Thereafter, per 1 000m² or part thereof, of the surface area of the erf:	R23.69	R24.80	4.7%

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	153.41	160.47	7.06	4.70%
750 m2	178.27	186.47	8.20	4.70%
1000 m2	178.27	186.47	8.20	4.70%
1500 m2	203.13	212.47	9.34	4.70%
2000 m2	227.99	238.47	10.48	4.70%
3000 m2	273.03	285.57	12.54	4.70%
5000 m2	313.39	327.77	14.38	4.70%
10000 m2	414.29	433.27	18.98	4.70%

1.1.5 Refuse Removal and Impact of Tariff Increases

A 4.7% increase in the waste removal tariff is proposed from 1 July 2026. 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 2026:

Table 7 Comparison between current waste removal fees and increases

REFUSE REMOVAL ADDITIONAL CHARGES

RESIDENTIAL	Current tariff from 1/07/2025	Proposed tariff from 1/07/2026	Proposed increase %
(a) On an erf with a surface area not exceeding 500m²	R77.67	R81.32	4.7%
(b) All erven with a surface area in excess of 500m²:			
(i) For the first 500m² of the surface area of the erf	R62.12	R65.05	4.7%
(ii) Thereafter, for the following 500m² or part thereof, of the surface area of the erf	R99.41	R104.09	4.7%
(iii) Thereafter, per 500m² or part thereof, of the surface area of the erf	R66.78	R69.92	4.7%
(iv) Maximum charge (11 000m²)	R34.16	R35.76	4.7%
FLATS (PER UNIT)			
(a) On an erf with a surface area not exceeding 500m²	R62.12	R65.04	4.7%
(b) Up to and including 500m² of the surface area of the erf	R99.41	R104.09	4.7%
(c) Thereafter, for the following 500m² or part thereof, of the surface area of the erf	R66.78	R69.92	4.7%
(d) Thereafter, per 500m² or part thereof, of the surface area of the erf	R34.16	R35.76	4.7%

NON - RESIDENTIAL	Current tariff from 1/07/2025	Proposed tariff from 1/072026	Proposed increase %
(i) For the first 300m² or part thereof, of surface area of the erf:	R525.92	R550.64	4.7%
(ii) Thereafter, per 300m² or part thereof, up to 9300m² of the surface area of the erf:	R146.07	R152.93	4.7%
(iii) Thereafter, per 1 000m² or part thereof, of the surface area of the erf:	R103.62	R108.49	4.7%

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

Monthly refuse removal consumption Extent / Land area (sqm)	Current amount payable R	Proposed amount payable R	Difference increase R	Proposed increase %
500 m2	77.67	81.24	3.57	4.70%
750 m2	161.53	168.97	7.44	4.70%
1000 m2	161.53	168.97	7.44	4.70%
1500 m2	228.31	238.82	10.51	4.70%
2000 m2	295.09	308.67	13.58	4.70%
3000 m2	428.65	448.37	19.72	4.70%
5000 m2	695.77	727.77	32.00	4.70%
10000 m2	1 363.57	1 426.27	62.70	4.70%

Expenditure increases.

Description % Percentage	2026/27 Medium Term Revenue & Expenditure Framework Proposed % increase Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Expenditure			
Employee related costs	4.70%	4.30%	4.20%
Remuneration of councillors	4.70%	4.30%	4.20%
Bulk purchases - electricity	8.60%	4.30%	4.20%
Inventory consumed	4.70%	4.30%	4.20%
Debt impairment	4.70%	4.30%	4.20%
Depreciation and amortisation	4.70%	4.30%	4.20%
Interest	4.70%	4.30%	4.20%
Contracted services	4.70%	4.30%	4.20%
Transfers and subsidies	4.70%	4.30%	4.20%
Irrecoverable debts written off		4.30%	4.20%
Operational costs	4.70%	4.30%	4.20%
Other Losses	4.70%	4.30%	4.20%
Total Expenditure	**0%**	**0%**	**0%**

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 2026 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 R187 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 960 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 R11 532.80.

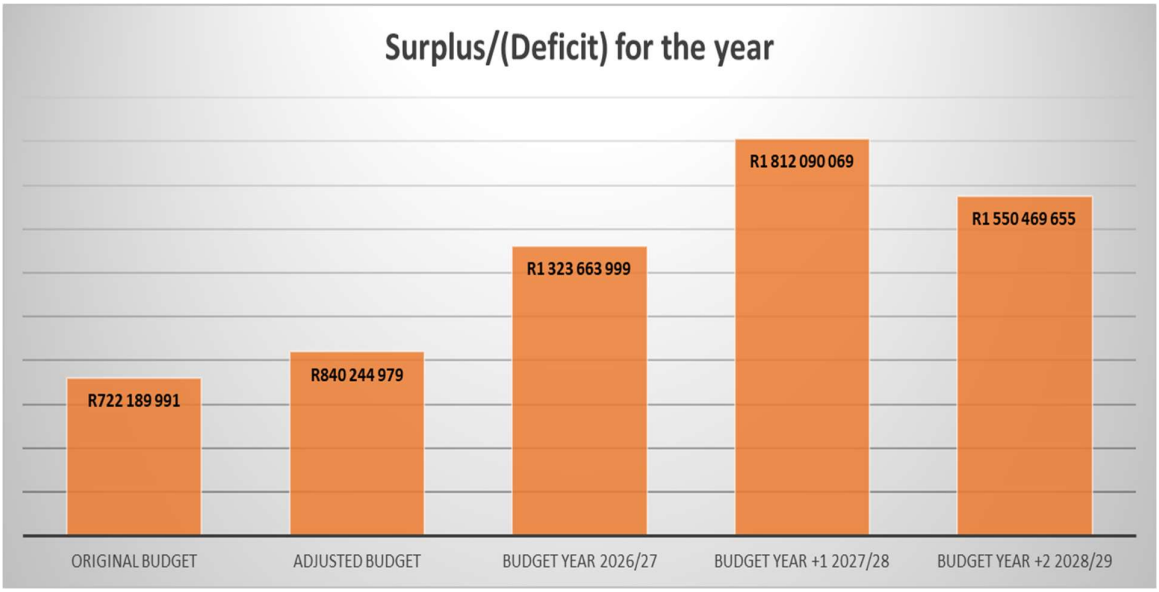
Although we are observing a recovery (both in economic terms and the rate of infections) on the pandemic front, the negative impact on the economy is still been felt. High unemployment and slow economic recovery should be a cause of concern.

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 2026/27 Medium-term Revenue and Expenditure Framework.

Operating revenue and expenditure summary:

MEDIUM-TERM REVENUE AND EXPENDITURE FRAMEWORK	Current Year 2025/26		2026/27 Medium Term Revenue & Expenditure Framework		
Description R Thousands	**Original Budget**	**Adjusted Budget**	**Budget Year 2026/27**	**Budget Year +1 2027/28**	**Budget Year +2 2028/29**
Total Operational Revenue	5 850 979	5 904 676	6 263 231	6 568 121	7 007 058
Total Expenditure	(5 724 364)	(5 728 194)	(6 148 061)	(6 169 611)	(6 545 640)
Surplus/(Deficit)	**126 615**	**176 482**	**115 171**	**398 510**	**461 418**
allocations)	595 575	663 763	1 208 493	1 413 580	1 089 052
Surplus/(Deficit) for the year	**722 190**	**840 245**	**1 323 664**	**1 812 090**	**1 550 470**



1.2 Revenue by Source

Description	Current Year 2025/26		2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	Original Budget	Adjusted Budget	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue					
Exchange Revenue					
Service charges - Electricity	2 226 730	2 141 630	2 482 891	2 702 037	2 947 315
Service charges - Water	424 132	363 929	423 580	458 668	497 848
Service charges - Waste Water Management	165 527	172 533	181 544	190 076	199 485
Service charges - Waste Management	159 147	159 147	174 366	182 561	191 597
Sale of Goods and Rendering of Services	22 289	25 455	26 626	27 877	29 257
Agency services	35 475	38 841	40 628	42 537	44 643
Interest earned from Receivables	99 384	99 623	104 205	109 103	114 504
Interest earned from Current and Non Current Assets	52 986	69 038	72 214	75 608	79 350
Rental from Fixed Assets	19 125	41 495	43 404	45 444	47 694
Licence and permits	16 179	16 179	16 923	17 718	18 596
Operational Revenue	25 667	25 781	26 967	28 234	29 632
Non-Exchange Revenue					
Property rates	669 774	729 978	734 789	769 324	807 406
Fines, penalties and forfeits	46 801	46 817	48 970	51 272	53 810
Transfer and subsidies - operational	1 862 915	1 916 612	1 825 856	1 804 558	1 879 695
Interest	24 846	57 619	60 270	63 103	66 226
Total Operational Revenue	**5 850 979**	**5 904 676**	**6 263 231**	**6 568 121**	**7 007 058**
Surplus/(Deficit)	**126 616**	**176 482**	**115 170**	**398 510**	**461 418**
Transfers and subsidies - capital (monetary allocations)	595 575	663 763	1 208 493	1 413 580	1 089 052
Total Revenue	**6 446 554**	**6 568 439**	**7 471 724**	**7 981 701**	**8 096 110**

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 2026/27 MTREF (classified by main revenue source):

Description	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework					
R thousand	Original Budget	Adjusted Budget		Budget Year 2026/27		Budget Year +1 2027/28		Budget Year +2 2028/29	
Revenue									
Exchange Revenue									
Service charges - Electricity	2 226 730	2 141 630	33%	2 482 891	33%	2 702 037	34%	2 947 315	36%
Service charges - Water	424 132	363 929	6%	423 580	6%	458 668	6%	497 848	6%
Service charges - Waste Water Management	165 527	172 533	3%	181 544	2%	190 076	2%	199 485	2%
Service charges - Waste Management	159 147	159 147	2%	174 366	2%	182 561	2%	191 597	2%
Sale of Goods and Rendering of Services	22 289	25 455	0%	26 626	0%	27 877	0%	29 257	0%
Agency services	35 475	38 841	1%	40 628	1%	42 537	1%	44 643	1%
Interest earned from Receivables	99 384	99 623	2%	104 205	1%	109 103	1%	114 504	1%
Interest earned from Current and Non Current Assets	52 986	69 038	1%	72 214	1%	75 608	1%	79 350	1%
Rental from Fixed Assets	19 125	41 495	1%	43 404	1%	45 444	1%	47 694	1%
Licence and permits	16 179	16 179	0%	16 923	0%	17 718	0%	18 596	0%
Operational Revenue	25 667	25 781	0%	26 967	0%	28 234	0%	29 632	0%
Non-Exchange Revenue									
Property rates	669 774	729 978	11%	734 789	10%	769 324	10%	807 406	10%
Fines, penalties and forfeits	46 801	46 817	1%	48 970	1%	51 272	1%	53 810	1%
Transfer and subsidies - operational	1 862 915	1 916 612	29%	1 825 856	24%	1 804 558	23%	1 879 695	23%
Interest	24 846	57 619	1%	60 270	1%	63 103	1%	66 226	1%
Total Operational Revenue	**5 850 979**	**5 904 676**	**90%**	**6 263 231**	**84%**	**6 568 121**	**82%**	**7 007 058**	**94%**
Transfers and subsidies - capital (monetary allocations)	595 575	663 763	10%	1 208 493	16%	1 413 580	18%	1 089 052	13%
Total Revenue	**6 446 554**	**6 568 439**	**100%**	**7 471 724**	**100%**	**7 981 701**	**100%**	**8 096 110**	**100%**
Revenue from Service Charges	**2 975 537**	**2 837 239**	**48%**	**3 262 379**	**52%**	**3 533 342**	**54%**	**3 836 246**	**55%**

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

Revenue generated from rates, services charges and operational grants forms a significant percentage of the revenue basket for the Municipality. Service charges revenues comprise more than 52 per cent of the total revenue mix. In the 2025/26 financial year, revenue from services charges totalled R3.262 billion or 52 per cent. This increases to R3.535 billion and R3.840 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 24 per cent in 2026/27 and at 23 per cent in the outer years. Property rates are the third largest revenue source totalling 10 per cent or R734 million rand in 2026/27 and increases to R807 million by 2028/29. 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 AND PROVINCIAL GAZETTES*	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
OPERATIONAL GRANTS			
Equitable Share	**1 541 239 000**	**1 606 170 000**	**1 652 917 000**
TOTAL OPERATIONAL GRANTS			
Intergrated Urban Development Grant	113 799 136	79 756 974	115 712 071
Public Transport Network Grant	92 951 646	88 530 770	78 865 998
Financial Management Grant (FMG)	2 500 000	2 600 000	2 700 000
Extended Public Works Programme (EPWP)	5 254 000	-	-
Infrastructure Skills Development Grant (ISDG)	17 500 000	17 500 000	15 500 000
Integrated National Electrification Programme Grant	5 000 000	10 000 000	14 000 000
TOTAL OPERATIONAL GRANTS (CONDITIONAL)	**237 004 782**	**198 387 744**	**226 778 069**
TOTAL OPERATIONAL GRANTS	**1 778 243 782**	**1 804 557 744**	**1 879 695 069**

1.4 Expenditure by Type

Description	Current Year 2025/26		2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	Original Budget	Adjusted Budget	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Expenditure					
Employee related costs	1 374 637	1 229 855	1 463 453	1 526 199	1 590 601
Remuneration of councillors	66 479	67 173	70 390	73 417	76 500
Bulk purchases - electricity	1 469 753	1 469 753	1 596 152	1 664 787	1 734 708
Inventory consumed	344 497	351 592	374 807	390 924	407 344
Debt impairment	280 169	150 072	157 125	163 881	170 764
Depreciation and amortisation	407 814	437 912	458 494	478 209	498 294
Interest	40 124	41 124	43 057	39 969	36 183
Contracted services	1 269 378	1 384 458	1 357 990	1 178 088	1 362 597
Transfers and subsidies	60 480	67 167	43 300	49 505	43 300
Irrecoverable debts written off	-	-	30 000	31 290	32 604
Operational costs	411 033	429 089	448 593	464 139	478 956
Other Losses	-	100 000	104 700	109 202	113 789
Total Expenditure	**5 724 364**	**5 728 194**	**6 148 061**	**6 169 611**	**6 545 640**

The Municipality's expenditure framework for the 2026/27 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 2026/27 budget and MTREF (classified per main type of operating expenditure):

1.5 Summary of operating expenditure by standard classification item

Description	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework					
R thousand	Original Budget	Adjusted Budget		Budget Year 2026/27		Budget Year +1 2027/28		Budget Year +2 2028/29	
Expenditure									
Employee related costs	1 374 637	1 229 855	23%	1 463 453	24%	1 526 199	25%	1 590 601	24%
Remuneration of councillors	66 479	67 173	1%	70 390	1%	73 417	1%	76 500	1%
Bulk purchases - electricity	1 469 753	1 469 753	27%	1 596 152	26%	1 664 787	27%	1 734 708	27%
Inventory consumed	344 497	351 592	7%	374 807	6%	390 924	6%	407 344	6%
Debt impairment	280 169	150 072	3%	157 125	3%	163 881	3%	170 764	3%
Depreciation and amortisation	407 814	437 912	8%	458 494	7%	478 209	8%	498 294	8%
Interest	40 124	41 124	1%	43 057	1%	39 969	1%	36 183	1%
Contracted services	1 269 378	1 384 458	26%	1 357 990	22%	1 178 088	19%	1 362 597	21%
Transfers and subsidies	60 480	67 167	1%	43 300	1%	49 505	1%	43 300	1%
Irrecoverable debts written off	-	-	0%	30 000	0%	31 290	1%	32 604	0%
Operational costs	411 033	429 089	8%	448 593	7%	464 139	8%	478 956	7%
Other Losses	-	100 000	2%	104 700	2%	109 202	2%	113 789	2%
Total Expenditure	**5 724 364**	**5 728 194**	**107%**	**6 148 061**	**100%**	**6 169 611**	**100%**	**6 545 640**	**100%**

The budgeted allocation for employee related costs for the 2025/26 financial year totals R1,229 billion, which equals 23 percent of the total operating expenditure. Salary increases

have been factored into this budget at a percentage increase of 4.7 per cent for the 2026/27 for the MTREF. Included in the R1,463 billion is the R 33 million for Leave Pay, R30 million for Long Service Awards, Overtime R47 million and Performance Bonuses R23 million.

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 2026/27 financial year this amount increased to R187 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.

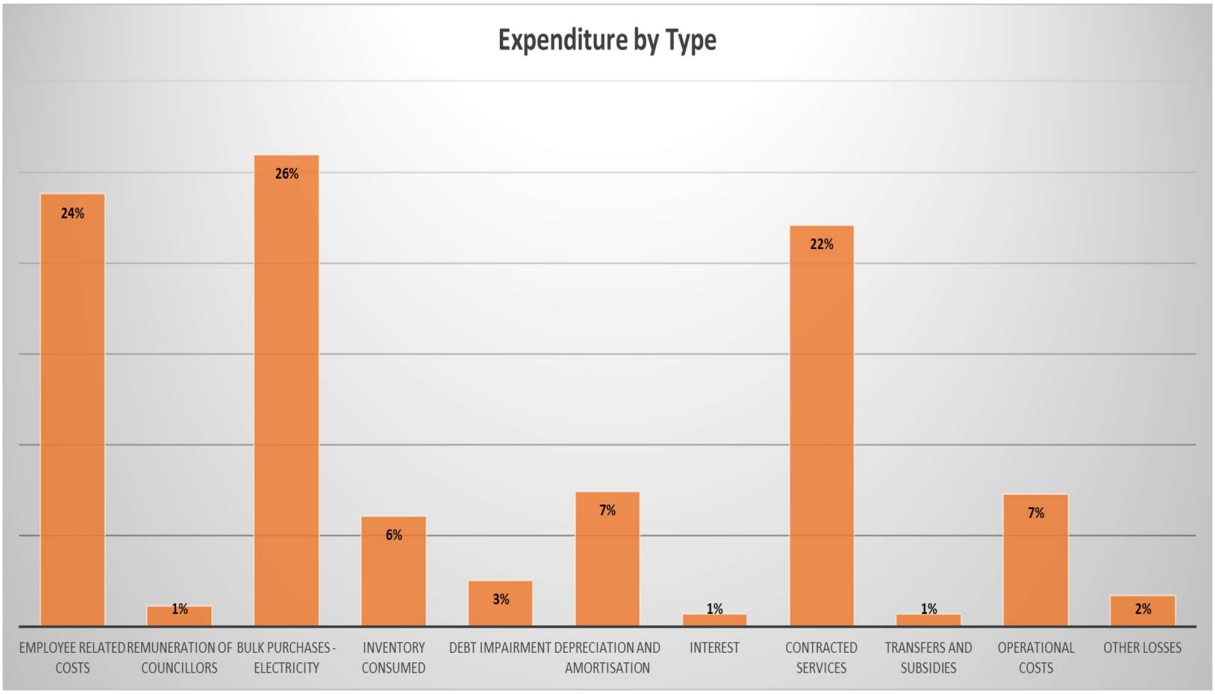
Provision for depreciation and asset impairment has been informed by the Municipality's Asset Management Policy. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R458 million for the 2026/27 financial and equates to 7 per cent of the total operating expenditure.

Finance charges consist of the repayment of interest on long-term borrowing (cost of capital). Finance charges make up 1 per cent (R43 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 1.469 billion) of operating expenditure. The expenditures include distribution losses.

Contracted services have increased to R 1.358 billion and they make up 26 per cent of the operating expenditure in 2026/27.

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 448 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 2026/27 Division of Revenue Bill have been included in this medium-term budget.

GRANTS AND SUBSIDIES AS PER DIVISION OF REVENUE BILL Govt Gazette no 54086 of 6 February 2026)			
Infrastructure Grants	**Budget Year 2026/27**	**Budget Year +1 2027/28**	**Budget Year +2 2028/29**
Intergrated Urban Development Grant (IUDG)	473 592 000	470 067 000	484 676 000
Regional Bulk Infrastructure Grant (RBIG)	688 100 000	869 600 000	560 800 000
Integrated National Electrification Programme Grant (INEP)	5 000 000	16 542 000	18 109 000
Public Transport Network Grant(PTNG)	134 173 000	127 763 000	127 866 000
Water Services Infrastructure Grant (WSIG)	100 022 000	95 396 000	99 679 000
Neighbourhood Development Partnership Grant (NDPG)	18 857 000	12 000 000	6 000 000
Sub Total	**1 419 744 000**	**1 591 368 000**	**1 297 130 000**
Specific Purpose Current Grants			
Financial Management Grant (FMG)	2 500 000	2 600 000	2 700 000
Infrastructure Skills Development Grant (ISDG)	18 000 000	18 000 000	16 000 000
Extended Public Works Programme (EPWP)	5 254 000	-	-
Sub Total	**25 754 000**	**20 600 000**	**18 700 000**
Equitable Share	**1 541 239 000**	**1 606 170 000**	**1 652 917 000**
Sub Total Municipality	**2 986 737 000**	**3 218 138 000**	**2 968 747 000**
Allocations- in-kind-Grants (Schedule 6)			
Integrated National Electrification Programme (Escom)	3 845 000	60 386 000	67 248 000
Sub Total	**3 845 000**	**60 386 000**	**67 248 000**
TOTAL	**2 990 582 000**	**3 278 524 000**	**3 035 995 000**

Provincial Grants			
Human Settlement Development Grant (HSDG)	**47 612 002**	**-**	**-**
TOTAL	**3 038 194 002**	**3 278 524 000**	**3 035 995 000**

1.7 CAPITAL BUDGET PER DIRECTORATE

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

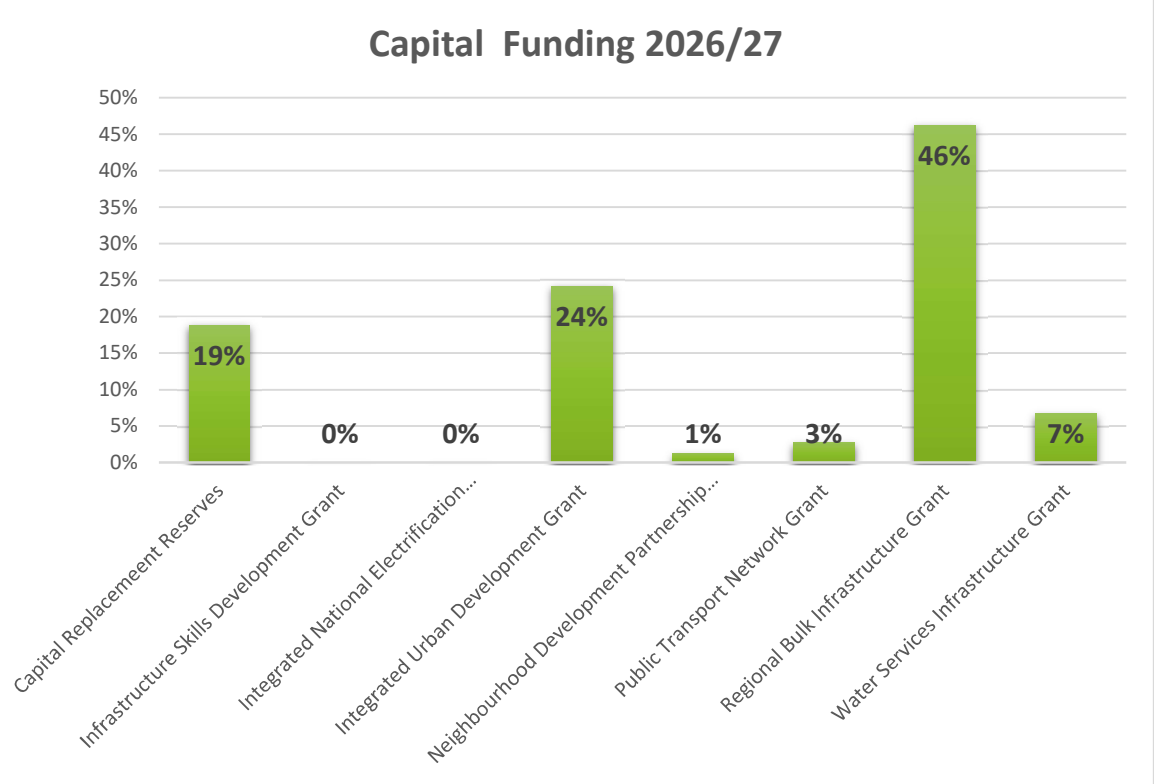
Many concerns were raised over the spending of conditional grants by the National Treasury over the past four financial years.

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

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

Capital expenditure

Total capital budget is **R 1 488 370 610.70** (incl. VAT) which is funded as follows:



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

MULTI YEAR CAPITAL BUDGET	Budget Year 2026/27		Budget Year +1 2027/28		Budget Year +2 2028/29	
Description	VAT INCLUSIVE	%	VAT INCLUSIVE	%	VAT INCLUSIVE	%
Vote 1 CHIEF OPERATIONS OFFICE	3 000 000	0%	3 150 000	0%	3 307 000	0%
Vote 2 MUNICIPAL MANAGER'S OFFICE	-	0%	-	0%	-	0%
Vote 3 WATER AND SANITATION	952 934 763	64%	1 147 171 621	67%	858 215 601	61%
Vote 4 ENERGY SERVICES	76 861 502	5%	83 889 826	5%	82 258 999	6%
Vote 5 COMMUNITY SERVICES	140 898 000	9%	141 130 518	8%	152 883 999	11%
Vote 6 PUBLIC SAFETY	24 000 000	2%	25 200 000	1%	27 260 001	2%
Vote 7 CORPORATE AND SHARED SERVICES	79 800 000	5%	84 100 000	5%	84 300 000	6%
Vote 8 PLANNING AND ECONOMIC DEVELOPMENT	15 500 000	1%	16 700 000	1%	11 260 000	1%
Vote 9 BUDGET AND TREASURY OFFICE	3 000 000	0%	3 150 000	0%	3 307 000	0%
Vote 10 TRANSPORT SERVICES	41 221 353	3%	39 232 230	2%	48 999 999	3%
Vote 11 HUMAN SETTLEMENT	-	0%	-	0%	-	0%
Vote 12 ROADS AND STORMWATER	151 154 992	10%	180 806 058	0	141 283 332	10%
Total	**1 488 370 611**	**100%**	**1 724 530 254**	**100%**	**1 413 075 932**	**100%**

Water and Sanitation Services is allocated 64% 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 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 1.2 billion, R 1.4 billion and R 1.09 billion respectively.

MULTI YEAR CAPITAL BUDGET	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
	VAT INCLUSIVE	VAT INCLUSIVE	VAT INCLUSIVE
CAPITAL GRANT FUNDING			
Intergrated Urban Development Grant	358 868 203	388 310 015	372 963 934
Public Transport Network Grant	41 221 353	39 232 230	48 999 999
Neighbourhood Development Grant	18 857 000	11 999 999	5 999 999
Water Services Infrastructure Grant	100 022 001	95 395 999	99 679 000
Regional Bulk Infrastructure Grant	688 100 000	869 600 000	560 800 000
Integrated National Electrification Programme Grant	-	6 542 000	4 108 999
Infrastructure Skills Development Grant (ISDG)	500 000	500 000	500 000
Total Capital DoRA Allocations	**1 207 568 558**	**1 411 580 245**	**1 093 051 931**

The grant table shows a temporary expansion in 2027/28, followed by a material contraction in 2028/29. This pattern is not accidental—it mirrors National Treasury's restructuring of the conditional grant system as outlined in MFMA Circular 132. Analysis:

Regional Bulk Infrastructure Grant

RBIG is the single largest funding source across the MTREF.

The sharp increase in 2027/28 aligns directly with BFI rescheduling, where an additional R2.1 billion nationally is allocated to RBIG for major catalytic projects (e.g. Polokwane WWTW).

Integrated Urban Development Grant

IUDG remains stable and resilient, increasing its share in the outer year.

This confirms Treasury's preference for consolidated, flexible, outcome-based grants that support spatial integration.

IUDG partially offsets the loss of NDPG by enabling broader urban restructuring, though with less precinct-specific focus.

Neighbourhood Development Partnership Grant

The steady decline to near-zero directly reflects Treasury's decision to discontinue NDPG.

This explains the reduced funding for catalytic precincts, inner-city regeneration, and private-sector leveraging.

Municipalities will need to replace NDPG-type interventions through:

- IUDG-funded restructuring projects.
- Own-funded capital; or
- Alternative financing models (PPPs, land-based finance

Public Transport Network Grant

The grant remains present but does not scale, confirming Treasury's policy position that PTNG will be phased out over the MTEF.

MFMA Circular 132 confirms that PTNG will be replaced by new integrated transport and housing instruments, explaining the absence of long-term growth in this grant.

Future transport capital funding will require strong alignment with human settlements, density planning, and spatial frameworks, not standalone transport projects.

Water Services Infrastructure

WSIG remains flat across the MTREF.

In the context of rising demand, climate risk, and ageing infrastructure, this indicates real-term pressure on water services investment.

The grant table clearly demonstrates the practical implementation of MFMA Circular 132:

- ✓ Consolidation into fewer, larger infrastructure grants (RBIG, IUDG)
- ✓ Phasing out of administrative and fragmented grants (ISDG, NDPG)
- ✓ Transition away from stand-alone transport grants (PTNG)
- ✓ Increased pressure on municipalities to self-fund capital responsibly

The MTREF capital funding framework reflects a restructured conditional grant system, characterised by RBIG-led bulk infrastructure investment, declining catalytic and skills grants, and a growing reliance on own revenue. Successful service delivery over the MTREF will depend on grant performance, project readiness, and disciplined operational surplus management.

Cash Replacement Reserve

The funds available for capital expenditure from **Cash Replacement Reserve** (Own funds) for the following 3 years are R 279 million, R310 million and R 324 million respectively. The following CRR funding is broken down by directorate.

MULTI YEAR CAPITAL BUDGET	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Description	VAT INCLUSIVE	VAT INCLUSIVE	VAT INCLUSIVE
Vote 1 CHIEF OPERATIONS OFFICE	3 000 000	3 150 000	3 307 000
Vote 2 MUNICIPAL MANAGER'S OFFICE	-	-	-
Vote 3 WATER AND SANITATION	29 500 000	40 000 000	42 100 000
Vote 4 ENERGY SERVICES	60 000 000	63 000 000	66 150 000
Vote 5 COMMUNITY SERVICES	22 500 000	23 650 000	31 715 000
Vote 6 PUBLIC SAFETY	24 000 000	25 200 000	27 260 001
Vote 7 CORPORATE AND SHARED SERVICES	79 300 000	83 600 000	83 800 000
Vote 8 PLANNING AND ECONOMIC DEVELOPMENT	15 500 000	16 700 000	11 260 000
Vote 9 BUDGET AND TREASURY OFFICE	3 000 000	3 150 000	3 307 000
Vote 10 TRANSPORT SERVICES	-	-	-
Vote 11 HUMAN SETTLEMENT	-	-	-
Vote 12 ROADS AND STORMWATER	43 077 393	52 500 000	55 125 000
Total	**279 877 393**	**310 950 000**	**324 024 001**

The municipality increases reliance on **own-funded capital**, especially in 2028/29.

Risk implications, sustainability depends on **billing, collection, and operating surpluses**.

Any revenue underperformance will directly affect capital delivery.

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

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

MULTI YEAR BUDGET HUMAN SETTLEMENT DEVELOPMENT GRANT (HSDG)	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Description			
Operational			
PRT/ ENGINEER	1 413 142	-	-
Total Operations	**1 413 142**	**-**	**-**
Housing Units	**47 104 720**	**-**	**-**
Number of houses	**260**	**-**	**-**
Cost per house	**181 172**	**-**	**-**
Rural Housing: pending Geo-Tech results and Council Approval	36 234 400	-	-
Urban Housing: (50 Units)	9 964 460	-	-
Total housing units expenditure	**46 198 860**	**-**	**-**
Total expenditure	**47 612 002**	**-**	**-**

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 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
- Changes on the policy

	Old policy	New Policy
9(f)	No unspent operating budget shall be rolled over to the next budget year	No unspent operating budget funded by own funds shall be rolled over to the next budget year

	Old policy	New Policy
10.2(b))	-	No virements are to be processed during the first three months of the new financial year (Inserted as Clause 10.2(b), in order of priority)

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

- Changes on the policy

Paragraph	Old policy	New Policy
5.5	-	Prepaid consumers, indigent consumers and government consumers may not be charged for consumer deposit. (Added)
7.2	7.2 The increase of consumer deposits in sub-clause 6.1 may be effected based on the following grounds: -	7.2 The increase of consumer deposits in sub-clause 7.1 may be effected based on the following grounds: -
14	-	Deposits made into the municipality's bank account with an incorrect reference will be recorded in the Unknown Deposits Register. Allocation to the correct account will only be processed once the payer has identified themselves and provided the original proof of payment as confirmation. From time to time, the municipality may submit a request to Council for approval to allocate unidentified funds to the revenue account

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.
- Changes on the policy

Paragraph	Old policy	New Policy
8.1.5	Council, in terms of section 102 (a) of the Systems Act 32 of 2000, may 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.	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 irrespective of whether individual accounts are billed and issued This consolidation includes prepaid meters and any other debts for which no formal account was billed and issued. (a) All separate accounts held by a debtor shall, for the purposes of this By-Law, be regarded as consolidated and shall be treated holistically as a single account.

12.11.13 - 15	-	**12.11.13** The agent shall, upon request by the Municipality, provide a statement reflecting all payments made to the agent on behalf of the owner during a period determined by the Municipality. **12.11.14** In terms of the Magistrates' Courts Act 32 of 1944, once a municipality has obtained a civil judgment for unpaid municipal debt, it may enforce that judgment through execution processes provided for in the Act. **Section 66** authorises execution against the movable and immovable property of a judgment debtor, which may ultimately result in the sale in execution of such property to satisfy the outstanding debt. In addition, **Section 65J** provides for the granting of an **Emoluments Attachment Order (EAO)**, enabling a creditor to attach a portion of the debtor's salary directly from the employer in settlement of the judgment debt. **12.11.15** The National Credit Act 34 of 2005 regulates the collection, reporting and sharing of consumer credit information. In terms of **Section 70**, registered credit bureaux may receive and distribute consumer credit information, including payment history, adverse listings and judgments submitted by credit providers or other lawful creditors. Where a municipal debtor has defaulted and the debt has been lawfully pursued, including through judgment or other recognised collection processes, the Municipality may report such default information to a registered credit bureau in accordance with the Act and applicable regulations.
16 (k)	-	(k) PRESCRIPTION OF DEBT Upon participation and application, the City may write off Inactive accounts that have been proven to have prescribed as per Prescription Act 68 of 1969.

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
- Changes on the policy

Paragraph	Old policy	New Policy
8c	Pensioner Subsidy □ 80% rebate on property rates	Pensioner Subsidy 80% rebate on property rates, basic charges on sewage and refuse.

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 mad 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
- Changes on the policy

Paragraph	Old policy	New Policy
7,3	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.	Subject to the criteria set out in below: Pensioners may be granted a rebate on their primary property for property rates, basic charges on sewage and refuse, effective from the date they qualify, within the applicable financial year.
9.5	-	**9.5 ERRORS OR OMMISSIONS** **9.5.1** Errors resulting from an administrative error by the Municipality will be billed to the customer's account in accordance with the provisions of the MPRA. **9.5.2** Any back charge billed to the customer's account in terms of paragraph 9.5.1 of this policy may qualify for a rebate of the billed amount which may be corrected to a maximum of five years, limited to two years of the previous valuation roll.
9.6	-	**9.6SECTION 78 APPLICATIONS** Applications for review lodged after the timeframe contemplated in Section 78 of the Act will attract a non-refundable administration fee, payable in accordance with the Municipality's approved Tariff Structure.

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.

Dange Allowance

The objective of the policy is to:-
To provide a fair and consistent framework for granting danger/hazard allowances.

Travel Allowance Policy

The objectives of the Travel Allowance Policy are:-

- To determine the criteria for participation in the travel allowance scheme of Polokwane Local Municipality.

- The objective of the policy is the payment of a travel allowance to Council employees who have to use private vehicles in the execution of their official duties

- To establish uniform directives, conditions and limitations according to which the policy functions in order to minimize differences.

- To establish the basis for remuneration and policy benefits with regards to employees who have to use private transport in the execution of official duties that they were appointed for.

- To compensate employees in a fair and reasonable manner.

PMDS (Performance Management Development System) Policy

The overall purpose of a Performance Management and Development System Policy Framework is:-

- To provide tools for measuring the extent of the implementation of the municipality's Integrated Development Plan, through the development and implementation of Service Delivery and Budget Implementation Plans (SDBIPs).
- This policy framework essentially provides procedures on how organisational plans are translated into individuals' plans or scorecard and it also provides procedures for managing, monitoring and evaluating performance in the municipality at individual level.

RECOMMEND

1. That the Draft Annual Budget of the municipality and municipal entity (Polokwane Housing Association) for the financial year 2026/27 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 2026: as set out in the Proposed Tariffs booklet:

3.1 the tariffs for property rates

3.2 the tariffs for electricity

3.3 the tariffs for the supply of water

3.4 the tariffs for sanitation services

3.5 the tariffs for solid waste services

4. That the following budget related policies be approved for implementation in 2026/27.

- 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
- 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
- Danger Allowance
- Travel Allowance Policy
- PMDS (Performance Management Development System) Policy
- Contract Management Policy and Procedure Manual
- Delegation of Financial Powers

5. That the Draft MSCOA Roadmap be approved.

CLLR JOHN MPE
EXECUTIVE MAYOR

20/03/2026
DATE

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.

Table below indicates the 2026/27 Draft IDP/Budget Public Participation Meetings that will be held in all the seven (7) Municipal Clusters during the month of April.

Approved Dates and Venues by Speaker of Council

Below are the dates and venues for the 2026/27 Draft IDP/Budget Public Participation meetings as Approved by Speaker of Council.

Date	Municipal Cluster / Sector	Wards No	Time	Venue
WEEK 1				
01 April 2026	Traditional Leaders	**N/A**	10h00 -13h00	New Peter Mokaba Stadium (Executive Lounge – 1st Floor)
WEEK 2				
07 April 2026	Aganang Cluster	**40,41,42,43,44,45**	10h00 -13h00	Maraba Moshate
08 April 2026	Sebayeng /Dikgale Cluster	**24,29,32,33,30,31**	10h00 -13h00	Bana Ba Thari School : Solomondale
09 April 2026	City Cluster	**19,20,21,22,23,39**	**18h00 - 20h00**	Jack Botes Hall

Date	Municipal Cluster / Sector	Wards No	Time	Venue
WEEK 3				
13 April 2026	Moletjie Cluster	**09,10,15,16,18,35, 36,38**	10h00 -13h00	Moletjie Moshate
14 April 2026	Mankweng Cluster	**06,07,25,26,27,28, 34**	10h00 -13h00	Paledi Sports Ground at Ward 27
15 April 2026	SDA 1	**08**	**14h00 – 17h00**	Greenside Primary School
16 April 2026	Molepo /Chuene /Maja Cluster	**1,2,3,4,5**	10h00 -13h00	Mothiba Ngwanamago Municipal Cluster Offices
WEEK 4				
20 April 2026	Seshego Cluster	**11,12,13, 14,17,37**	10h00 -13h00	Ngoako Ramahlodi Sports Complex
21 April 2026	Municipal Councillors Consultation	**All Municipal Councilors**	10h00 -13h00	New Peter Mokaba Stadium (Executive Lounge – 1st Floor)

Submission of Comments and Inputs by Community Members

The 2026/27 Draft IDP and Budget will be placed on the municipal website: www.polokwane.gov.za. Copies of Draft IDP and Budget will also be Placed at all 7 clusters Municipal Libraries and Tribal Offices after adoption by Council.

Comments period will be open from **1st – 30th April 2026 (30 days)**. Communities will also be able to Submit their Comments and inputs on the **2026/27** draft IDP and Budget using media platforms and alternative methods that has been made available by the Municipality.ie

1.Email or WhatsApp LINE

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

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

LEGAL IMPLICATIONS

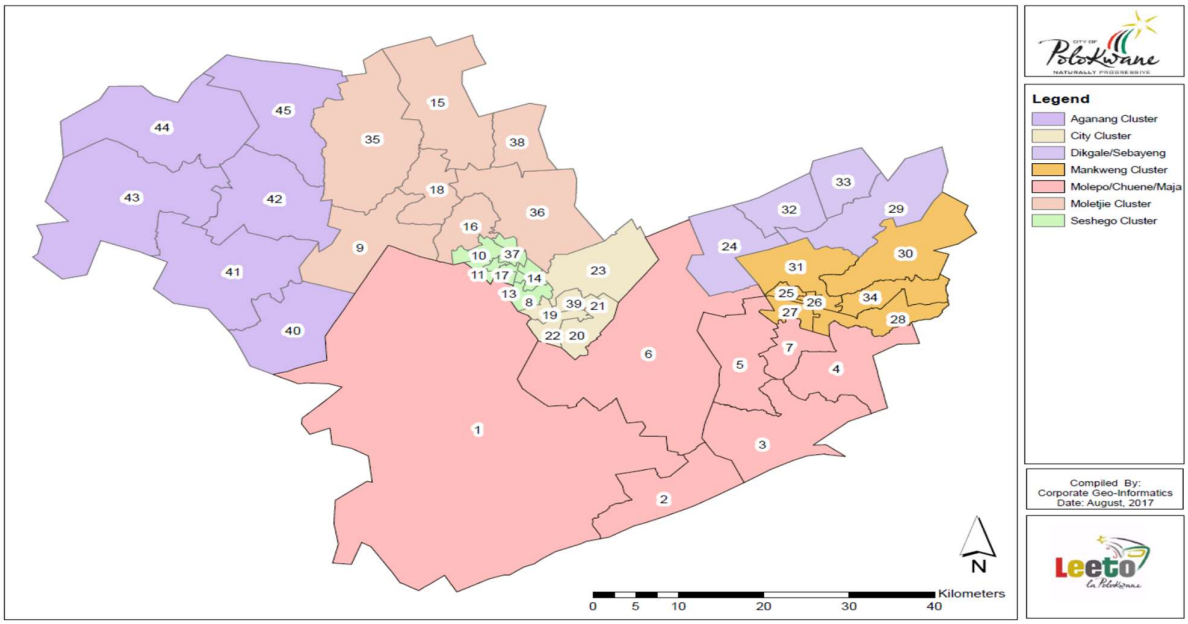
Section 16 of Municipal Systems Act (32 of 2000) mandate municipalities to develop a culture of municipal governance that complements formal representative government with a system of participatory governance, and must for this purpose encourage, and create conditions for, the **local community** to participate in the affairs of the municipality, including in The preparation, implementation and review of its Integrated Development Plan **(IDP).**

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

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

Polokwane Cluster Map Reflecting Location of 45 Wards

Map: Polokwane Cluster Map



Source: Polokwane Corporate

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 13 interns undergoing training in various divisions of the Budget and Treasury Office.

3. Budget and Treasury Office

The Budget and Treasury Office have 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

DRAFT STRATEGIC RISKS FOR 2026/27

#	Risk		Root cause	Residual risk
	Water losses	• Illegal connections • Dilapidated infrastructure • Nonfunctional meters	High	

#	Risk	Root cause	Residual risk
	• Illegal land use		
	Unplanned interruption of electricity supply.	• Aged/ageing infrastructure • Accelerated deterioration because of unfavorable operating conditions: • Loadshedding • Theft & vandalism • Illegal connections • Network overloading • Unsecure medium voltage radial feeders • Lack of proactive equipment maintenance	High
	Ageing of infrastructure (Energy, Roads and stormwater, water infrastructure)	• Illegal Connection • Over capacitation of treatment plants • Rapid development with the city • Theft and vandalism of infrastructure • Rapid development with the city • Majority of roads infrastructures have exceeded their life span. • Insufficient functionality of the existing storm water infrastructure due to growth within the city. • Most fleet has exceeded its life span	High
	High electricity distribution losses (technical and non-technical losses)	• Bridged meters • Meter shortages • Tampered meters • Illegal connections • Network overloading • Public lights consumption • Continuously illuminated public lights	High
	Cash Flow constraints	• Failure to adhere to budget process and control measures • Low revenue base	High

#	Risk	Root cause	Residual risk
		• Un-serviced Municipal townships • Ineffective debt collection strategy • Culture of non-payment • Increased number of indigents • Low revenue base • Un-serviced Municipal townships	
	Slow economic growth and development	• Insufficient marketing of Polokwane to investors • Limited opportunities for investment • Environmental Degradation • Limited strategic located land for development • Limited resources for land acquisition • Land Claims • Limited resources to service township establishments • Land under the jurisdiction of tribal authority and trust	
	Land invasion (Land grab)- New	• High demand for residential and business sites • Illegal acts • slow land redistribution efforts	High
	Theft and vandalism of municipal infrastructure	• Lack of public awareness and education. • Criminal Activities • Unregulated metal and scrap sales • Insufficient resources for to restore Law and Order such as Bi-Law enforcement Officers and rangers and CCTV cameras)	High
	Cyber-attack	• Non-Compliance with ICT policy • Inadequate configuration of ICT systems • Unsupported operating systems • Lack of cyber security expertise • Inadequate server room maintenance	Medium

#	Risk		Root cause	Residual risk
	Fraud and Corruption		• Lack of accountability and transparency. • Poor governance and institutional weaknesses • Lack of ethical staff and values • Lack of consequences. • Untrustworthy Human behaviour • Perceived opportunity • Inadequate control systems	Medium
	Inadequate Sewer Treatment Capacity	Dilapidated infrastructure Over capacitated	High	
	Unsustainability of the Integrated Public Transport Network (IPTN – Leeto La Polokwane)	• Financial constraints from National Department of Transport	High	

INTERNAL AUDIT PROGRAMS

In line with the requirements of Section 165 of the MFMA, the Internal Audit Function has identified the following projects for implementation as part of its audit plans for the financial year 2026/27. The objective of this program would be amongst other things to address Management's highest-priority risks as listed under the municipality's Top Risks paragraph:

1. **Water loss management Audit** – The audit will assess the effectiveness of controls implemented by the municipality to prevent and detect water losses arising from illegal connections, dilapidated infrastructure and non-functional water meters.

2. **Electricity Supply Reliability / Service Continuity Audit** – To assess the reliability and stability of electricity supply.

3. **Expenditure Management Audit** – To assess whether expenditure is properly planned, controlled and aligned with available cash resources to prevent cash shortages and financial instability.

4. **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.

5. **Local Economic Development and Investment Attraction Audit** – To assess whether adequate strategies and controls are in place to promote investment and economic development in Polokwane, including effective marketing to investors, land availability for development and coordination with relevant stakeholders.

6. **Asset Management and security Audit** – To assess whether adequate controls and resources are in place to prevent and respond to theft and vandalism of municipal infrastructure.

7. **ICT Security / Cybersecurity Audit** – To assess whether adequate technical and administrative controls exist to protect the municipality's ICT environment from cyber threats.
8. **UIFWe Audit** – To assess whether the municipality has adequate internal controls to prevent, detect and address UIFW expenditures.

9. **Probity Audits** - To assess whether controls and procedures around procurement, tendering, and contracting are adequate to ensure that all processes are transparent, fair and impartial, compliant with legislation, policies and procedures and free from conflicts of interest or unethical practices.

10. **Review of the 9 months and Draft Annual Financial Statements** – To assess whether the financial statements of the municipality are accurate, complete and prepared in compliance with GRAP and MFMA and to also provide assurance to

management before submission of the financial statements to various stakeholders including AGSA.

11. **Review of the Quarterly Performance Reports and Draft Annual Performance Report** – To assess the reliability, accuracy, completeness and the consistency of reported performance against the approved plans (IDP and SDBIP targets) as well as other legislative requirements.

12. **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.

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

- Review of the Financial Statements (9 months and Annual Financial Statements)
- Grant Management and Performance Audit
- Water Scarcity Risk Management and Supply Sustainability Audit
- Verification Municipality's Landfill sites
- Land Invasion Management Audit
- Review of staff performance and Directors' assessments
- Municipal Infrastructure Renewal and Maintenance Audit
- Audit of Performance Information
- Projects verification

Project Management Unit

The operational function of the Project Management Unit (PMU) is funded through a portion of the Integrated Urban Development Grant (IUDG). In the management of infrastructure projects, PMU is responsible for ensuring successful execution and delivery of these projects. These include:

- **Providing Support for Contract Management:** The PMU assists various directorates with the effective management of contracts, ensuring that the terms are adhered to and that contracts are executed in line with project goals and timelines.

- **Monitoring and Evaluating Project Performance and Expenditure:** The PMU allocates dedicated personnel to each directorate to oversee and assess the progress of projects, ensuring that performance targets are met and that expenditures align with the allocated budget.
- **Coordinating Grant Performance and Reporting:** The PMU plays a crucial role in overseeing the performance of various grants associated with the projects, ensuring that reporting requirements are met on time and that performance is tracked accurately across all related activities.
- **Institutional Coordination for PSP Performance and Quarterly Reporting:** The PMU is responsible for coordinating the performance of professional Service Providers (PSP) initiatives, and that accurate quarterly reports are produced.
- **Implementation and Compliance of the EPWP Program:** The PMU manages the implementation of the Expanded Public Works Program (EPWP), ensuring that all related compliance requirements are met, thus contributing to job creation and skills development within the community.
- **Management of Projects by PMU Technicians:** Although each directorate has dedicated support, the PMU technicians continue to play a central role in the overall management of some projects, overseeing technical aspects, problem-solving, and ensuring that projects are executed according to the highest standards.

On ensuring that these key responsibilities are managed, and to ensure the effective and efficient management of infrastructure projects, maintaining oversight and coordination across various functions and ensuring that the projects meet all necessary objectives and compliance requirements; the following interventions were undertaken:

- The policy and standard operation procedure manual for project management is in-place.
- Quarterly performance assessment of service providers.
- Monthly contractor/consultant meeting to track projects' progress and expenditure.
- Two (2) vacant positions for PMU Assistant Manager: Projects Implementation and PMU Assistant Manager: Compliance were filled.

Planning and Economic Development

1. Catalytic Projects

1.1. Limpopo Academic Hospital

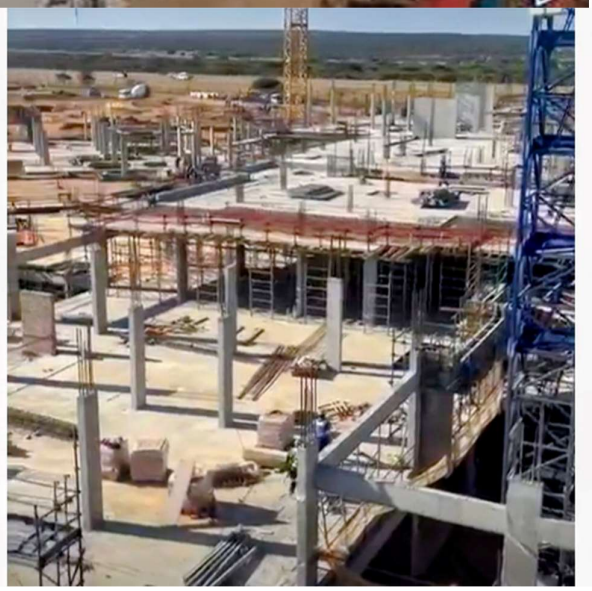
City of Polokwane and Edupark donated Remaining Extent of Erf 6861 Pietersburg Extension 30, measuring 19.90 Hectares. The aforesaid Donation was in line with a Council Resolution dated 28th of February 2012. The donation agreement has been signed and to be registered at deeds office. The construction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

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

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

ACADEMIC HOSPITAL DESIGNS

32



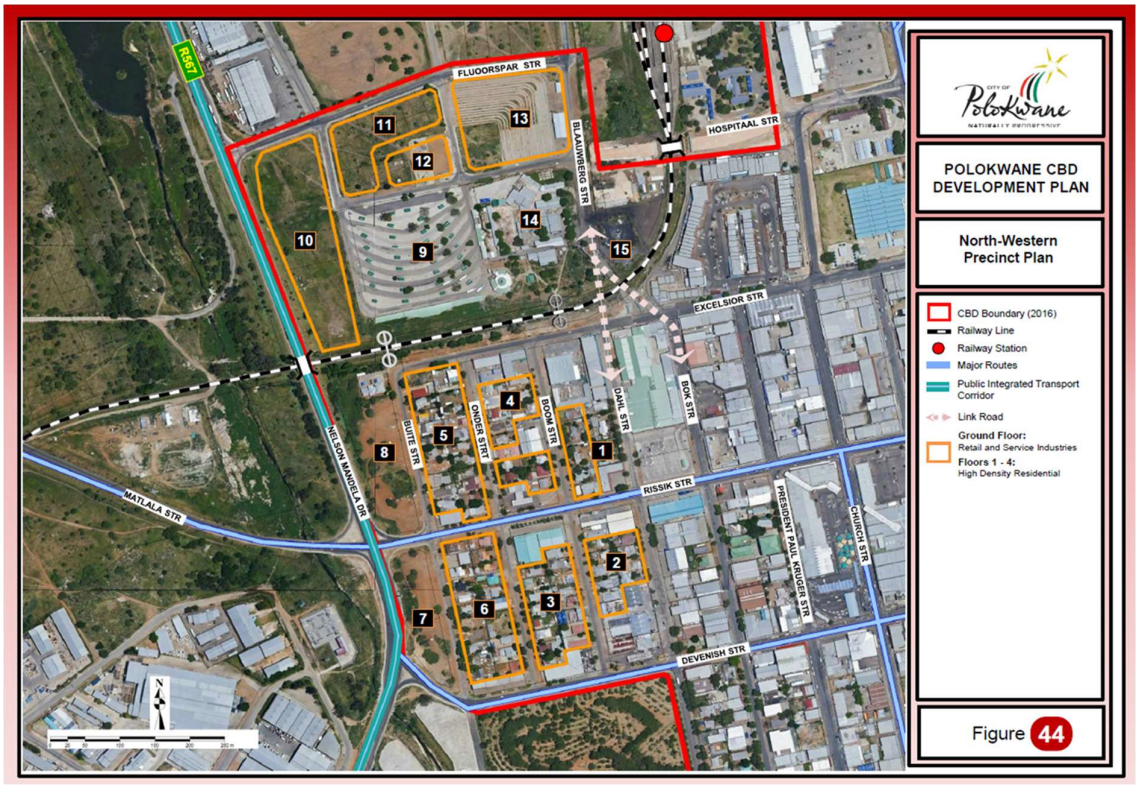
Construction Progress

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

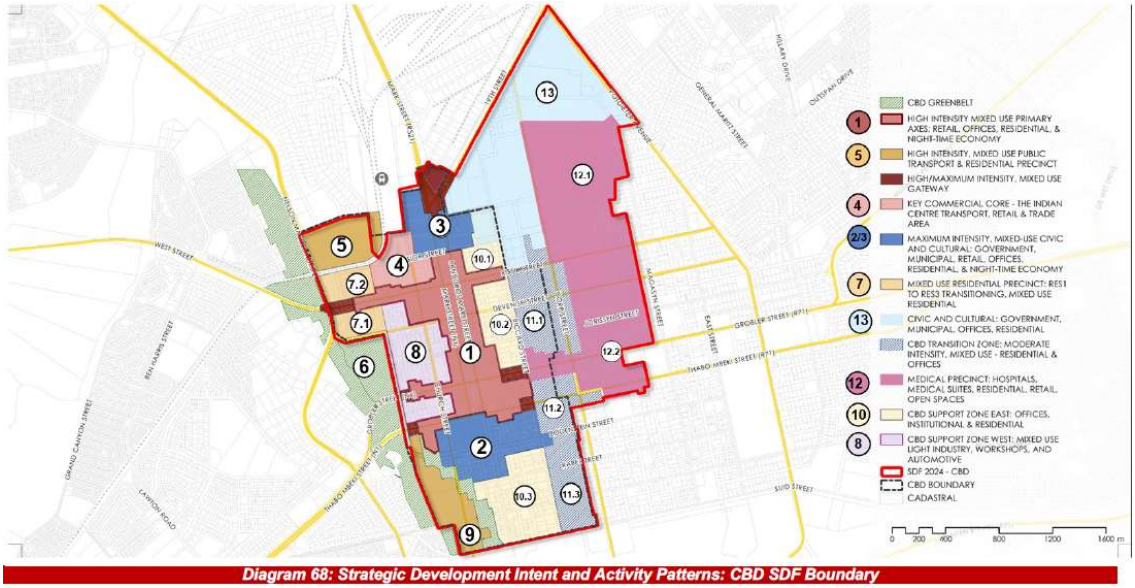
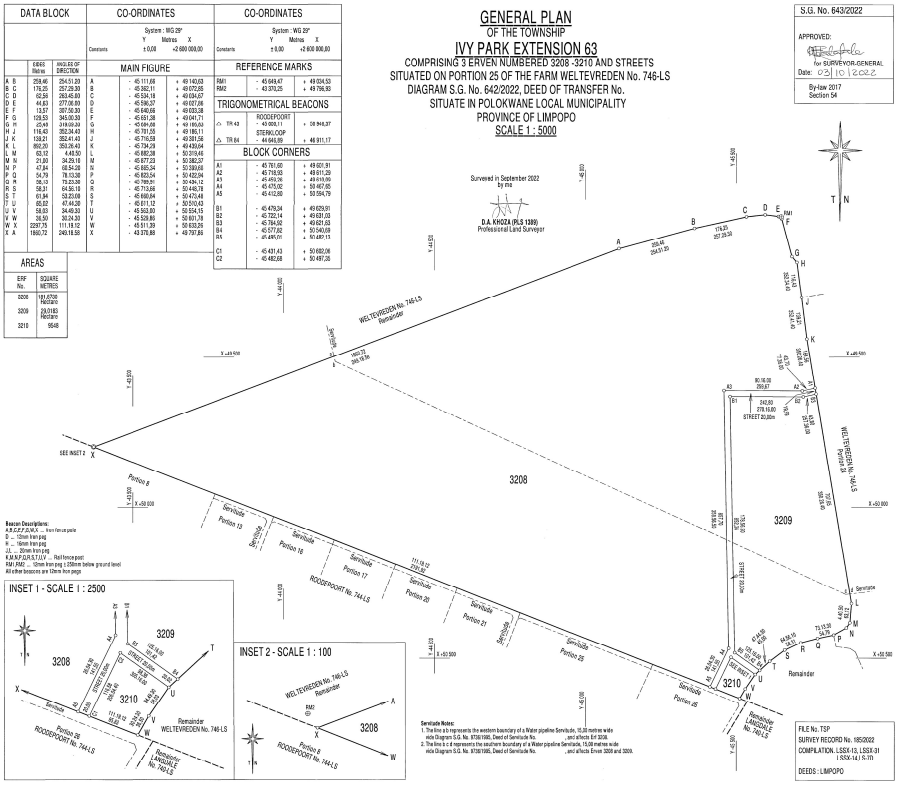


Diagram 68: Strategic Development Intent and Activity Patterns: CBD SDF Boundary

Final Draft Urban Development Framework

1.3. Science and Research Park

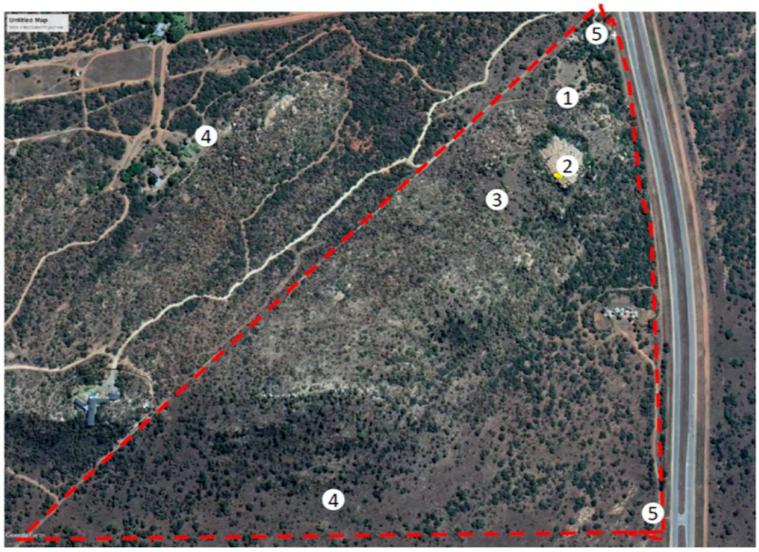


Science and Research Park to be established at Weltevreden Farm at the southern part of the new interchange at N1-By-pass. The Municipality has already awarded the land amount to 274ha land for development of the Science Park of which the studies has already commenced. A township has been approved by the Polokwane Municipal Planning Tribunal known as Ivypark X63. The development form part of the Dilokong Corridor in support of the National Development Plan (NDP). The general plan has been approved by the Surveyor General.

1.4. Arts and Cultural Hub

KEY SITE FORCES

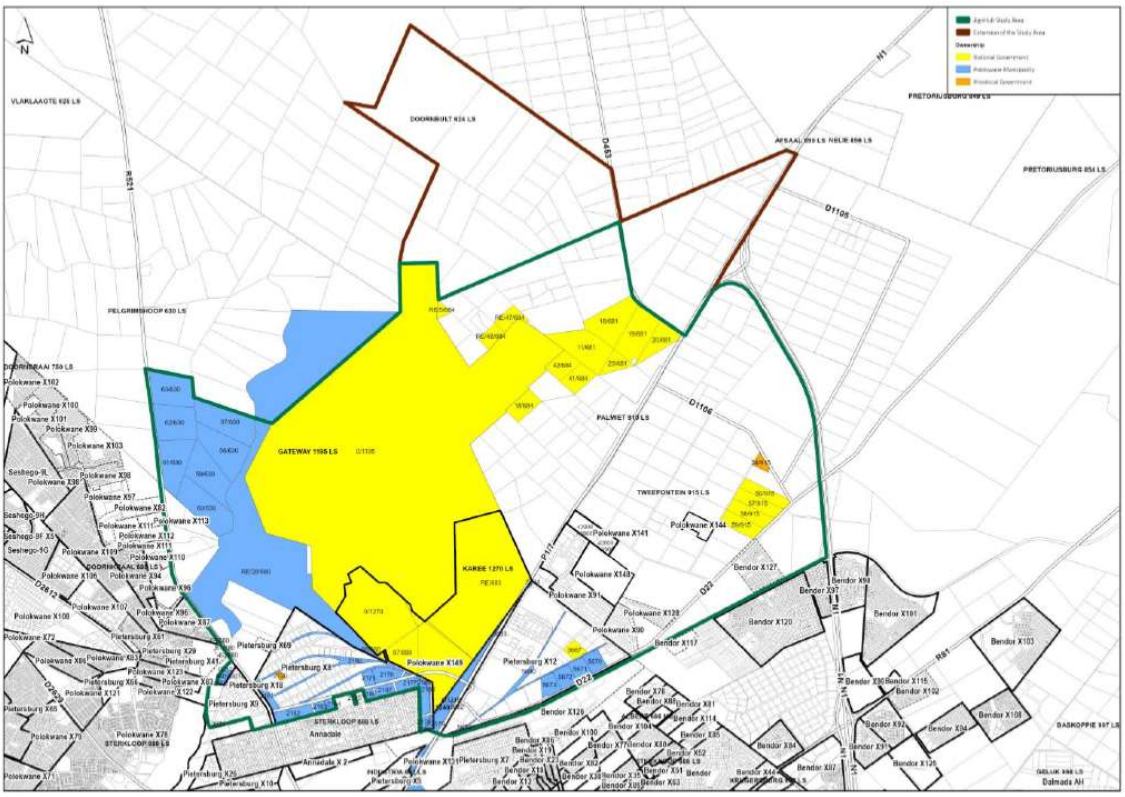
1. Bakone Malapa Museum
2. Stone Boulder & ridge
3. Natural Amphitheatre
4. Views
5. Access



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

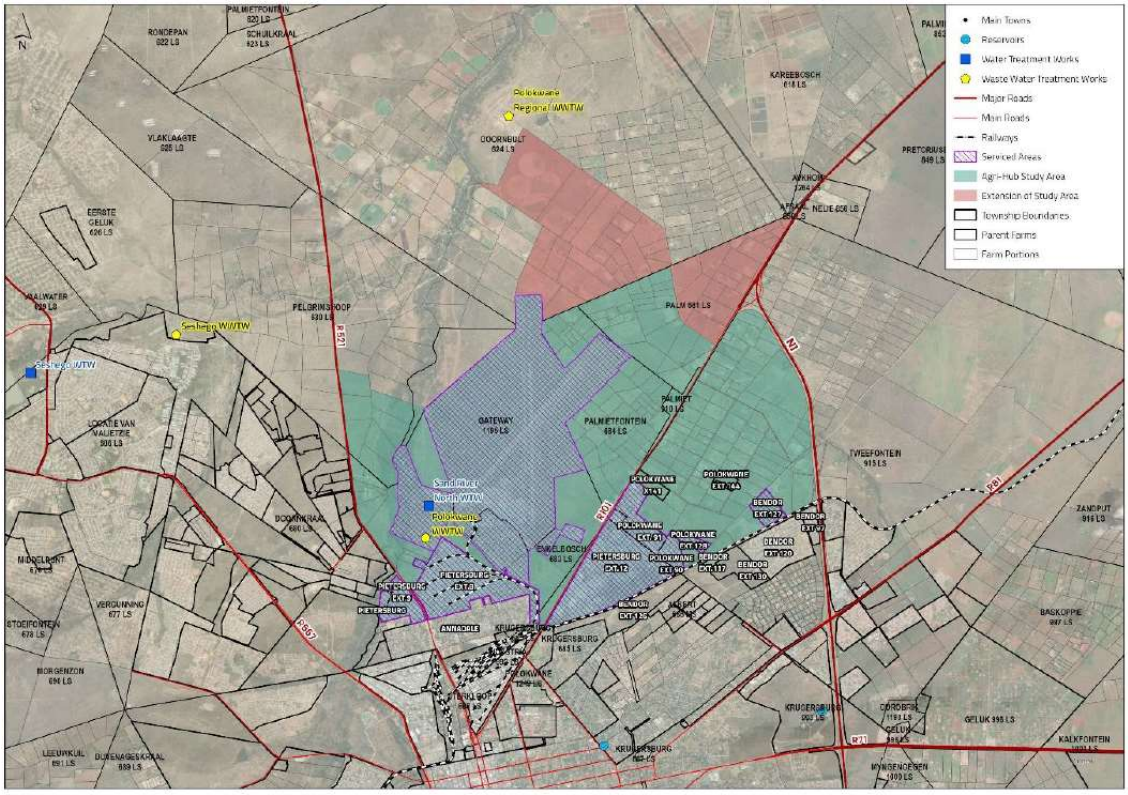


- **<u>Industrial Park or SEZ N1 North Corridor</u>** site identification around the **airpor**t will be a key towards **application for the expansion of the Municipal Boundary further to the North.**

- 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



- **<u>Agro-processing</u> -** the support for the proposed development concept is centred on the **Logistic and Agro-processing** taking advantage of the transport modes available that includes:

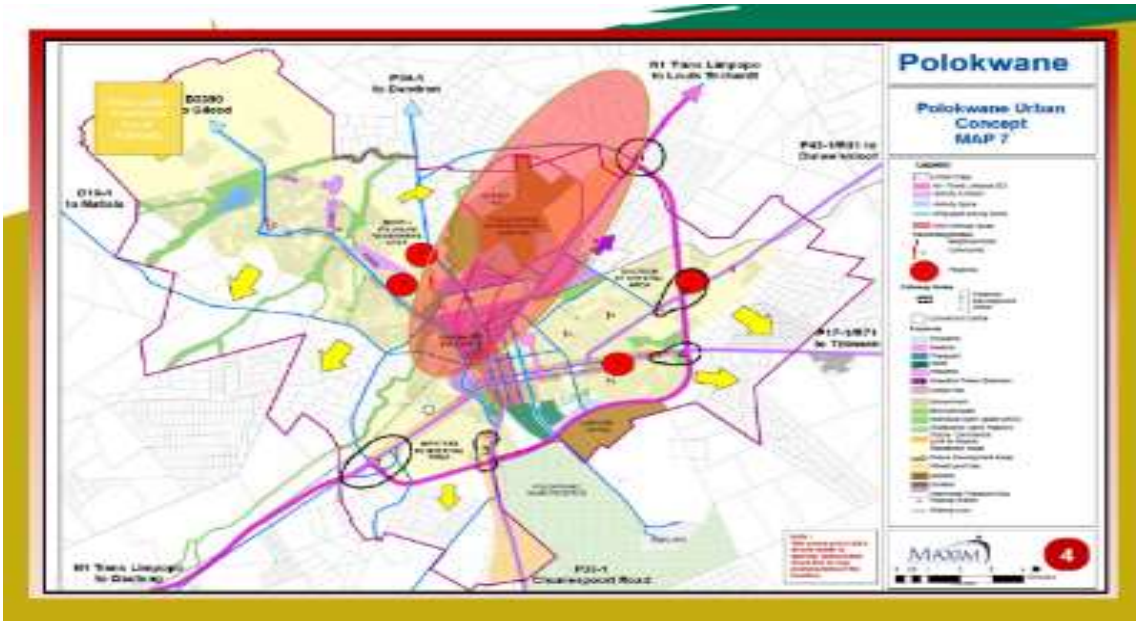
  - **Air network (airport).**
  - **Rail network (railway Station).**
  - **Road's network (Bus, taxi station).**

  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 Transportation Services Directorate to establish the **Truck inn**.

Witkiip Street
Asbes Street
Witkiip Street

1.8. Softball stadium

Construction progress

- **International Softball stadium** - Polokwane Municipality has receive funding from **SRSA** through the **UIDG** to **design and construct** an international softball stadium over the **next 3 years**
- 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,

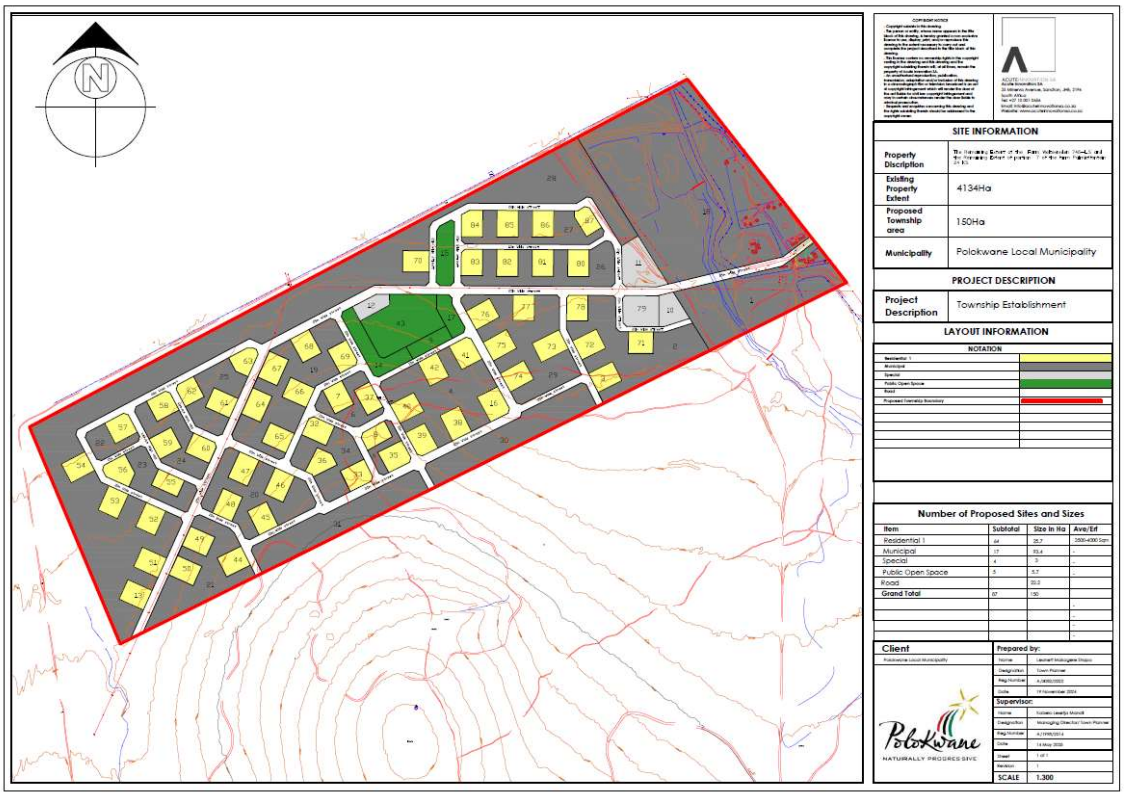
1.9. Post incubation Hub

- **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.
- The Site Development Plans for the designs have been developed and are ready for implementation.

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.

Proposed Layout for EcoEstate



2. Progress on priority/ Catalytic Land Development Programme.

CATALYTIC PROJECT NAME	PROJECT STATUS QUO DATE 23 August 2021	PROJECT OWNER & PROGRESS (MUNICIPAL OR PROVINCIAL DEPARTMENT)	INVESTMENT TO DATE and (area of projects as per the Spatial Plans)
1. Science Park	• Conveyance Notaries is appointed for the drafting of the lease agreement and negotiation (Public to Public Partnership approach) • The Record of Decision is positive • Basic Township establishment studies are finalised and lodgement of the Township has been done and approved by the Municipal Planning Tribunal.	LEDA- Limpopo connection	Planning **90 %** for Planning Within the Functional Area 1
2. Arts and Cultural Hub	Township application approved by the Municipal Planning Tribunal on 02/02/2024 after hearing the objections raised. The status currently is that the conditions of Township Establishment and Layout Plan have been approved, awaiting the professional Land Surveyor to finalise the township by Lodging the necessary documents with	Municipality and Department of Sports Arts and Culture. ❖ Land zoning and donation to the department (municipal). ❖ Development of the Provincial Theatre (Public Works	Planning and Social 98% on Planning Progress on Bulk engineering services designs is at 75%, Bulk designs for roads & stormwater, water and Sewer have been submitted awaiting final

CATALYTIC PROJECT NAME	PROJECT STATUS QUO DATE 23 August 2021	PROJECT OWNER & PROGRESS (MUNICIPAL OR PROVINCIAL DEPARTMENT)	INVESTMENT TO DATE and (area of projects as per the Spatial Plans)
	the Surveyor General and the opening of the Township Register.	Department) has commenced with the construction of the theatre and earmarking its completion for February 2026	designs for electricity The project is within the Functional Area 1
3. SEZ (Agro-processing and logistic) N1 North Corridor	Feasibility study finalised and approved by Council. The municipality is engaging Department of Public Works for the purpose of land disposal. 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. 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	Polokwane Municipality (Budgeted)	Planning and Social 100% for planning Within the Functional Area 1

CATALYTIC PROJECT NAME	PROJECT STATUS QUO DATE 23 August 2021	PROJECT OWNER & PROGRESS (MUNICIPAL OR PROVINCIAL DEPARTMENT)	INVESTMENT TO DATE and (area of projects as per the Spatial Plans)
	including support for project packaging, costing, cost-benefit modelling and investment attraction strategy.		
4. Softball stadium	Planning Completed and construction has commenced	Polokwane Municipality and National Department of Sports	Planning and Economic 100% Planning done. 56% in Construction
5. Post incubation Hub	The bulk services, access road and perimeter fencing are complete.	Municipality but to seek funding from Department of Small Business Development	Economic and Planning 100% spent for planning. 100% spent on Construction and supervision. Within the Functional Area 1
6. Academic hospital	Conveyancers finalise deed of donation to the Department of Public works. Zoning already approved.	Department of Public Works, Health and social Development/Education.	Planning 100% for Planning 5% construction

CATALYTIC PROJECT NAME	PROJECT STATUS QUO DATE 23 August 2021	PROJECT OWNER & PROGRESS (MUNICIPAL OR PROVINCIAL DEPARTMENT)	INVESTMENT TO DATE and (area of projects as per the Spatial Plans)
	Site Development Plans approved by Council. Construction of the Hospital is underway.		Within the Functional Area 1
7.Urban renewal- Municipal Tours	Planning for the project has commenced in 2021/2022 Financial Year as budgeted. (subject to Budget availability)	Polokwane Municipality	Planning For appointment of the service provider- Within the Functional Area 1
8.Housing – Mixed housing (Social, Gap and Student housing) (Municipal entity)	Annandale extension 2 construction has commenced for the provision of rental housing. Student housing at 106 and 108 underway.	Municipal entity	Planning, Social and Economic 100% Within the Functional Area 1
9.Urban renewal projects- Transit Oriented Development (TOD): Truck inn (Municipal).	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	Planning and Economic 100% feasibility completed and 0% for implementation. Within the Functional Area 1
10.Urban renewal projects in the CBD - Mixed	Assessment of the land ownership is in progress and development of incentive for	Polokwane Municipality/Private Developers	Planning and Economic

CATALYTIC PROJECT NAME	PROJECT STATUS QUO DATE 23 August 2021	PROJECT OWNER & PROGRESS (MUNICIPAL OR PROVINCIAL DEPARTMENT)	INVESTMENT TO DATE and (area of projects as per the Spatial Plans)
housing around Buite and Bok Streets (Municipal)	developers to be finalised. Application of UDZ underway and to be supported by Council Resolution.		Consultation with Land Owners Within the Functional Area 1
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
• Approved CEF aligned with the IDP. • Well defined spatial targeted area in line with the SDF.	• Alignment and unfunded budget due to community needs analyses.

Success	Challenges
• Well defined projects with funding (External and Leases). • Possibility of attracting investors in ideal location. • Driving the spatial agenda of the City.	• Unequal Share due to Municipal community's composition (Urban 30% and Rural 70%). • Financial sustainability due to culture of non-payment. • Budget vs Community needs. • Prioritisation of projects and their return.

Source: PLK Town Planning SBU

1.3. Impact of the adjustments budget on CEF priority projects

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

1.4. IUDF Levers

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

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

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

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

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

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

WATER AND SANITATION

PLANNED UPGRADES OF THE WASTEWATER TREATMENT PLANTS

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

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

Polokwane Wastewater Treatment Plant is the biggest with 26 Ml/day capacity and the current load standing at 45 Ml/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.

For the purpose of optimising the Polokwane Wastewater treatment capacity the municipality is currently implementing the following Project:

New Regional Wastewater treatment 20Ml/day

- Phase 1A – Construction at 89% completed
- Phase 1B – Completed
- Phase 1C - Completed
- Phase 2A – Completed

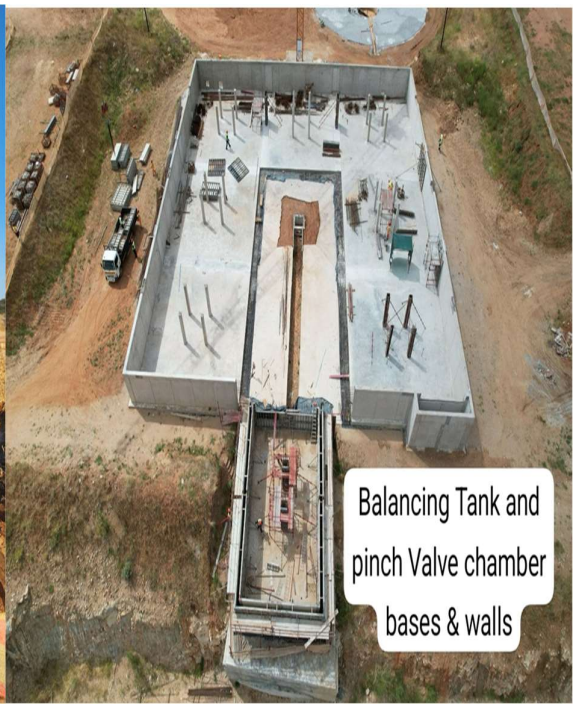
- Phase 2B & 2C - (In procurement stage)

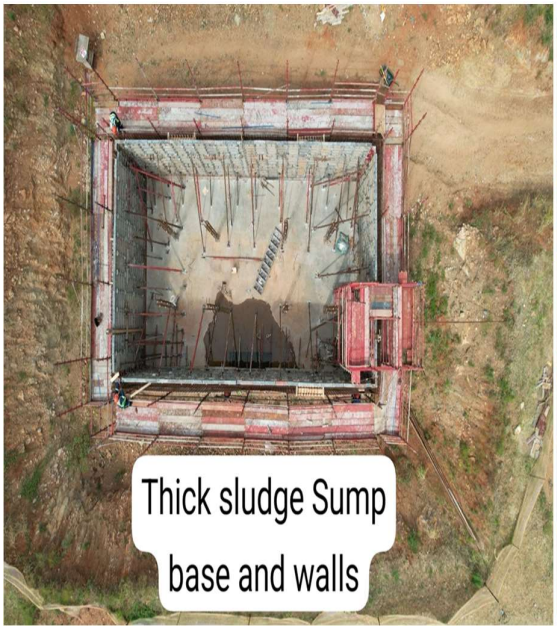
The municipality is allocated 2.1 Billion Rands over a period of three years for the construction of Civil and Eletromech works on the 20Megalitres capacity.

Construction anticipated to commence during the first quarter of 2026/2027 financial year. The scope entails: Completion of the civil works, Mechanical works and Electrical works.

Recent photos

Sludge Digester Tank B
Base steel


Balancing Tank and
pinch Valve chamber
bases & walls


Thick sludge Sump
base and walls

Seshego Wastewater Treatment Plant (Phase 1_Refurbishments – Completed, Phase 2 _Planning stage)

Mankweng Wastewater Treatment Plant (Phase 1 & 2_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 2025/2026, Fleet Management Services was allocated a budget of R37,403,204

to procure 35 Mixed Fleet units, comprising of the following:

26 x Single Cab LDV's – 13 delivered awaiting delivery of 13
3 x Sedan Escort vehicles for traffic – 3 delivered
5 x Double Cab LDV's – 5 delivered
1 x SUV – 1 awaiting delivery

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 592 fleet units consisting of a mixed fleet of self-propelled and non-self-propelled, 367 owned fleet, with 225 units 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.
Fleet management services achievements during 2025/2026 financial year:

Sedan Escort vehicles for Traffic

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

Human Resources - Learning and Development

During the 2023/24 Financial year City of Polokwane requested funding from the National Treasury ISDG to implement the various disciplines in areas of service delivery.

1.1.1 Roads and Storm water
1.1.2 Electrical Engineering
1.1.3 Regional and Town Planning
1.1.4 Environmental Management
1.1.5 Geographic Information System
1.1.6 Water Services

2.2 Project/Programme Concept, Design and Plan

Skills development plays a crucial role in ensuring that the City of Polokwane is able to deliver on its mandate to the citizens of the region and progress towards this goal has positive spillover effects to service delivery through infrastructure development.

The key strategic drivers for the city to benefit from the ISDG programme are as follows:

- Accelerating service delivery through the acquisition and retention of competent and efficient human capital;
- Provide job creation;
- Provide a core of technical personnel to meet the municipality's medium term requirements;
- Reduce the skills shortage; and
- Reduce infrastructure, maintenance and service backlogs.

The ISDG Programme has developed capacity within the city with regards to technical skills (i.e. Geographic Information System, Town Planning, Natural Sciences and Engineering) and these graduates are playing a role in improving the infrastructure management of the municipality.

The ISDG programme deliverables have been incorporated into the city's annual Integrated Development Plan (IDP) and Service Delivery Budget Implementation Plan (SDBIP) in order to monitor successes and any arising challenges of the municipality's strategic level and ensure that DORA conditions are adhered to.

The roll-out of the programme has had tangible and positive impact within the city as a result of the experience gained and the capacity that is being created for infrastructure management. The following structures have been put in place to regulate the programme implementation:

2.2.1 Establish programme governance structure

- ISDG Task Team
- ISDG Graduate/Supervisor/Mentor meeting

2.2.2 Develop comprehensive program/project documentation

- Programme structures, roles and responsibilities
- Key stakeholders and communication strategies
- Project risks and management strategies
- Evaluation framework including performance measures, evaluation methodology, reporting requirements

2.2.3 Develop a detailed project plan to document specific project components

- Program design, implementation review and evaluation
- Associated activities, timing, responsibilities and resource implications

2.3 Start Date and Programme Duration

The programme started with nine (09) unemployed graduates in February 2024 for a three-year contract and two more graduates were appointed in November 2025.

-Four (04) are ECSA candidates

-One (01) is SAGC candidate

-One (01) SACPLAN candidate;

- One (01) SACPLAN has been recommended to register for honors degree and

-Two (02) SAGC applications are under review.

-Two (02) are SACNASP candidates

Polokwane municipality currently have 11 graduates in the programme and more will be added in the next financial year.

2.4 Budget Allocations

Programmes implemented	Allocation Received	Total Received	Balance
• Stipends of Graduates • Facilitation fees (Alignment Workshops)	**R 8 000 000.00**	**R 8 000 000.00**	**R 1 331 321.00**

• Accommodation and Travel for Graduates, Mentors, Supervisors, Learning and Development Officials • Trainings and Conferences for graduates • Registration/Membership fees for statutory Councils • Protective Clothing(PPE) for graduates • Service fees to Rand Water • Limpopo Strategic Planning for ISDG • Mentors and Supervisors workshops			

3 PROGRESS TO DATE

3.1 Implementation of the approved business plan

The programme implementation plan is progressing according to plan in terms of:

- Electrical Engineering;
- Civil Engineering;
- Town and Regional Planning;
- Environmental Science
- Geographic Information System
- Water Services

- Mentors were appointed for the various work streams to develop training plans in accordance with the road to registration requirements of the respective statutory council.
- Graduates are placed within respective Directorates and private consultants to receive the required training and supervisors allocated to monitor their training and progress, in accordance with the training plan.

4 ACHIEVEMENTS

The table below represents the beneficiaries and successes over the 2025/26 financial year.

Profession	Enrolment per Category			Professional Body	Professional Status
	Tech	Techno	Prof		
Electrical Engineering	-	01	01	ECSA	graduate successfully registered as candidates.
Civil Engineering		02		ECSA	All 2 graduates successfully registered as candidates. .
Town & Regional Planners	-		01	SACPLAN	graduates successfully registered as a candidate professional.
Environmental Scientist		01		SACNASP	graduate successfully registered as a technologist candidate
GIS			03	SAGC	graduates successfully registered as a candidate professional
Water Services			01	SACNASP	graduate successfully registered as a candidate professional

Progress on Polokwane Municipality graduates that have been seconded to Rand Water

Name	Surname	Status
Faith Tsumbedzo	Tshisikule	Not ready
Geanor Kulani	Mathebula	Professional Registered
Malose Ivan	Moloantoa	Not ready
Madzanga	Malovhele	Not ready
Bongiswa Ntombizanele	Nozawula	Due to submit final report in February
Londiwe Nosipho	Nkosi	Due to submit final report in March
Zwoitwa Vanessa	Mphaphuli	Is busy with ERI Sources, only registered as Candidate last year, so she needs at least 3 years
Enotias	Sebopetsa	Due to submit final report in March

-Two Quantity Surveyors graduates have been recruited and interviewed, they will start their programme in the next financial years starting in July 2026.
-Polokwane municipality will be recruiting more graduates in the next financial year as per approved business plan by National Treasury.

Training Programmes Attended

In terms of the training plans, all graduates have received adequate exposure and rotation in the working environment in accordance with their training plans. Learning and Development SBU scheduled and successfully coordinated the following training programmes for the graduates:

- Emotional Intelligence
- ArcGIS Basic Training
- Technical Report writing
- Advance ArcGIS Training
- Energy Management System Implementation

- Embedded Generation Bi-directional metering
- SSEG
- Getting Acquainted with Technical Report Writing
- Town Planning and GIS Workshop
- Reinforced Concrete Design
- Practical Geometric Design
- Photogrammetry and Remote Sensing
- ESRI User Conference
- WIZA Conference

The ISDG Programme has a tangible and positive impact within the City for meeting its service delivery mandate. The main successes of the programme has been to successfully register graduates as candidates with their respective statutory councils and for them to attend trainings that are relevant to their road to registration requirements. Plans are in place to recruit for new intake of **eight (8)** unemployed graduates for the financial year 2026/2027

The outcomes of the programme have made an impact in the City of Polokwane municipality through the professional skills development capacity, addressing unemployment and improving on infrastructure management by ensuring service delivery objectives are met.The implementation of the ISDG Programme has also made a huge impact within the City of Polokwane on addressing the skills shortages and technical capacity (i.e. lack of engineers, technologist and technicians) challenges, within the City infrastructure delivery.

TRANSPORTATION SERVICES DIRECTORATE

Leeto La Polokwane

The aim of the Polokwane Integrated Public Transport Network (PIPTN), 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 National Land Transport Act (NLTA).

Systems Planning and Operations

The City continues to provide public transport services to Polokwane residents 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 13 buses operating interchangeably amongst the route's daily basis. The buses are all universally accessible to also transport people with disabilities. Leeto La Polokwane operates in two (2) shifts with 20 minutes (during peak) and 60 minutes off peak and 22:00 hours Monday to Friday; between 05:00 and 20:00 on Saturdays and between 05:00 and 19:00pm on Sundays and Public holidays

The focus during the 2026/27 financial year would be to expand services into Phase 1B routes thus building up on operationalisation of Flora Park and Westenburg corridors which commenced in the 2025/26 financial year as affected operating licence holders were compensated and their corresponding minibus tax vehicles removed.

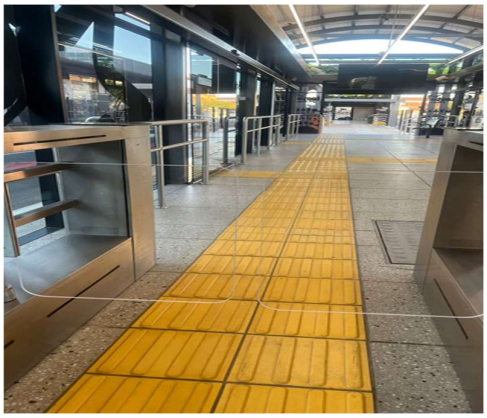
Intelligent Transport Systems Modelling

Intelligent Transport Systems (ITS) are utilised to enhance safety, mobility, and operational efficiency within the Leeto La Polokwane operations. Currently, two Intelligent Transport Systems have been fully developed and are operational across the Leeto La Polokwane buses and stations. These systems are integrated with the Control Centre and include the Automated

Fare Collection (AFC) system and the 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.

In the 2025/26 financial year, enhancements were made to the Automated Fare Collection (AFC) system, including the implementation of QR code payment functionality. In addition, a concession programme for learners under 20 years of age and senior citizens aged 55 and above was introduced to improve accessibility to public transport services.

During the 2026/27 financial year, the Intelligent Transport Systems (ITS) will be monitored, maintained, and improved on an ongoing basis to ensure sufficient monitoring of the public transport operations.



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 City 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 conditions of the Vehicle Operating Company Agreement (VOCA) between the Polokwane Municipality and the VOC, Esilux (Pty) Ltd.

The Industry Transition sub-unit's priority for the 2025/26 financial year was to compensate affected public transport operators on the Flora Park and Westenburg corridors as part of

expanding Leeto La Polokwane into part of Phase 1B routes and to increase passenger numbers on the system. Consequently, a total forty (**40**) minibus taxi vehicles, twenty-three (**23**) and seventeen (**17**) were planned for removal therefore resulting in payment of agreed compensation amount to each affected operator to bring the total Public Transport Network Grant (PTNG) funded portion to **R49,640,000.00** by the end of the 2025/26 financial year. To ensure that the cleared corridors are protected and the realisation of the objective to increase passenger number on the Leeto La Polokwane Phase 1 routes, the Public Transport Regulation and Compliance sub-unit in collaboration with Law Enforcement developed a **Corridor Protection Strategy** for implementation going forward.

Furthermore, conclusion of a long-term 12-year contract, was one of the key milestones to be achieved in the year under review wherein negotiations between the City and the VOC commenced in the 2024/25 financial year. Accordingly, the VOCA legal document was 98% agreed by the Parties going into the first quarter of the 2026 calendar year thus paving the way for sign-off, stakeholder consultation in line with Section 33 of the Municipal Finance Management Act (MFMA), Council approval then implementation.

Marketing of the Leeto La Polokwane system remains key in brand positioning and building a case for sustainability of the system. Stakeholder relations and customer relationship management (CRM), customer education, and information-sharing initiatives remain key areas of focus going into the 2026/27 financial year.

In the 2026/27 financial year, the Industry Transition workstream shall prioritise compensation of affected operating licence holders and removal of minibus taxi vehicles on the Seshego corridor to further expand Leeto services on Phase 1B routes. Projected number of operators to be compensated aligned to the proposed **Bus Procurement Strategy** and in line with the 2026/27 MTREF PTNG budget allocation is as follows:

2026/27		**2027/28**	**2028/29**
20		25	20
R24,820,000	R31,025,000	R24,820,000	

Protection of the Leeto La Polokwane corridors and by implication the City's investment into the corridors through payment of compensation to affected public transport operators shall also remain a priority.

Infrastructure

Infrastructure is the foundational element that distinguishes Leeto la Polokwane bus services from conventional bus services, enabling it to operate with the speed, reliability, and high capacity of a rail system at a lower cost. Dedicated, high-quality infrastructure ensures that buses are separated from mixed traffic, allowing for consistent, rapid travel times, especially during peak hours.

Key Reasons Infrastructure is Important for Leeto la Polokwane Operations:

- **Dedicated Right-of-Way (Busways):** Dedicated lanes, typically located in the center of the road, prevent buses from getting stuck in congestion, which is critical for maintaining high speeds and reliability.
- **Off-Board Fare Collection:** Infrastructure such as secure stations allows passengers to pay before boarding, which drastically reduces dwell times at stops (the time a bus spends loading/unloading) compared to paying on-board.
- **Station and Vehicle Integration:** Raised stations provide level, barrier-free boarding, accelerating the entry and exit of passengers while providing accessibility for people with disabilities and elderly commuters.
- **Bus Stop Shelters and Bus Stops:** are critical to the operation of Leeto la Polokwane systems because they transform bus stops from mere signage into **functional, high-capacity stations** that enhance operational efficiency, passenger comfort, and system branding. Unlike traditional bus stops, Leeto la Polokwane bus shelters will act as essential, integrated infrastructure that enables faster boarding, greater accessibility, and protection from the elements, directly increasing ridership and system reliability
- **Traffic Signal Priority (ITS):** Intelligent Transport Systems (ITS) allow infrastructure to interact with buses, extending green lights or shortening red lights at intersections to ensure the bus does not lose time.
- **Operational Safety and Reliability:** Specialized infrastructure, including dedicated stations with surveillance and secure lane access, enhances user safety and ensures the service is secure.
- **Capacity and Efficiency:** The infrastructure supports high-capacity, articulated buses running at high frequency, which reduces the per-capita carbon footprint and improves urban mobility.

Additionally, Leeto la Polokwane infrastructure can be implemented in phases, allowing cities to adapt and expand the system over time as demand grows. To ensure that the operation is executed in a well build and maintained infrastructure.

The following projects were completed during the financial year 2024/2025

- The upgrading of daytime layover facility
- The construction of the Bus Station Upper structure and ablution facility

Projects under implementation 2025/2026 FY

- The widening of the Sandriver Bridge on the Trunk Route
- The construction of the Bus Stop Shelters (New contract)
- The Construction of the Bus Station Upper structure and ablution facility
- Upgrading of the Transit Mall Phase 1.

Planned infrastructure on MTREF period

Project list	2026/27	2027/28	2028/29
Rehabilitation of Leeto la Polokwane bus Route	R10,000,000	R5,000,000	R5,000,000
Construction of Non-Motorised Transport Facilities			R6,500,000
Upgrading of Transit Mall Phase 1		R9,490,136	
Construction of Bus Stop Shelters		R5,000,000	
Upgrading of Bus Stops		R2,591,304	R4,500,000

Procurement of Leeto Buses	R26 221 353	R22 150 790	R33 000 000

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 **3,42**km and **2,32**km respectively, Patch 50 000**m**2 of potholes, construct **12 low** level bridges, construct 0.8km of storm water, construct, grade 3600**km** and rehabilitate **7.93km** of roads.

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

Molepo Chuene Maja Cluster

0.55km of roads is projected for upgrading from gravel to surfacing.

2 low level bridge to be constructed.

Mankweng Cluster

1.17km of roads is projected for upgrading from gravel to paving and 0.51km of roads from gravel to surfacing.

4 low level bridges to be constructed

Dikgale Sebayeng Cluster

2 low level bridge to be constructed

Moletjie Cluster

0.94 km of roads is projected for upgrading from gravel to paving and surfacing 1.26km.

1 low level bridge to be constructed

Seshego Cluster

0.46km of roads are earmarked for Paving in Seshego cluster

Aganang Cluster

3 low level bridge to be constructed.

City Cluster

1.05km of roads is projected for upgrading from gravel to paving.

Rehabilitate **7.93km** 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.

10 speed humps were erected in 2025/2026

Construction of Low-level bridges:

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

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

Long term plan to address flooding around Polokwane Municipality:

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

Existing plans:

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

Contractors were allocated to upgrade storm water system in Nikkel street adjacent to Jumbo Cash and Carry, Flooding along Asbes street adjacent to Waste Water Treatment, plant, flooding in Seshego area and Polokwane Ext 76.

Achievement

- **0,5km** of storm water system was upgraded in Asbes street
- 0.3km of storm water system was upgraded in Nikkel street Jumbo Carry
- 1.28km of storm water system upgraded in Polokwane Ext 76
- Two contractors were appointed to upgrade storm water in Ivy Park and Seshego, the progress is currently at 40% and 53% respectively.

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

- The City of Polokwane was able to accomplish the following projects through Disaster Relief Grants as part of measures to address flood prone areas.
- Reconstructed a bridge in Christina
- Reconstructed a bridge in Ga Matlala Madietane.
- Reconstructed and lined damaged earth channel adjacent to Buite clinic
- Rehabilitated approtion of road in Blaauwberg and Doloriet street.
- Reconstructed and line 400m damaged earth channel in Futura, Asbes street.

The City is also busy with three reconstructed projects funded through 2025/26 FY Disaster relief grant:

- Rehabilitation of Zebediela street between D19 and Nelson Mandela road.
- Reconstruction of damaged earth channel adjacent to Totius street in Ivy Park
- Rehabilitation of road linking Bergenek, Roodepoort plots and R101

ENERGY SERVICES

2025/26 ACHIEVEMENTS TO-DATE

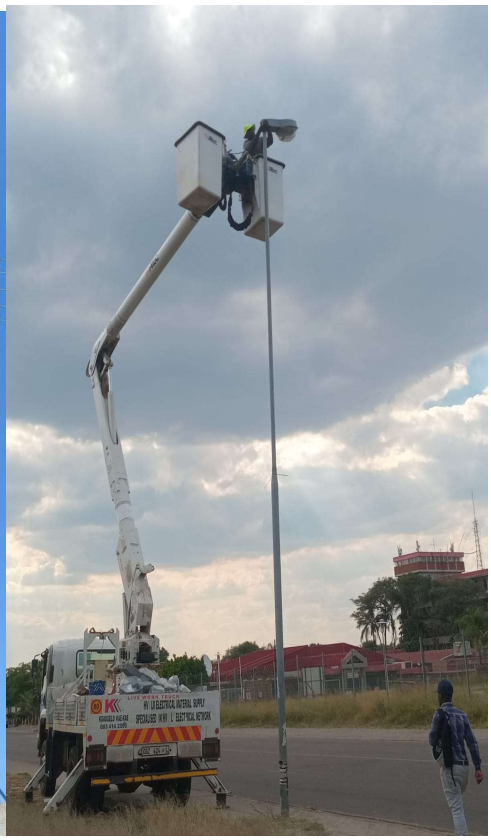
1. Installation of smart meters, a total of 1686 smart meters installed to date. This is to reduce the percentage of energy losses by replacing bridged meters, unmetered areas, faulty meters and recharges that contributed to massive overtime expenditure.

2. As at March 2026, a total of 409 households were electrified at Seshego Zone 8 Extension 133 Phase 3 while Ext133 Phase four (192) and Polokwane Extension 78 (287) were still under construction.

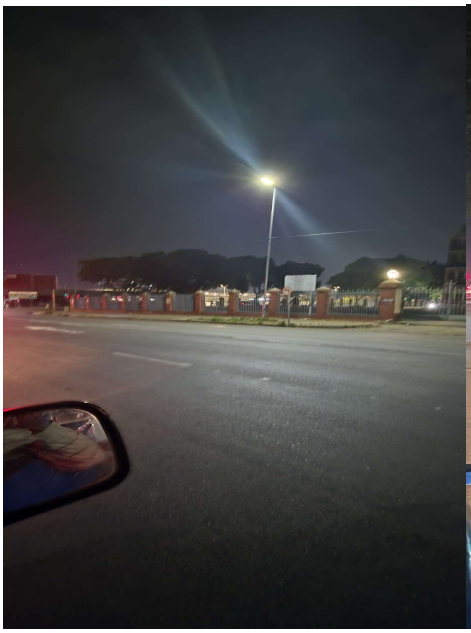
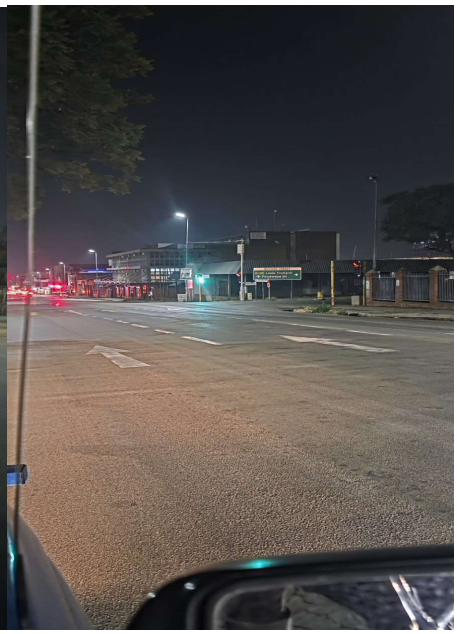
Successful electrification of PLK Ext133 Ph3 (409 households electrified and energised)

3. The Municipality is engaged with installation of solar high mast lights in its rural areas where ten solar high mast lights were installed in different wards. One high mast per ward is allocated in the rural areas but due to financial constraints, only ten high mast lights are installed per annum.

4. Busy upgrading medium voltage cables to strengthen capacity and provisioning of ring circuits to build firm supply to customers. The designs for the construction of Matlala substation along Matlala road are completed with the intension to start construction during 2026/27 financial year. This will not only provide capacity to the new extensions of 133, 134, 126,127 but also planned to provide a ring feed to the entire Seshego in future.
5. Retrofitted streetlights in Seshego and Hospital Street in town through an EEDSM grant will also reduce electricity usage and thus lower the losses.



6. The municipality is also retrofitting existing streetlights with solar powered streetlights in CBD and Dentron road.

2026/27 OBJECTIVES

1. Electrification of about 250 households in rural parts of Polokwane as part of increasing access to basic services.
2. Reduction of electricity losses to below 12% 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. Continue to improve grid reliant through retrofitting grid connected streetlights with solar powered within municipal area.
4. Construction of Matlala substation will bring capacity to areas without capacity around Seshego area.
5. Provisioning of Bakone Malapa Engineering services will help the municipality to improve its economy and tourism around the Bakone Malapa theatre and butanical garden under design.
6. 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.
7. 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

The SBU has successfully completed the projects of installing CCTV cameras and the procurement of guard houses in the 2025/6 financial year as depicted below.

Pictures: Newly Installed CCTV cameras

- **Nelson Mandela and Seshego Circle Centre**
- **Rissik and Dahl**
- **Thabo Mbeki and Biccard**
- **Thabo Mbeki and Hans van Rensburg**

- **Thabo Mbeki and Schoeman**
- **Landros Mare and Footgear**

Thirteen (13) mobile guard houses were procured and placed at 13 municipal sites.

The SBU has successfully participated in crime prevention operations through Community Safety Forum with different law enforcement agencies and other community structures on

safety as per the picture above. 24/7 shift system within the SBU is sustained. Law Enforcement Officers patrol municipal infrastructure 24/7.

Below is the projected amount for the 2026/27- 20278 financial years

BY LAWS Enforcement and Security Public Safety	**Funding Source**	**Budget year 2026/27**	**Budget year 2026/27**	**Budget year 2026/27**
Installation of CCTV cameras and Fibre Network	CRR	1,500,000	2,000,000	2,500,000
Provision two-way radios	CRR	500,000	500,000	400,000
Provision of Access Control Systems and equipment	CRR	1 500 000	1,000,000	1,00,000
Upgrading of Control Centre	CRR	400,000	2,000,000	800,000
Supply, and installation of communication tower	CRR	500,000	500,000	500,000
Purchase of Firearms	CRR	500,000	500,000	300,000
Fiber splicing equipment	CRR	500,000	500,000	500,000
Total BY LAWS Enforcement and Security	**CRR**	**9,000,000**	**7,000,000**	**6,000,000**

DISATER MANAGEMNT AND FIRE SERVICES

Achievements

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

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

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

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

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

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

WASTE MANAGEMENT SBU

ACHIEVEMENTS

1. Improvement of waste collection in City by renewal of contractors and introduction of in-house waste collection with five new purchased compactors in Seshego and Mankweng. Cleaning and clearing of illegal dumping and servicing of rural skips using new Two (02) grab trucks.

2.Planning for extension of Weltevreden Landfill site is completed and designs concluded for construction of new cell to accommodate disposed waste. Consultant appointed for commencement.

3. Procurement of 20x skip containers.

4.Construction of transfer stations

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

SPORT AND RECREATION

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

Nirvana Swimming Pool

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

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

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

The Upgrading of Seshego Stadium:

The stadium was finally reopened in February 2025 after 22 years of closure to non-compliance to PSL standards. The scope of work completed was refurbishment of pitch, drainage systems, change rooms refurbishment, turnstiles, building compliance to Fire and

construction of athletic track. The facility is currently a home team venue for PSL outfit Magesi Football Club.

Old Peter Mokaba Stadium

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

New Peter Mokaba Stadium

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

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

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

charity golf tournament, CAF matches, festivals and other major events. The national event attracts TV coverage beyond the borders of the country, giving a glimpse into the sporting facilities that exist within our city.

The following facilities are in constant demand and use:

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

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

Noordelikise 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 activitie**s.**

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

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

Korfball and Ring Tennis facility. The facility hosts community development clubs. The korfball playing surface and lights need to be refurbished and part of the 2025/2026 budget

will take care of such refurbishments considering the request to host National Tournament in 2025.

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

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

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

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

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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 picturure the work to refurbish chalets is underway.

Greening programme

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

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

Environmental Education during tree planting

PART D – MSCOA ROADMAP

MSCOA ROADMAP

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

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

mSCOA objectives

- Modernised financial management through updated systems and technology
- Improved data quality and credibility, enabling deeper data analysis and sector comparisons to improve financial performance.
- Achievement of a greater level of standardisation in LG:

- Development of uniform data sets critical for 'whole-of-government‘ reporting.

- Alignment of the 'local government accountability cycle' by the regulation of budget and in-year reporting formats and the annual report and annual financial statement formats
- Standardisation of key business processes with the consequential introduction of further consistency in the management of municipal finances

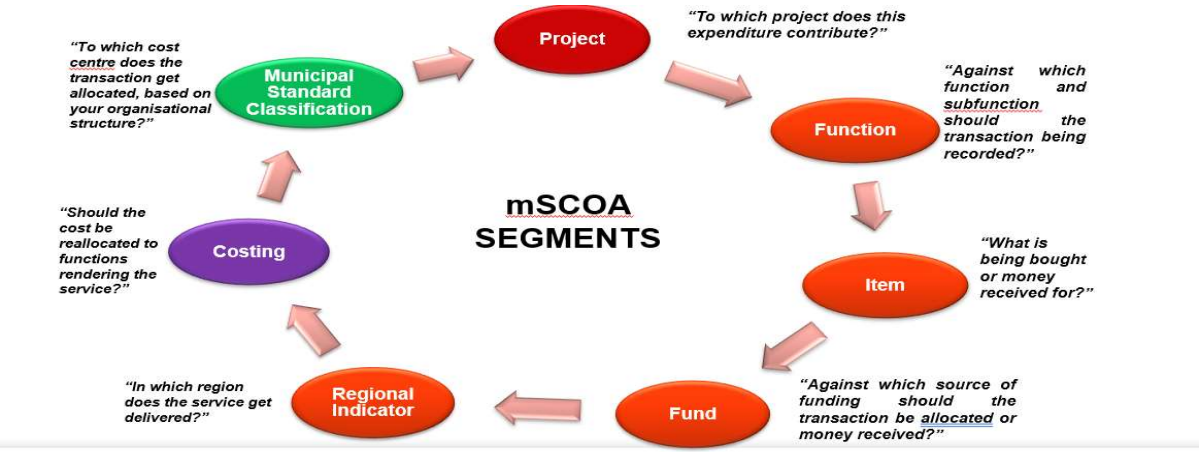
Improved transparency, accountability and governance through uniform recording of transactions at posting account level detail

mSCOA benefits

- Creates stability and consistency by providing a defined structure in the standard set of accounts
- Accurate recording of transactions, therefore reducing material misstatements
- Reduce the month/year end reconciliation processes and journals processed – more accurate and timely financial management impacting positively on audit opinions
- Improved quality of information for budgeting and evidence-based financial management in municipalities to allow for informed decision making
- Improved oversight function by Council as the required information will be tabled for policy decisions, tariff modelling, unfunded mandates and monitoring
- Enables pro-active and preventative support from national and provincial government because of the availability of credible, reliable and timely municipal information
- Ensure alignment between the IDP and budget and implementation of the IDP as all expenditure, both capital and operating, will be driven from a project perspective
- mSCOA relieves reporting fatigue and the cost of reporting - mSCOA does not fix historic information but going forward it forces credible information through its validation principles
- mSCOA provides a guide to minimum business processes in a municipality through the use of multiple segments. It therefore reforms the business of the municipality and not just its finances. This means:
- Less need for the use of consultants since municipal officials implement business processes on-the-job
- Consistent and unique skills development across municipalities that enables transition of resources between municipalities and across spheres of government

- The cornerstone of mSCOA is proper planning and budgeting which improves transparency and accountability leading to a high level of service delivery
- mSCOA because of the multi-dimensional reporting across segments, brings seamless alignment in the accountability cycle of a municipality
- Improved measurement of the impact on service delivery in the community

mSCOA segments



Summary as per Road Map

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

Detailed Activities in progress

Pillar		Focus Area	Activity
1.ICT Architecture	ICT Architecture	Hardware	Does the information from entities seamlessly integrated with the core EMS
	ICT Architecture	Software	Are backups performed on a regular basis
	ICT Architecture	Software	Are obselete operating systems such as windows Swever2003,2008 and 2012being use
	ICT Architecture	Licence	Is the ICT infrastructure (i.e. hardware, software and licences) adequate to run systems
	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
3.System Functionality	System Functionality		Periodically assess sites for compliance with minimum required seamless integration
	System Functionality		Regulate integration methods
	System Functionality		Municipalities should submit road maps to resolve identified gaps.
	System Functionality		Provide periodic monitoring of resolutions to identified compliance gaps
5. Business Components	Business components	Asset Management	Asset Management -Financial asset maintenance
		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
6. Business Process	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
7.Business Process	Other 3	Human Resources and	Human Resources (HR) Management (Incl Leave Management)
		Human Resources and	Time Management -Time and attendance

Annexure A

DRAFT CAPITAL PROGRAMME AND RAL PROJETS

MULTI YEAR CAPITAL BUDGET	Funding Source	Budget Year 2026/27		Budget Year +1 2027/28		Budget Year +2 2028/29	
Description		VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE
Facility Maintanance Corporate and Shared Services							
Civic Centre refurbishment	**CRR**	608 696	700 000	3 043 478	3 500 000	3 217 391	3 700 000
Upgrading of Seshego Library	**CRR**	869 565	1 000 000	-	-	-	-
Refurbishment of Municipal Public toilets	**CRR**	1 304 348	1 500 000	1 391 304	1 600 000	1 391 304	1 600 000
Refurbishment of Westernburg Hall	**CRR**	869 565	1 000 000	434 783	500 000	-	-
Refurbishment of Nirvana Hall	**CRR**	869 565	1 000 000	434 783	500 000	-	-
Municipal Furniture and Office Equipment's	**CRR**	869 565	1 000 000	869 565	1 000 000	869 565	1 000 000
Provision of Disability access in all Municipal Buildings	**CRR**	434 783	500 000	521 739	600 000	608 696	700 000
Fencing of Municipal Offices at Seshego Zone 1	**CRR**	956 522	1 100 000	-	-	-	-
Fencing of Municipal Offices at Seshego Zone 3	**CRR**	1 304 348	1 500 000	-	-	-	-
Fencing of Municipal Offices at Seshego Zone 8	**CRR**	1 043 478	1 200 000	-	-	-	-
Refurbishment of Waste Management offices Ladanna	**CRR**	1 739 130	2 000 000	869 565	1 000 000	-	-
Fencing of Mankweng Unit C Municipal Offices	**CRR**	1 304 348	1 500 000	-	-	-	-
Upgrading of Storm water drainage system at Stores Ladanna	**CRR**	1 304 348	1 500 000	-	-	-	-
Refurbishment of Fire Offices Ladanna	**CRR**	-	-	-	-	2 608 696	3 000 000
Refurbishment of Mankweng Fire station	**CRR**	-	-	-	-	2 608 696	3 000 000
Capital Spares:Facilities capital replacement	**CRR**	869 565	1 000 000	1 217 391	1 400 000	521 739	600 000
Renovation of Municipal Staff Accomodation	**CRR**	434 783	500 000	521 739	600 000	434 783	500 000
Rehabilitation of Mankweng Community Hall	**CRR**	2 608 696	3 000 000	-	-	-	-
Refurbishment of Itsoseng Centre	**CRR**					3 478 261	
Total Facility Maintanance Corporated and Shared Service		**17 391 304**	**20 000 000**	**9 304 348**	**10 700 000**	**15 739 131**	**14 100 000**
Roads and Stormwater							
Rehabilitation of streets in Seshego Cluster	**CRR**	-	-	-	-	-	-
Refurbishment of Damaged Road signage in the City CBD	**CRR**	869 565	1 000 000	1 304 348	1 500 000	1 739 130	2 000 000
Refurbishment of Street Names Boards in the City CBD	**CRR**	1 652 174	1 900 000	1 565 217	1 800 000	1 739 130	2 000 000
Upgrading of Storm Water in Seshego	**CRR**	4 241 211	4 877 393	4 347 826	5 000 000	4 347 826	5 000 000
Upgrading of storm water system in Mankweng Unit G next to LG	**CRR**	869 565	1 000 000	4 347 826	5 000 000	4 347 826	5 000 000
Construction of storm water on Makanye road	**CRR**	869 565	1 000 000	4 347 826	5 000 000	4 347 826	5 000 000
Acquisition of mixed fleet_R	**CRR**	8 956 522	10 300 000	11 130 435	12 800 000	14 608 696	16 800 000
Rehabilitation of Oost street	**CRR**	1 739 130	2 000 000	-	-	-	-
Constructin of Low level Bridge Ga Mogano	**CRR**	-	-	-	-	3 760 869	4 324 999
Constructin of Low level Bridge Kgabo Park	**CRR**	365 217	420 000	-	-	-	-
Constructin of Low level Bridge Koppermyn Thabang	**CRR**	1 408 696	1 620 000	-	-	-	-
Constructin of Low level Bridge Leeukuil plote	**CRR**	-	-	1 739 130	2 000 000	-	-
Constructin of Low level Bridge Maja Moshate Mphakanyane	**CRR**	365 217	420 000	-	-	-	-
Constructin of Low level Bridge Masesha	**CRR**	608 696	700 000	-	-	-	-
Constructin of Low level Bridge Mentz Shiloane	**CRR**	695 652	800 000	3 478 261	4 000 000	3 478 261	4 000 000
Constructin of Low level Bridge Mmaphakane Maripathekong	**CRR**	504 348	580 000	-	-	-	-
Constructin of Low level Bridge Motinti	**CRR**	608 696	700 000	-	-	-	-
Constructin of Low level Bridge Pietersburg Ext 40 and 44	**CRR**	-	-	4 695 652	5 400 000	-	-
Constructin of Low level Bridge Ramalapa	**CRR**	504 348	580 000	-	-	-	-
Constructin of Low level Bridge Sebati	**CRR**	504 348	580 000	-	-	-	-
Constructin of Low level BridgeThabang Village near Ngaleng	**CRR**	521 739	600 000	-	-	-	-
Dual carriage way access road to Mankweng	**CRR**	1 739 130	2 000 000	-	-	-	-
Paving of internal streets at Mankgaile, Ga-Mokoatedi to D4040 until GaRachidi (Phase 2)	**CRR**	4 347 826	5 000 000	-	-	-	-

Rehabilitation of Dendron Road from Polokwane Dr Robot to Witklip street, Market St until SABC park	**CRR**	1 739 130	2 000 000	2 608 696	3 000 000	2 173 913	2 500 000
Rehabilitation of streets in Seshego Cluster	**CRR**	4 347 826	5 000 000	4 347 826	5 000 000	3 043 478	3 500 000
Paving of AKI streets in RDP section SDA1 (Luthuli)	**IUDG**	4 347 826	5 000 000	-	-	-	-
Paving of internal ring roads to University road in Toronto	**IUDG**	-	-	-	-	869 565	1 000 000
Dual Carriageway access road to Mankweng	**IUDG**	6 956 522	8 000 000	19 130 435	22 000 000	-	-
Rehabilitation of Burger street	**IUDG**	1 739 130	2 000 000	869 565	1 000 000	-	-
Rehabilitation of Jorrisen from Munnik ave to Dahl	**IUDG**	3 478 261	4 000 000	-	-	869 565	1 000 000
Upgrading of Beryl from Veldspaat to Mangnesiet	**IUDG**	-	-	8 524 095	9 802 709	-	-
Rehabilitation of Dorp street	**IUDG**	2 646 503	3 043 478	-	-	4 347 826	5 000 000
Rehabilitation of Railway street	**IUDG**	1 342 155	1 543 478	4 347 826	5 000 000	-	-
Rehabilitation of streets in polokwane (Bendor/Penina park/flora park and Westen	**IUDG**	4 388 905	5 047 241	3 478 261	4 000 000	-	-
Rehabilitation of Internal streets at Ladanna (Annadale)Pietersburg street	**IUDG**	3 043 478	3 500 000	4 347 826	5 000 000	-	-
Rehabilitation of Internal Street at the Polokwane industrial Areas Opposite S	**IUDG**	-	-	4 347 826	5 000 000	8 695 652	10 000 000
Rehabilitation of Dendron Road from Polokwane Dr Robot to Witklip street	**IUDG**	7 826 087	9 000 000	4 347 826	5 000 000	-	-
Refurbishment Side walk in the City CBD Street	**IUDG**	1 304 348	1 500 000	2 608 696	3 000 000	4 282 208	4 924 539
Rehabilitation of Voortrekker Street	**IUDG**	2 608 696	3 000 000	-	-	-	-
Rehabilitation of Emerald street	**IUDG**	1 739 130	2 000 000	-	-	-	-
Rehabilitation of Compensatie street	**IUDG**	3 043 478	3 500 000	-	-	-	-
Rehabilitation of Landross Mare street	**IUDG**	5 217 391	6 000 000	-	-	-	-
Paving of internal street from Solomondale to D3997 (ward 32)	**IUDG**	-	-	-	-	869 565	1 000 000
Upgrading of stormwater in Ivypark (Emperor)	**IUDG**	-	-	3 478 261	4 000 000	-	-
Upgrading of Storm Water Storm Water in Sterpark; Flora Park; and Fauna Park	**IUDG**	4 347 826	5 000 000	8 695 652	10 000 000	-	-
Upgrading of Storm water Channel at Thutu Street at Seshego zone 4	**IUDG**	2 782 609	3 200 000	-	-	-	-
WIP Construction of Storm Water in Ga Semenya3230	**IUDG**	-	-	-	-	25 217 391	29 000 000
Installation of Traffic lights at Gilead road and Mohlala intersection	**IUDG**	-	-	869 565	1 000 000	-	-
Installation of Traffic lights at Penina Park R37 next to Sasol garage	**IUDG**	-	-	869 565	1 000 000	-	-
Paving of streets in Benharris from Zebediela to D19(ward 08)	**IUDG**	4 347 826	5 000 000	-	-	-	-
Paving of internal street in Moletjie Ga-Makibelo to Hlahla ring road(ward 38)	**IUDG**	-	-	-	-	869 565	1 000 000
Paving of Sekoala primary school road to Mehlakong (ward 29)	**IUDG**	-	-	-	-	869 565	1 000 000
Paving of internal streets at Mankgaile Ga Mokoatedi to D4040 until GaRachidi	**IUDG**	5 391 304	6 200 000	-	-	869 565	1 000 000
Upgrading of streets in Nirvana extension	**IUDG**	-	-	-	-	869 565	1 000 000
Paving of Dwars Street Connecting ext 40 and 78(Ward 08)	**IUDG**	-	-	-	-	869 565	1 000 000
Paving of internal streets in Seshego Zone 2	**IUDG**	-	-	5 871 022	6 751 675	869 565	1 000 000
Paving of internal streets in Seshego Zone 3	**IUDG**	-	-	-	-	869 565	1 000 000
Paving of internal streets in Seshego Zone 4	**IUDG**	-	-	-	-	869 565	1 000 000
Paving of internal streets in Seshego Zone 6	**IUDG**	-	-	-	-	869 565	1 000 000
Paving of internal streets in Seshego Zone 8	**IUDG**	-	-	-	-	869 565	1 000 000
Paving of internal street in Ga Rankhuwe)	**IUDG**	-	-	-	-	869 565	1 000 000
Paving of internal streets in Extension 75 (Ward 14)	**IUDG**	-	-	869 565	1 000 000	-	-
Paving of internal street at Madiga(Ward 29)	**IUDG**	-	-	-	-	869 565	1 000 000
Paving of internal street at Ceres(Ward 45)	**IUDG**	-	-	-	-	869 565	1 000 000
Paving of streets in Thakgalang	**IUDG**	-	-	-	-	869 565	1 000 000
Paving of internal street from University road to Makanye primary school(Ward 07	**IUDG**	-	-	-	-	869 565	1 000 000
Paving of Kopermyn internal road Ga- Maja	**IUDG**	-	-	-	-	869 565	1 000 000
Planning for construction of service road in Dalmada	**IUDG**	-	-	-	-	869 565	1 000 000
Paving of internal streets in Seshego Zone 1	**IUDG**	869 565	1 000 000	8 695 652	10 000 000	-	-
Paving of internal street in Mankweng Unit A to Pulamadibogo street from LG to	**IUDG**	6 956 522	8 000 000	-	-	869 565	1 000 000
Completion of Malesa to Motsepe road	**IUDG**	-	-	869 565	1 000 000	-	-
Paving of Extension 106 Main Taxi road(Ward 14)	**IUDG**	-	-	869 565	1 000 000	-	-
Paving of Ridge Road connecting ivy park and Ivydale	**IUDG**	-	-	869 565	1 000 000	-	-
Paving of streets in Westernburg RDP Section	**IUDG**	869 565	1 000 000	-	-	-	-
Upgrading of Beryl road from gravel to Asphalt surfacing parallel to the railway	**IUDG**	-	-	8 695 652	10 000 000	1 739 130	2 000 000
Paving of Bloodriver main road via Mulautsi high school to agriculture houses	**IUDG**	-	-	-	-	1 000 000	1 150 000
Paving of internal street at Disteneng	**IUDG**	6 000 000	6 900 000	-	-	1 000 000	1 150 000
Upgrading R71 link to the N1 by- pass	**IUDG**	1 000 000	1 150 000	-	-	-	-
Upgrading of storm water in the city	**IUDG**	7 907 307	9 093 403	18 914 500	21 751 675	10 377 217	11 933 800
WIP Streetscape design and construction of access streets and pedestrian walkway	**NDPG**	7 826 087.00	9 000 000		-		-
Total Roads and Stormwater		**135 439 124**	**155 754 993**	**155 483 528**	**178 806 057**	**118 507 245**	**136 283 332**

Water Supply and reticulation Water and Sanitation Services							
Installation of Prepaid Water Meters (City Seshego and Mankweng Cluster)	**CRR**	2 007 742	2 308 903	9 565 217	11 000 000	9 565 217	11 000 000
Aganang Bulk Water Transfer Scheme	**CRR**	-	-	1 739 130	2 000 000	4 347 826	5 000 000
Construction of Rooderpoort Reservoir	**CRR**	-	-	-	-	8 695 652	10 000 000
Securing of Sand river south, North and Seshego Boreholes	**CRR**	4 862 606	5 591 997	6 956 522	8 000 000	-	-
Welding Machine with Generator, cutting torch and 3 gas cylinder	**CRR**	869 565	1 000 000	-	-	-	-
Acquisition of mixed fleet_W	**CRR**	4 956 522	5 700 000	6 600 954	7 591 097	-	-
Polokwane Bulk water supply(Sebayeng Diepriver wellfields)	**CRR**	-	-	-	-	1 739 130	2 000 000
Replacement of AC Pipes – Phase 2	**CRR**	-	-	1 739 130	2 000 000	1 739 130	2 000 000
Development of Malmane Wellfields	**CRR**	-	-	-	-	1 739 130	2 000 000
Polokwane Bulk Water Supply (Sandriver Water Treatment Works)	**CRR**	434 783	500 000	-	-	-	-
Polokwane Bulk Water Supply (Sandriver North Wellfields)	**CRR**	434 783	500 000	-	-	-	-
Polokwane Bulk Water Supply (Sandriver South Wellfields)	**CRR**	434 783	500 000	-	-	-	-
Water Capital Spares Replacement	**CRR**	869 565	1 000 000	1 739 130	2 000 000	2 608 696	3 000 000
Chuene Maja RWS	**IUDG**	5 358 757	6 162 571	7 561 444	8 695 661	4 347 826	5 000 000
Mankweng RWS	**IUDG**	7 739 462	8 900 381	7 812 816	8 984 738	7 717 935	8 875 625
Molepo RWS	**IUDG**	5 465 649	6 285 496	6 295 006	7 239 257	7 324 452	8 423 120
Drilling of boreholes in all municipal clusters	**IUDG**	11 134 216	12 804 348	8 977 431	10 324 046	6 956 522	8 000 000
Laastehoop RWS	**IUDG**	5 565 204	6 399 985	7 603 796	8 744 365	8 298 123	9 542 841
WIP Mashashane Water Works33600	**IUDG**	4 554 705	5 237 911	5 822 306	6 695 652	7 826 087	9 000 000
Aganang RWS (2)(Rampuru)	**IUDG**	1 043 478	1 200 000	4 761 526	5 475 755	-	-
Aganang RWS (2)(Phetole)	**IUDG**	1 043 478	1 200 000	3 913 043	4 499 999	599 228	689 112
Ground water protocol	**IUDG**	-	-	-	-	9 293 126	10 687 095
CWIP 3360 Water Capital Replacement	**IUDG**	10 453 688	12 021 741	7 826 087	9 000 000	6 956 522	8 000 000
Molepo Water Treatment Plant	**IUDG**	1 304 348	1 500 000	2 260 869	2 599 999	4 347 826	5 000 000
WIP Olifantspoort RWS Mmotong wa Perekisi 233600	**IUDG**	5 797 321	6 666 919	7 561 437	8 695 653	6 956 522	8 000 000
WIP Mothapo RWS33600	**IUDG**	6 825 430	7 849 245	7 104 213	8 169 845	7 353 727	8 456 786
WIP Moletjie East RWS 233600	**IUDG**	5 652 276	6 500 117	8 291 871	9 535 652	7 647 826	8 795 000
WIP Sebayeng Dikgale RWS 233600	**IUDG**	5 556 012	6 389 414	6 200 378	7 130 435	7 710 453	8 867 021
WIP Houtrive phase 1033600	**IUDG**	6 016 274	6 918 715	7 561 437	8 695 653	7 391 304	8 500 000
WIP Boyne RWS phase 1033600	**IUDG**	6 978 220	8 024 953	1 822 306	2 095 652	6 956 522	8 000 000
Bakone RWS 3 Ramokadikadi	**IUDG**	7 068 299	8 128 544	1 391 304	1 600 000	6 956 522	8 000 000
WIP Badimong RWS	**IUDG**	4 719 550	5 427 483	1 739 130	2 000 000	2 608 696	3 000 000
Kalkspruit Water Suplly Aganang Ward 42	**IUDG**	4 860 070	5 589 081	6 478 261	7 450 000	7 652 174	8 800 000
Aganang RWS 2 Madietane	**IUDG**	5 309 443	6 105 859	5 992 250	6 891 088	6 956 522	8 000 000
WIP Moletjie South RWS Bellingsgate and Sepanapudi	**WSIG**	13 196 867	15 176 397	12 381 096	14 238 260	6 956 522	8 000 000
WIP Bakone RWS 2 Boratapelo	**WSIG**	13 858 148	15 936 870	7 561 437	8 695 653	8 695 652	10 000 000
WIP Bakone RWS 2 Moetagare	**WSIG**	13 648 393	15 695 652	7 561 437	8 695 653	8 695 652	10 000 000
WIP Aganang RWS 3 Wash Bank	**WSIG**	13 162 653	15 137 051	5 954 631	6 847 826	9 186 520	10 564 498
WIP Chuene Maja Fynbos	**WSIG**	10 540 119	12 121 137	5 356 825	6 160 349	6 956 522	8 000 000
Aganang RWS (3) (Ga-Piet)	**WSIG**	1 304 348	1 500 000	9 300 567	10 695 652	13 043 478	15 000 000
Aganang RWS (3) (Mabiloane)	**WSIG**	1 304 348	1 500 000	9 300 567	10 695 652	13 043 478	15 000 000
WIP Moletjie North RWS	**WSIG**	6 458 681	7 427 483	10 186 768	11 714 783	7 925 654	9 114 502
WIP Segwasi RWS	**WSIG**	-	-	9 073 723	10 434 781	5 217 391	6 000 000
WIP Moletjie South RWS Vaalkop	**WSIG**	13 502 096	15 527 410	6 275 992	7 217 391	6 956 522	8 000 000
WIP Polokwane X108 Design and implementation of internal engineering services W	**NDPG**	3 478 261	4 000 000	3 780 718	4 347 826	1 739 130	2 000 000
Total Water Supply and reticulation Water and Sanitation Services		**217 770 142**	**250 435 663**	**232 050 756**	**266 858 370**	**250 709 219**	**288 315 601**
		-		-		-	

Sewer Reticulation Water and Sanitation Service		**-**		**-**		**-**	
Acquisition of mixed fleet_S	**CRR**	5 297 389	6 091 997	5 572 959	6 408 903	-	-
Refurbishment of Seshego WWTW Phase 2	**CRR**	4 180 090	4 807 103	-	-	5 304 348	6 100 000
Regional Waste Water Treatment Plant- Outfall Sewers phase 1	**CRR**	434 783	500 000		-		-
Waste Water Capital Spares Replacement	**CRR**	869 565	1 000 000	869 565	1 000 000	869 565	1 000 000
WIP Regional Waste Water Treatment Plant Phase 2B	**RBIG**	598 347 826	688 100 000	756 173 913	869 600 000	487 652 174	560 800 000
WIP Polokwane X108 Design and implementation of internal engineering services S	**NDPG**	1 739 130	2 000 000	2 873 346	3 304 348	1 739 130	2 000 000
Total Sewer Reticulation Water and Sanitation		**610 868 782**	**702 499 099**	**765 489 783**	**880 313 251**	**495 565 217**	**569 900 000**
			-		**-**		**-**
Energy Services Energy			**-**		**-**		**-**
Upgrading of SCADA System	**CRR**	-	-	-	-	869 565	1 000 000
Installation of New Bakone to IOTA 66KV double circuit GOAT line	**CRR**	-	-	-	-	869 565	1 000 000
Construction of Matlala 66/11kV Distribution Substation	**CRR**	23 913 043	27 500 000	29 565 217	34 000 000	34 782 609	40 000 000
Construction of 66kV line between Alpha and Matlala Substations	**CRR**	7 826 087	9 000 000	8 695 652	10 000 000	8 391 304	9 650 000
Retrofitting of grid-powered streetlight fittings with Solar fittings along the New Peter Mokaba Precinct A	**CRR**	1 739 130	2 000 000	1 304 348	1 500 000	-	-
Retrofitting of grid-powered streetlight fittings with Solar fittings along the Nelson Mandela Road to Seshego	**CRR**	1 739 130	2 000 000	869 565	1 000 000	869 565	1 000 000
Retrofitting of grid-powered streetlight fittings with Solar fittings at various streets within Clusters	**CRR**	869 565	1 000 000	869 565	1 000 000	869 565	1 000 000
Retrofit streetlights with solar powered light fittings along the CBD streets	**CRR**	1 739 130	2 000 000	1 739 130	2 000 000	869 565	1 000 000
Design of 66kV line between Matlala and Sigma Substations	**CRR**	-	-	-	-	869 565	1 000 000
Construction of Peter Mokaba Solar Panel	**CRR**	-	-	-	-	869 565	1 000 000
Procurement of specialised testing equipment for maintenance teams	**CRR**	1 304 348	1 500 000	869 565	1 000 000	-	-
Refurbishment of medium voltage switchgear	**CRR**	2 173 913	2 500 000	1 304 348	1 500 000	1 739 130	2 000 000
Installation of early warning online remote monitored security system	**CRR**	-	-	869 565	1 000 000	869 565	1 000 000
Replacement of fences around 66kV Substations	**CRR**	434 783	500 000	434 783	500 000	869 565	1 000 000
Replacement of fences around 11kV Switching Stations	**CRR**	-	-	-	-	-	-
Replacement of conventional meter boxes with protective enclosures	**CRR**	1 739 130	2 000 000	1 739 130	2 000 000	869 565	1 000 000
Replacement of 20MVA power transformer at Sigma Substation	**CRR**	4 782 609	5 500 000	4 347 826	5 000 000	869 565	1 000 000
Upgrading of power system protection relays at substations	**CRR**	1 304 348	1 500 000	1 304 348	1 500 000	-	-
Upgrading of medium voltage radial feeders	**CRR**	2 608 696	3 000 000	869 565	1 000 000	1 304 348	1 500 000
Electrification of Urban Households (INEP top up)	**CRR**	-	-	-	-	1 739 130	2 000 000
Electrification of Urban household s in Seshego Zone 8 Extension 133 Phase 5	**INEP**		-	5 688 696	6 542 000	3 573 043	4 108 999
Installation of solar high mast lights in Rural Areas	**IUDG**	11 308 263	13 004 502	8 695 652	10 000 000	8 695 652	10 000 000
WIP Polokwane X108 Design and implementation of internal engineering services E	**NDPG**	3 353 913	3 857 000	3 780 718	4 347 826	1 739 130	2 000 000
Total Energy Services Energy		**66 836 089**	**76 861 502**	**72 947 675**	**83 889 826**	**71 529 564**	**82 258 999**
			-		-		-
Disaster and Fire Community Services			**-**		**-**		**-**
Acquisition of fire Equipment	**CRR**	608 696	700 000	434 783	500 000	608 696	700 000
Electric submersible portable pump	**CRR**	434 783	500 000	869 565	1 000 000	869 565	1 000 000
Multipurpose branches Monitors	**CRR**	434 783	500 000	434 783	500 000	478 261	550 000
High mast and Lighting equipment	**CRR**	608 696	700 000	608 696	700 000	652 174	750 000
Industrial lifting rescue equipment	**CRR**	521 739	600 000	521 739	600 000	521 739	600 000
Industrial Fire Fighting portable Pumps	**CRR**	869 565	1 000 000	869 565	1 000 000	869 565	1 000 000
New skid units	**CRR**	434 783	500 000	434 783	500 000	434 783	500 000
New Breathing Apparatus	**CRR**	434 783	500 000	-	-	521 739	600 000
Total Disaster and Fire Public Safety		**4 347 826**	**5 000 000**	**4 173 913**	**4 800 000**	**4 956 522**	**5 700 000**

			-		-		-
Traffic and Licencing Public Safety			**-**		**-**		**-**
Construction of Municipal Traffic Court at Ladana Traffic	**CRR**	-	-	2 956 522	3 400 000	5 008 696	5 760 000
Construction of Mankweng Traffic and Licensing Testing Centre	**CRR**	8 695 652	10 000 000	8 695 652	10 000 000	7 826 087	9 000 000
Total Traffic and Licencing Public Safety		**8 695 652**	**10 000 000**	**11 652 174**	**13 400 000**	**12 834 783**	**14 760 000**
			-		-		-
Environmental Management Community Services			**-**		**-**		**-**
Refurbishment of Game Reserve facilities	**CRR**	1 739 130	2 000 000	1 739 130	2 000 000	3 043 478	3 500 000
Development of Heroes Acre in Silicon Cemetery	**CRR**	869 565	1 000 000	-	-	1 304 348	1 500 000
Grass cutting equipment's	**CRR**	2 608 696	3 000 000	2 173 913	2 500 000	3 043 478	3 500 000
Upgrading of Mankweng Unit C Park	**CRR**	1 739 130	2 000 000	1 739 130	2 000 000	2 260 870	2 600 000
Construction of Ablution Facilities at Mankweng Parks (Ward 25 and 26)	**IUDG**	1 398 866	1 608 696	1 739 130	2 000 000	-	-
Greening programme	**IUDG**	2 911 153	3 347 826	2 911 153	3 347 826	4 608 696	5 300 000
Greening Programme for Disteneng	**IUDG**	-	-	-	-	-	-
Greening Programme for SDA 1	**IUDG**	1 512 287	1 739 130	1 858 853	2 137 681	-	-
Development of a regional parks In Rural Areas	**IUDG**	869 565	1 000 000	2 911 153	3 347 826	4 782 609	5 500 000
Total Environmental Management Community Services		**13 648 393**	**15 695 652**	**15 072 463**	**17 333 333**	**19 043 478**	**21 900 000**
			-		**-**		**-**
BY LAWS Enforcement and Security Public Safety			**-**		**-**		**-**
Installation of CCTV cameras and Fibre Network	**CRR**	1 304 348	1 500 000	2 608 696	3 000 000	3 478 261	4 000 000
Provision two way radios	**CRR**	434 783	500 000	434 783	500 000	434 783	500 000
Provision of Access Control Systems and equipment	**CRR**	1 304 348	1 500 000		-	-	-
Supply of National flags	**CRR**	-	-	-	-	-	-
Upgrading of Control Centre	**CRR**	3 478 261	4 000 000	1 739 130	2 000 000	695 652	800 000
Supply, and installation of communication tower	**CRR**	434 783	500 000	434 783	500 000	434 783	500 000
Purchase of Firearms	**CRR**	434 783	500 000	434 783	500 000	434 783	500 000
CCTV and Access control maintenance tool Kit	**CRR**	-	-	-	-	-	-
Fiber splicing equipment	**CRR**	434 783	500 000	434 783	500 000	434 783	500 000
Total BY LAWS Enforcement and Security Public Safety		**7 826 087**	**9 000 000**	**6 086 957**	**7 000 000**	**5 913 044**	**6 800 001**
			-		-		-
Waste Management Community Services			**-**		**-**		**-**
240 litre bins	**CRR**	869 565	1 000 000	869 565	1 000 000	869 565	1 000 000
6 and9 M3 Skip containers	**CRR**	1 739 130	2 000 000	1 739 130	2 000 000	1 739 130	2 000 000
Upgrading of Aganang landfill fence	**CRR**	2 173 913	2 500 000	2 173 913	2 500 000	2 050 000	2 357 500
Upgrading of Mankweng transfer station	**CRR**	-	-	-	-	869 565	1 000 000
WIP Extension of landfill site Weltevrede 43400	**IUDG**	14 093 950	16 208 043	34 334 745	39 484 957	17 391 304	20 000 000
Ga Maja transfer station	**IUDG**	4 415 878	5 078 260	1 304 348	1 500 000	-	-
Ga Chuene transfer station	**IUDG**	4 120 983	4 739 130	1 304 348	1 500 000	-	-
Molepo Transfer Station	**IUDG**	3 780 718	4 347 826	-	-	-	-
Construction of Mashashane transfer station	**IUDG**	956 522	1 100 000	3 191 191	3 669 870	4 347 826	5 000 000
Rehabilitation of Weltevreden landfill site	**IUDG**	4 385 633	5 043 478	13 475 397	15 496 707	8 695 652	10 000 000
Total Waste Management Community Services		**36 536 293**	**42 016 737**	**58 392 638**	**67 151 533**	**35 963 043**	**41 357 499**

			-		-		-
Sport and Recreation Community Services			**-**		**-**		**-**
Grass Cutting equipment's	**CRR**	1 304 348	1 500 000	1 304 348	1 500 000	1 565 217	1 800 000
Upgrading of Seshego Stadium	**CRR**	-	-	-	-	-	-
Procurement of Conference Tables and Chairs for (Peter Mokaba Stadium) Executive lounge (1st floor)	**CRR**	869 565	1 000 000	869 565	1 000 000	869 565	1 000 000
Chuene Maja sports complex	**CRR**	608 696	700 000	1 869 565	2 150 000	1 739 130	2 000 000
Upgrading of Nirvana stadium	**CRR**	869 565	1 000 000	1 739 130	2 000 000	1 739 130	2 000 000
Refurbishment of the Seshego Swimming Pool	**CRR**	260 870	300 000	-	-	-	-
Upgrading of Show ground facility	**CRR**	869 565	1 000 000	-	-	-	-
Refurbishment of Municipal Courts (Netball and Volley ball	**CRR**	869 565	1 000 000	-	-	-	-
Construction of New Eastern pavilion at Seshego Stadium	**CRR**	434 783	500 000	2 173 913	2 500 000	4 347 826	5 000 000
WIP Construction of Mankweng Stadium	**IUDG**	8 733 459	10 043 478	13 648 393	15 695 652	13 043 478	15 000 000
Upgrading of Mohlonong stadium	**IUDG**	-	-	2 782 609	3 200 000	4 668 696	5 369 000
WIP Construction of Softball stadium in City Cluster45100	**IUDG**	51 046 532	58 703 512	17 391 304	20 000 000	43 478 261	50 000 000
CWIP Construction of Sebayeng Dikgale Sport Complex45100	**IUDG**	4 729 236	5 438 621	5 304 348	6 100 000	4 347 826	5 000 000
Total Sport and Recreation Community Services		**70 596 184**	**81 185 611**	**47 083 176**	**54 145 652**	**75 799 131**	**87 169 000**
			-		-		-
Cultural Services Community Services			**-**		**-**		**-**
Collection Development - Books	**CRR**	869 565	1 000 000	1 304 348	1 500 000	1 267 391	1 457 500
Theft detection systems for Municipal libraries	**CRR**	869 565	1 000 000	869 565	1 000 000	869 565	1 000 000
Total Cultural Services Community Services		**1 739 130**	**2 000 000**	**2 173 913**	**2 500 000**	**2 136 957**	**2 457 500**
			-		-		-
ICT Corporate and Shared Services			**-**		**-**		**-**
Procurement of Laptops PCs and Peripheral Devices	**CRR**	1 739 130	2 000 000	1 652 174	1 900 000	1 913 043	2 200 000
Network Upgrade	**CRR**	1 565 217	1 800 000	1 565 217	1 800 000	1 565 217	1 800 000
Hybrid conference solution	**CRR**	-	-	-	-	4 347 826	5 000 000
Development and implementation of Enterprise Articulture framework	**CRR**	-	-	3 478 261	4 000 000	-	-
Procurement Implementation and management of SCADA Solution	**CRR**	6 086 957	7 000 000	1 739 130	2 000 000	1 739 130	2 000 000
Procurement Licencing and management of Customer queuing management system	**CRR**	-	-	3 478 261	4 000 000	1 043 478	1 200 000
Implementation of IT Strategy	**CRR**	-	-	-	-	-	-
Procurement licencing and Management of online facility and boardroom booking solution	**CRR**	3 478 261	4 000 000	1 739 130	2 000 000	1 739 130	2 000 000
Provision of Laptops PCs and Peripheral Devices ISDG	**ISDG**	434 783	500 000	434 783	500 000	434 783	500 000
Total ICT Corporate and Shared Services		**13 304 348**	**15 300 000**	**14 086 957**	**16 200 000**	**12 782 609**	**14 700 000**
			-		-		-
City Planning Planning and Economic Development			**-**		**-**		**-**
Township Establishment for the Eco estate at Game Reserve	**CRR**	869 565	1 000 000	1 913 043	2 200 000	2 173 913	2 500 000
Township establishment on various municipal farm portions	**CRR**	6 956 522	8 000 000	7 565 217	8 700 000	5 443 478	6 260 000
Land acquisition	**CRR**	-	-	-	-	-	-
Total City Planning Planning and Economic Development		**7 826 087**	**9 000 000**	**9 478 261**	**10 900 000**	**7 617 391**	**8 760 000**
			-		**-**		**-**

LED - Planning and Economic Development			**-**		**-**		**-**
Refurbishment of African Market Building	**CRR**	1 304 348	1 500 000	-	-	2 173 913	2 500 000
Total LED - Planning and Economic Development		**1 304 348**	**1 500 000**	**-**	**-**	**2 173 913**	**2 500 000**
			-		**-**		**-**
Property Management - Planning and Economic Development			**-**		**-**		**-**
Land acquisition	**CRR**	4 347 826	5 000 000	5 043 478	5 800 000	-	-
Total Property - Planning and Economic Development		**4 347 826**	**5 000 000**	**5 043 478**	**5 800 000**	**-**	**-**
			-		**-**		**-**
Clusters COO			**-**		**-**		**-**
Mobile service sites at Rampheri village	**CRR**	-	-	-	-	2 875 652	3 307 000
Construction of Mankweng Thusong Service Centre	**CRR**	2 608 696	3 000 000	2 739 130	3 150 000	-	-
Total Clusters COO		**2 608 696**	**3 000 000**	**2 739 130**	**3 150 000**	**2 875 652**	**3 307 000**
			-		**-**		**-**
Budget and Treasury Office			**-**		**-**		**-**
Provision of Laptops PCs BTO	**CRR**	869 565	1 000 000	1 000 000	1 150 000	1 130 435	1 300 000
BTO Amenities	**CRR**	1 739 130	2 000 000	1 739 130	2 000 000	1 745 217	2 007 000
Total Budget and Treasury Office		**2 608 696**	**3 000 000**	**2 739 130**	**3 150 000**	**2 875 652**	**3 307 000**
			-		-		-
Fleet Management Corporate and Shared Services			**-**		**-**		**-**
Acquisition of fleet	**CRR**	34 347 826	39 500 000	49 739 130	57 200 000	48 260 870	55 500 000
Revitalisation of Municipal Mechanical Workshop	**CRR**	4 347 826	5 000 000	-	-	-	-
Purchase of Yellow Fleet Graders	**CRR**	-	-	-	-	-	-
Purchase of fleet(Sedan and Bakkies)	**CRR**	-	-	-	-	-	-
Total Fleet Management Corporate and Shared Services		**38 695 652**	**44 500 000**	**49 739 130**	**57 200 000**	**48 260 870**	**55 500 000**

Transport Operations(IPRTS)- Transport and Services Capital							
Procurement of Buses	**PTNG**	22 801 177	26 221 354	19 261 557	22 150 791	28 695 652	33 000 000
Upgrading of bus stops	**PTNG**		-	2 253 308	2 591 304	3 913 043	4 499 999
Rehabilitation of Leeto la Polokwane bus Route	**PTNG**	8 695 652	10 000 000	4 347 826	5 000 000	4 347 826	5 000 000
Provision of Bus Stop Shelters	**PTNG**	4 347 826	5 000 000	-	-		-
Upgrade of transit mall	**PTNG**		-	8 252 292	9 490 136		-
Construction of Non-Motorised Transport Facilities	**PTNG**		-	-	-	5 652 174	6 500 000
Total Transport Operations(IPRTS)- Transport and Services Capital		**35 844 655**	**41 221 353**	**34 114 983**	**39 232 230**	**42 608 695**	**48 999 999**
Total Capital Expenditure		**1 298 235 314**	**1 492 970 611**	**1 497 852 394**	**1 722 530 254**	**1 227 892 114**	**1 408 075 931**
CAPITAL FUNDING							
Intergrated Urban Development Grant	**IUDG**	**316 863 359**	**364 392 863**	**339 400 021**	**390 310 024**	**320 838 203**	**368 963 934**
Public Transport Network Grant	**PTNG**	**35 844 655**	**41 221 353**	**34 114 983**	**39 232 230**	**42 608 695**	**48 999 999**
Neighbourhood Development Grant	**NDPG**	**16 397 391**	**18 857 000**	**10 434 782**	**11 999 999**	**5 217 390**	**5 999 999**
Water Services Infrastructure Grant	**WSIG**	**86 975 653**	**100 022 001**	**82 953 043**	**95 395 999**	**86 677 391**	**99 679 000**
Regional Bulk Infrastructure Grant	**RBIG**	**598 347 826**	**688 100 000**	**756 173 913**	**869 600 000**	**487 652 174**	**560 800 000**
Integrated National Electrification Programme Grant	**INEP**	**-**	**-**	**5 688 696**	**6 542 000**	**3 573 043**	**4 108 999**
Infrastructure Skills Development Grant (ISDG)	**ISDG**	**434 783**	**500 000**	**434 783**	**500 000**	**434 783**	**500 000**
Total DoRA Allocations		**1 054 863 667**	**1 213 093 217**	**1 229 200 221**	**1 413 580 254**	**947 001 679**	**1 089 051 931**
Capital Replacement Reserve	**CRR**	**243 371 647**	**279 877 394**	**268 652 174**	**308 950 000**	**280 890 435**	**319 024 000**
TOTAL FUNDING		**1 298 235 314**	**1 492 970 611**	**1 497 852 394**	**1 722 530 254**	**1 227 892 114**	**1 408 075 931**

MULTI YEAR CAPITAL BUDGET	**Funding Source**	**Budget Year 2026/27**		**Budget Year +1 2027/28**		**Budget Year +2 2028/29**	
Description		**VAT EXCLUSIVE**	**VAT INCLUSIVE**	**VAT EXCLUSIVE**	**VAT INCLUSIVE**	**VAT EXCLUSIVE**	**VAT INCLUSIVE**
Vote 1 CHIEF OPERATIONS OFFICE		2 608 696	3 000 000	2 739 130	3 150 000	2 875 652	3 307 000
Vote 2 MUNICIPAL MANAGER'S OFFICE			-		-		-
Vote 3 WATER AND SANITATION		828 638 924	952 934 763	997 540 540	1 147 171 621	746 274 436	858 215 601
Vote 4 ENERGY SERVICES		66 836 089	76 861 502	72 947 675	83 889 826	71 529 564	82 258 999
Vote 5 COMMUNITY SERVICES		122 520 000	140 898 000	122 722 190	141 130 518	132 942 608	152 883 999
Vote 6 PUBLIC SAFETY		20 869 565	24 000 000	21 913 044	25 200 000	23 704 348	27 260 001
Vote 7 CORPORATE AND SHARED SERVICES		69 391 305	79 800 000	73 130 435	84 100 000	76 782 609	84 300 000
Vote 8 PLANNING AND ECONOMIC DEVELOPMENT		13 478 261	15 500 000	14 521 739	16 700 000	9 791 304	11 260 000
Vote 9 BUDGET AND TREASURY OFFICE		2 608 696	3 000 000	2 739 130	3 150 000	2 875 652	3 307 000
Vote 10 TRANSPORT SERVICES		35 844 655	41 221 353	34 114 983	39 232 230	42 608 695	48 999 999
Vote 11 HUMAN SETTLEMENT		-	-	-	-	-	-
Vote 12 ROADS AND STORMWATER		135 439 124	155 754 993	155 483 528	178 806 057	118 507 245	136 283 332
Total		**1 298 235 314**	**1 492 970 611**	**1 497 852 394**	**1 722 530 254**	**1 227 892 114**	**1 408 075 931**

MULTI YEAR CAPITAL BUDGET	Funding Source	Budget Year 2026/27		Budget Year +1 2027/28		Budget Year +2 2028/29	
Description		VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE	VAT EXCLUSIVE	VAT INCLUSIVE
RAL Roads							
Paving of Thlathlanganya Roads	**IUDG**	-		797 101	916 666	-	
Upgrading of road from Ga Mamphaka to Spitzkop (ward 34)	**IUDG**	-		-	-	869 565	1 000 000
Upgrading of access Roads from Ga Thaba in Molepo Chuene Maja cluster	**IUDG**	7 282 693	8 375 097	-	-	869 565	1 000 000
Upgrading of road from Mohlonong to Kalkspruit	**IUDG**	-	-	-	-	869 565	1 000 000
Upgrading of road from Monyoaneng to Lonsdale	**IUDG**	-	-	-	-	869 565	1 000 000
Upgrading of access road in Ga Makgoba	**IUDG**	-	-	-	-	869 565	1 000 000
Upgrading of road from Nobody Traffic circle to Moshate Mothapo	**IUDG**	-	-	-	-	869 565	1 000 000
Upgrading of road from Phomolong to Makgwareng	**IUDG**	-	-	-	-	869 565	1 000 000
Upgrading of road from Spitzkop to Segwasi	**IUDG**	-	-	-	-	869 565	1 000 000
Upgrading of road from Titibe to Marobala and Makgoba	**IUDG**	-	-	-	-	869 565	1 000 000
Upgrading of road from Matobole to Silicon	**IUDG**	-	-	-	-	869 565	1 000 000
RAL Upgrading of road D3432 from Ga-Mosi(Gilead road) via Se	**IUDG**	-	-	-	-	869 565	1 000 000
Paving of road in ga Thoka from reservior to Makanye 4034(ward 27)	**IUDG**	-	-	-	-	869 565	1 000 000
Upgrading of arterial road in Tshware from Taxi rank via Tshware village to mamo	**IUDG**	-	-	-	-	869 565	1 000 000
Upgrading of Access road to Feke	**IUDG**	-	-	-	-	869 565	1 000 000
Upgrading of arterial road D3355 from Monotwane to Matlala clinic (ward 41)	**IUDG**	-	-	-	-	869 565	1 000 000
Upgrading of arterial road in Magongwa village from road D3378 to road D19 (ward	**IUDG**	-	-	-	-	869 565	1 000 000
Upgrading of arterial road D3383 in Setumong via Mahoai to Kgomo school(Ward 43	**IUDG**	-	-	-	-	869 565	1 000 000
Upgrading of arterial road from Moetagare in to Setumong D3382	**IUDG**	-	-	-	-	869 565	1 000 000
Completion of the links to SANRAL roads network	**IUDG**	-	-	-	-	11 342 155	13 043 478
Upgrading of Bus road from R71 to Dinokeng between Mshongoville Gashiloane to Ma	**IUDG**	7 826 087	9 000 000	-	-	869 565	1 000 000
RAL Paving of Arterial road from R37 via Thokgwaneng RDP to	**IUDG**	-	-	797 101	916 666	-	-
Paving of road from Sengatane (D3330) to Chebeng (ward 09)	**IUDG**	-	-	-	-	869 565	1 000 000
Upgrading of road from Ralema primary school via Krukutje Ga Mmasehla Ga legod	**IUDG**	6 956 522	8 000 000	1 594 203	1 833 333	869 565	1 000 000
Upgrading of road D3989 Ga-mamabolo to itireleng	**IUDG**	-	-	797 101	916 666	10 964 083	12 608 695
Upgrading of arterial road from Phuti to Tjatjaneng	**IUDG**	-	-	797 101	916 666	-	-
Upgrading of road from Leokama to Moshung	**IUDG**	-	-	797 101	916 666	11 833 649	13 608 696
Upgrading of arterial road D3413 Ramakgaphola to Gilead road D3390	**IUDG**	-	-	797 101	916 666	-	-
Upgrading of arterial road D3472 Ga-Setati to Mashobohleng D3332	**IUDG**	9 304 348	10 700 000	-	-	-	-
Installation of Roads at ext 72 Stands (	**IUDG**	869 565	1 000 000	797 101	916 666	8 884 688	10 217 391
Completion of Hospital Road in Mamotintane Village(ward 31)	**IUDG**	869 565	1 000 000	797 101	916 666	-	-
Paving of Internal Street in Ga Ujane to D3363 (ward 40)	**IUDG**	-	-	-	-	869 565	1 000 000
Tarring of Road from Tshebela to Moshate Phase 1 and Phase 2	**IUDG**	9 565 217	11 000 000	12 926 906	14 865 942	1 739 130	2 000 000
Upgrading of arterial road D3472 Ga-Setati to Mashobohle	**CRR**	1 671 832	1 922 607		-	-	-
Tarring of Road from Tshebela to Moshate Phase 2	**CRR**	4 347 826	5 000 000	4 156 884	4 780 417	4 725 243	5 434 029
Total RAL ROADS BUDGET		**48 693 655**	**55 997 703**	**24 257 700**	**27 896 355**	**67 749 813**	**77 912 285**

ANNEXURE B:

A SCHEDULE

Municipal annual budgets and MTREF & supporting tables

mSCOA Version 7.1

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Accountability

Transparency

Information & 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

Tel: 152902049 **Fax:**

E-Mail: thabon@polokwane.gov.za

Budget for MTREF starting: 2026 **Budget Year:** 2026/27

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**	**Chief operations office**	
Vote 2 - Municipal managers office	1.1	Chief operations office (administration)	1.1 - Chief operations office (administration)
Vote 3 - Water and sanitation	1.2	Legaslative support	1.2 - Legaslative support
Vote 4 - Energy services	1.3	Legal services	1.3 - Legal services
Vote 5 - Community Services	1.4	Integrated development plan	1.4 - Integrated development plan
Vote 6 - Public safety	1.5	Communications and marketing	1.5 - Communications and marketing
Vote 7 - Corporate and Shared Services	1.6	Project management unit	1.6 - Project management unit
Vote 8 - Planning and Economic Development	1.7	Performance management unit	1.7 - Performance management unit
Vote 9 - Budget and Treasury office	1.8	Cluster office	1.8 - Cluster office
Vote 10 - Transport Operations	1.9	Executive support	1.9 - Executive support
Vote 11 - Human Settlement	1.10		1.10 -
Vote 12 - Roads and stormwater	**Vote 2**	**Municipal managers office**	
Vote 13 -	2.1	Council	2.1 - Council
Vote 14 -	2.2	Municipal manager	2.2 - Municipal manager
Vote 15 -	2.3	Risk management	2.3 - Risk management
	2.4	Internal audit	2.4 - Internal audit
	2.5		2.5 -
	2.6		2.6 -
	2.7		2.7 -
	2.8		2.8 -
	2.9		2.9 -
	2.10		2.10 -
	Vote 3	**Water and sanitation**	
	3.1	Water and sanitation admin	3.1 - Water and sanitation admin
	3.2	Reticulation, distrubution and maintenance	3.2 - Reticulation, distrubution and maintenance
	3.3	Operations and waste water	3.3 - Operations and waste water
	3.4	Quality monitoring services	3.4 - Quality monitoring services
	3.5	Reticulations, distrubution and maintenance, water demand and conserv	3.5 - Reticulations, distrubution and maintenance, water demand and conservation
	3.6	Reticulations, distrubution and maintenance, water demand and conserv	3.6 - Reticulations, distrubution and maintenance, water demand and conservation
	3.7	Infrastructure development	3.7 - Infrastructure development
	3.8		3.8 -
	3.9		3.9 -
	3.10		3.10 -
	Vote 4	**Energy services**	
	4.1	Energy services admin	4.1 - Energy services admin
	4.2	Energy operation and maintenance administration	4.2 - Energy operation and maintenance administration
	4.3	Energy services: 66KV	4.3 - Energy services: 66KV
	4.4	Energy services 11KV	4.4 - Energy services 11KV
	4.5	Energy services: Planning and development	4.5 - Energy services: Planning and development
	4.6		4.6 -
	4.7		4.7 -
	4.8		4.8 -
	4.9		4.9 -
	4.10		4.10 -
	Vote 5	**Community Services**	
	5.1	Directorate 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	**Public safety**	
	6.1	Public safety administration	6.1 - Public safety administration
	6.2	Traffic and licencing administration	6.2 - Traffic and licencing administration
	6.3	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	**Corporate and Shared Services**	
	7.1	Community and shared services	7.1 - Community and shared services
	7.2	Corporte service- Information Communication Technology	7.2 - Corporte service- Information Communication Technology
	7.3	Human Resources Development (administration)	7.3 - Human Resources Development (administration)
	7.4	Human Resources Development (Organisational development)	7.4 - Human Resources Development (Organisational development)
	7.5	Human Resources Development (Learning and development)	7.5 - Human Resources Development (Learning and development)
	7.6	Human Resources Development (EAP)	7.6 - Human Resources Development (EAP)
	7.7	Human Resources (Administration)	7.7 - Human Resources (Administration)
	7.8	Human Resources (Personnel administration)	7.8 - Human Resources (Personnel administration)
	7.9	Human Resources Management (Labour relations)	7.9 - Human Resources Management (Labour relations)
	7.10	Other corporate and shared services	7.10 - Other corporate and shared services
	Vote 8	**Planning and Economic Development**	
	8.1	Directorate planning and development	8.1 - Directorate planning and development
	8.2	Property management	8.2 - Property management
	8.3	City and regional planning	8.3 - City and regional planning
	8.4	Corporate 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	**Budget and Treasury office**	
	9.1	Budget and treasury office	9.1 - Budget and treasury office
	9.2	Expenditure	9.2 - Expenditure
	9.3	Revenue management and customer care	9.3 - Revenue management and customer care
	9.4	Supply Chain Management	9.4 - Supply Chain Management
	9.5	Asset management	9.5 - Asset management
	9.6	Budget and financial reporting	9.6 - Budget and financial reporting
	9.7	Business and financial planning	9.7 - Business and financial planning
	9.8		9.8 -
	9.9		9.9 -
	9.10		9.10 -
	Vote 10	**Transport Operations**	
	10.1	Transport services	10.1 - Transport services
	10.2	Transport services (Planning and operations)	10.2 - Transport services (Planning and operations)
	10.3	Transport services (Intelligent transport and system modelling)	10.3 - Transport services (Intelligent transport and system modelling)
	10.4	Transport services (Public transport regulation and monitoring)	10.4 - Transport services (Public transport regulation and monitoring)
	10.5		10.5 -
	10.6		10.6 -
	10.7		10.7 -
	10.8		10.8 -
	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	**Roads and stormwater**	
12.1	Roads and stormwater (Admin)	12.1 - Roads and stormwater (Admin)
12.2	Roads and stormwater (Roads and streets)	12.2 - Roads and stormwater (Roads and streets)
12.3	Roads and stormwater (Stormwater)	12.3 - Roads and stormwater (Stormwater)
12.4	Storm water management and traffic enigineering	12.4 - Storm water management and traffic enigineering
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 -

WC014 Saldanha Bay municipality

A. GENERAL INFORMATION

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

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

B. CONTACT INFORMATION

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

C. POLITICAL LEADERSHIP

Speaker:		**Secretary/PA to the Speaker:**	
ID Number		ID Number	
Title	Ms	Title	Mr
Name	Kobela Welhemina Modiba	Name	Enos Mogashoa
Telephone number	152902054	Telephone number	152902245
Cell number	723675316	Cell number	815291238
Fax number		Fax number	
E-mail address	wilheminap@polokwane.gov.za	E-mail address	enosm@polokwane.gov.za

Mayor/Executive Mayor:		**Secretary/PA to the Mayor/Executive Mayor:**	
ID Number		ID Number	
Title	Mr	Title	Mr
Name	Mosema John Mpe	Name	Billy Pillay
Telephone number	152902103	Telephone number	152902103
Cell number	824417453	Cell number	784296772
Fax number		Fax number	
E-mail address	johnmp@polokwane.gov.za	E-mail address	billyp@polokwane.gov.za

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

D. MANAGEMENT LEADERSHIP			
Municipal Manager:		**Secretary/PA to the Municipal Manager:**	
ID Number		ID Number	
Title	Ms	Title	Ms
Name	Thuso Nemugumoni	Name	Felicity F. Louw
Telephone number	152902102	Telephone number	152902102
Cell number	823879116	Cell number	782359199
Fax number		Fax number	
E-mail address	thuson@polokwane.gov.za	E-mail address	felicityl@polokwane.gov.za
Chief Financial Officer		**Secretary/PA to the Chief Financial Officer**	
ID Number		ID Number	
Title	Mr	Title	Ms
Name	Thabo Nonyane	Name	Helen Netshikovhela
Telephone number	152902049	Telephone number	152902049
Cell number	658375872	Cell number	813139197
Fax number		Fax number	
E-mail address	thabon@polokwane.gov.za	E-mail address	helenn@polokwane.gov.za
Official responsible for submitting financial information		**Official responsible for submitting financial information**	
ID Number		ID Number	
Title	Ms	Title	Mr
Name	Zinzi A Mphahlele	Name	Victor Nengovhela (IDP Manager)
Telephone number	152902195	Telephone number	152902523
Cell number	815787894	Cell number	836241118
Fax number		Fax number	
E-mail address	zinzim2@polokwane.gov.za	E-mail address	VictorN1@polokwane.gov.za
Official responsible for submitting financial information		**Official responsible for submitting financial information**	
ID Number		ID Number	
Title	Ms	Title	Ms
Name	Moleboheng Mathebula	Name	Naazneen Hurzuk
Telephone number	152902195	Telephone number	152902195
Cell number	813464495	Cell number	827862885
Fax number		Fax number	
E-mail address	molebohengm@polokwane.gov.za	E-mail address	naazneenh@polokwane.gov.za
Official responsible for submitting financial information		**Official responsible for submitting financial information**	
ID Number		ID Number	
Title		Title	
Name		Name	
Telephone number		Telephone number	
Cell number		Cell number	
Fax number		Fax number	
E-mail address		E-mail address	
Official responsible for submitting financial information		**Official responsible for submitting financial information**	
ID Number		ID Number	
Title		Title	
Name		Name	
Telephone number		Telephone number	
Cell number		Cell number	
Fax number		Fax number	
E-mail address		E-mail address	
Official responsible for submitting financial information		**Official responsible for submitting financial information**	
ID Number		ID Number	
Title		Title	
Name		Name	
Telephone number		Telephone number	
Cell number		Cell number	
Fax number		Fax number	
E-mail address		E-mail address	

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

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

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

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

LIM354 Polokwane - Table A1 Budget Summary

Description	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousands	Audited	Audited	Audited	Original	Adjusted	Full Year	Pre-audit	Budget Year	Budget Year	Budget Year
Financial Performance										
Property rates	572 644	593 067	710 102	669 774	729 978	729 978	495 535	734 789	769 324	807 406
Service charges	1 735 649	1 966 740	2 215 759	2 975 537	2 837 239	2 837 239	1 560 624	3 262 379	3 533 342	3 836 246
Investment revenue	38 815	48 178	69 806	52 986	69 038	69 038	56 643	72 214	75 608	79 350
Transfer and subsidies - Operational	1 403 549	1 538 725	1 678 654	1 862 915	1 916 612	1 916 612	1 726 926	1 825 856	1 804 558	1 879 695
Other own revenue	292 445	290 460	293 772	289 767	351 810	351 810	205 423	367 993	385 289	404 361
Total Revenue (excluding capital transfers and contributions)	4 043 103	4 437 170	4 968 094	5 850 979	5 904 676	5 904 676	4 045 152	6 263 231	6 568 121	7 007 058
Employee costs	1 072 016	1 114 536	1 094 965	1 374 637	1 229 855	1 229 855	(774 668)	1 463 453	1 526 199	1 590 601
Remuneration of councillors	41 384	43 877	83 711	66 479	67 173	67 173	(44 540)	70 390	73 417	76 500
Depreciation, amortisation and impairment	724 406	1 147 255	881 981	407 814	407 814	407 814	(613 191)	458 494	478 209	498 294
Interest, Dividends and Rent on Land	57 837	50 808	52 064	40 124	41 124	41 124	(19 557)	43 057	39 969	36 183
Inventory consumed and bulk purchases	1 082 468	1 293 899	1 472 019	1 814 250	1 821 345	1 821 345	(1 010 039)	1 970 959	2 055 711	2 142 052
Transfers and subsidies	9 671	15 480	16 480	60 480	67 167	67 167	(53 755)	43 300	49 505	43 300
Other expenditure	2 107 265	1 647 500	2 632 910	1 960 580	2 063 618	2 063 618	(1 103 589)	2 098 409	1 946 601	2 158 711
Total Expenditure	5 095 048	5 313 356	6 234 130	5 724 364	5 698 097	5 698 097	(3 619 339)	6 148 061	6 169 611	6 545 640
Surplus/(Deficit)	(1 051 945)	(876 186)	(1 266 037)	126 616	206 580	206 580	7 664 491	115 171	398 510	461 418
Transfers and subsidies - capital (monetary allocations)	612 013	770 125	615 386	595 575	663 763	663 763	390 575	1 208 493	1 413 580	1 089 052
Transfers and subsidies - capital (in-kind)	576	5 185	13 781	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	(439 356)	(100 877)	(636 870)	722 190	870 343	870 343	8 055 066	1 323 664	1 812 090	1 550 470
Share of Surplus/Deficit attributable to Associate	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	(439 356)	(100 877)	(636 870)	722 190	870 343	870 343	8 055 066	1 323 664	1 812 090	1 550 470
Capital expenditure & funds sources										
Capital expenditure	625 278	870 919	791 402	711 061	951 460	951 460	479 771	1 289 887	1 492 809	1 227 892
Transfers recognised - capital	517 418	634 351	536 998	517 891	577 710	577 710	357 905	1 050 864	1 229 200	947 002
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	103 833	236 568	254 403	193 169	373 751	373 751	121 865	239 024	263 609	280 890
Total sources of capital funds	621 251	870 919	791 402	711 061	951 460	951 460	479 771	1 289 887	1 492 809	1 227 892
Financial position										
Total current assets	1 545 991	1 673 218	2 272 128	2 285 457	3 360 169	3 360 169	2 995 449	3 024 569	4 116 403	5 234 524
Total non current assets	15 887 660	15 658 783	15 612 386	16 459 706	16 129 685	16 129 685	15 478 965	16 965 426	17 985 070	18 714 669
Total current liabilities	885 643	979 703	1 172 117	1 476 668	1 988 761	(1 988 761)	(911 723)	1 165 239	1 464 627	1 761 876
Total non current liabilities	758 664	869 203	872 326	795 558	820 776	(820 776)	(906 172)	820 776	820 776	820 776
Community wealth/Equity	15 681 329	15 483 095	15 840 071	16 472 937	16 680 316	(16 680 316)	(16 406 887)	18 003 980	19 816 070	21 366 540
Cash flows										
Net cash from (used) operating	3 213 877	1 443 156	1 394 607	741 672	691 133	691 133	691 133	683 775	2 338 045	2 094 804
Net cash from (used) investing	(743 539)	(910 977)	(765 635)	(680 066)	(907 191)	(907 191)	(907 191)	(1 272 327)	(1 472 522)	(1 207 072)
Net cash from (used) financing	15 338	(7 752)	(352)	(31 078)	(31 078)	(31 078)	(31 078)	(34 536)	(38 168)	(42 509)
Cash/cash equivalents at the year end:	2 718 346	708 798	971 896	260 478	461 341	461 341	461 341	(161 747)	665 607	1 510 830
Cash backing/surplus reconciliation										
Cash and investments available	2 718 346	708 798	971 896	260 478	461 341	461 341	461 341	(161 747)	665 607	1 510 830
Application of cash and investments	(244 918)	272 171	340 165	256 407	393 106	(2 058 834)	(1 761 455)	(1 489 916)	(843 024)	(159 621)
Balance - surplus (shortfall)	2 963 264	436 627	631 731	4 071	68 235	2 520 175	2 222 795	1 328 169	1 508 631	1 670 451
Asset management										
Asset register summary (WDV)	13 586 152	12 914 067	13 456 750	12 844 879	13 128 172	13 128 172		12 821 311	12 495 145	12 148 523
Depreciation	724 406	1 147 255	881 981	407 814	407 814	407 814		458 494	478 209	498 294
Renewal and Upgrading of Existing Assets	146 152	134 565	245 257	164 326	311 784	311 784		751 820	925 416	633 465
Repairs and Maintenance	758 168	758 369	795 225	880 511	812 124	812 124		801 669	772 048	837 426
Free services										
Cost of Free Basic Services provided	(90 328)	(117 193)	(127 398)	(142 608)	(142 608)	(142 608)		(106 468)	(106 374)	(106 269)
Revenue cost of free services provided	106 669	36 255	(1 273)	(123 329)	(123 849)	(123 849)		52 605	(180 728)	(201 874)
Households below minimum service level										
Water:	32	33	34	29	29	29		30	31	31
Sanitation/sewerage:	–	–	–	1	1	1		–	–	–
Energy:	13	13	13	14	14	14		14	14	14
Refuse:	139	142	145	148	145	145		148	151	155

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

Functional Classification Description	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue - Functional										
Governance and administration		**2 850 022**	**3 064 626**	**3 301 319**	**2 275 362**	**2 398 183**	**2 398 183**	**2 468 073**	**2 574 866**	**2 666 366**
Executive and council		974	5 185	13 781	2	2	2	2	2	2
Finance and administration		2 849 048	3 059 441	3 287 538	2 275 360	2 398 181	2 398 181	2 468 070	2 574 864	2 666 364
Internal audit		–	–	–	0	0	0	0	0	0
Community and public safety		**28 504**	**31 591**	**72 508**	**137 391**	**236 863**	**236 863**	**76 610**	**28 978**	**30 413**
Community and social services		1 959	2 894	3 129	2 818	3 293	3 293	3 180	2 702	2 835
Sport and recreation		22 732	19 860	59 082	78 270	79 259	79 259	3 856	4 038	4 238
Public safety		221	231	127	396	396	396	1 134	433	455
Housing		3 591	8 606	10 170	55 904	153 912	153 912	68 435	21 802	22 881
Health		–	–	–	4	4	4	4	4	4
Economic and environmental services		**137 606**	**60 373**	**579 148**	**501 424**	**549 328**	**549 328**	**310 506**	**285 218**	**328 422**
Planning and development		56 234	(22 110)	52 217	48 510	44 205	44 205	54 248	59 281	57 028
Road transport		83 112	81 784	525 613	450 497	503 307	503 307	254 763	225 103	270 498
Environmental protection		(1 739)	700	1 318	2 417	1 816	1 816	1 496	835	896
Trading services		**1 764 643**	**2 063 560**	**2 657 476**	**3 532 378**	**3 384 066**	**3 384 066**	**3 408 043**	**3 679 058**	**3 981 857**
Energy sources		1 188 698	1 393 445	1 587 952	2 315 530	2 206 435	2 206 435	2 537 868	2 764 510	3 016 425
Water management		264 125	326 854	566 907	718 849	652 338	652 338	455 362	491 945	532 771
Waste water management		150 940	183 909	303 809	294 234	321 873	321 873	221 988	221 764	221 880
Waste management		160 881	159 351	198 809	203 766	203 420	203 420	192 824	200 840	210 781
Other	4	**62**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Total Revenue - Functional	2	**4 780 836**	**5 220 151**	**6 610 451**	**6 446 554**	**6 568 439**	**6 568 439**	**6 263 231**	**6 568 121**	**7 007 058**
Expenditure - Functional										
Governance and administration		**1 269 906**	**1 332 531**	**2 213 391**	**1 552 430**	**1 485 963**	**1 485 963**	**1 630 802**	**1 607 938**	**1 721 395**
Executive and council		188 140	114 984	178 165	173 194	175 890	175 890	191 027	198 038	206 005
Finance and administration		1 070 117	1 202 413	2 022 013	1 362 131	1 293 888	1 293 888	1 421 364	1 391 272	1 495 380
Internal audit		11 649	15 134	13 213	17 105	16 185	16 185	18 411	18 628	20 009
Community and public safety		**408 118**	**491 416**	**497 304**	**508 298**	**591 275**	**591 275**	**576 447**	**542 767**	**571 576**
Community and social services		64 671	69 473	70 673	87 644	87 598	87 598	102 067	103 814	108 545
Sport and recreation		251 056	322 764	343 376	258 916	271 487	271 487	311 386	320 128	338 417
Public safety		68 901	77 255	63 002	92 509	73 388	73 388	86 622	88 947	93 359
Housing		15 457	15 096	12 905	59 914	151 525	151 525	68 259	21 448	22 439
Health		8 033	6 827	7 349	9 315	7 277	7 277	8 113	8 430	8 817
Economic and environmental services		**1 389 229**	**1 136 495**	**981 431**	**873 090**	**871 665**	**871 665**	**884 649**	**870 472**	**950 107**
Planning and development		119 198	105 485	111 446	138 604	129 886	129 886	153 533	157 175	164 700
Road transport		1 244 635	1 004 832	846 905	704 071	711 199	711 199	697 087	678 816	748 577
Environmental protection		25 396	26 178	23 080	30 415	30 580	30 580	34 029	34 481	36 830
Trading services		**2 058 944**	**2 398 267**	**2 561 348**	**2 790 545**	**2 779 290**	**2 779 290**	**3 056 163**	**3 148 434**	**3 302 562**
Energy sources		1 116 501	1 285 130	1 468 828	1 782 956	1 732 951	1 732 951	1 896 141	1 979 307	2 068 385

Water management		662 342	808 968	775 880	656 759	704 751	704 751	775 665	791 956	836 369
Waste water management		113 038	107 891	148 350	140 575	146 920	146 920	168 077	162 406	163 877
Waste management		167 063	196 279	168 291	210 256	194 668	194 668	216 280	214 765	233 930
Other	4	–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	**5 126 197**	**5 358 708**	**6 253 474**	**5 724 364**	**5 728 194**	**5 728 194**	**6 148 061**	**6 169 611**	**6 545 640**
Surplus/(Deficit) for the year		**(345 360)**	**(138 558)**	**356 977**	**722 190**	**840 245**	**840 245**	**115 171**	**398 510**	**461 418**

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	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited	Audited	Audited	Original Budget	Adjusted	Full Year	Budget Year	Budget Year +1	Budget Year +2
Revenue - Functional										
Municipal governance and administration		**2 850 022**	**3 064 626**	**3 301 319**	**2 275 362**	**2 398 183**	**2 398 183**	**2 468 073**	**2 574 866**	**2 666 366**
Executive and council		974	5 185	13 781	2	2	2	2	2	2
Mayor and Council		576	5 185	13 781	1	1	1	1	2	2
Municipal Manager, Town Secretary and Chief Executive		398	–	–	1	1	1	1	1	1
Finance and administration		2 849 048	3 059 441	3 287 538	2 275 360	2 398 181	2 398 181	2 468 070	2 574 864	2 666 364
Administrative and Corporate Support		(0)	0	–	4	4	4	4	4	4
Asset Management		6 207	–	(8 981)	1	1	1	1	1	1
Finance		2 484 695	3 014 978	2 266 166	2 264 231	2 379 694	2 379 694	2 440 704	2 547 892	2 641 226
Fleet Management		–	–	–	1	1	1	1	1	1
Human Resources		39 390	13 621	22 419	6 966	6 897	6 897	16 175	15 254	12 840
Information Technology		10	16	174	524	115	115	25	26	28
Legal Services		–	–	–	0	0	0	0	0	0
Marketing, Customer Relations, Publicity and Media Co-ordination		–	–	–	1	1	1	1	1	1
Property Services		5 877	7 182	10 958	2 274	10 231	10 231	10 701	11 204	11 759
Risk Management		–	–	–	1	1	1	1	1	1
Security Services		7 430	23 645	996 802	1 357	1 237	1 237	457	478	502
Supply Chain Management		(0)	0	–	1	1	1	1	1	1
Valuation Service		305 440	–	–	–	–	–	–	–	–
Internal audit		–	–	–	0	0	0	0	0	0
Governance Function		–	–	–	0	0	0	0	0	0
Community and public safety		**28 504**	**31 591**	**72 508**	**137 391**	**236 863**	**236 863**	**76 610**	**28 978**	**30 413**
Community and social services		**1 959**	**2 894**	**3 129**	**2 818**	**3 293**	**3 293**	**3 180**	**2 702**	**2 835**
Aged Care		–	–	–	–	–	–	–	–	–
Agricultural		–	–	–	–	–	–	–	–	–
Animal Care and Diseases		–	–	–	–	–	–	–	–	–
Cemeteries, Funeral Parlours and Crematoriums		1 205	1 305	1 422	1 193	1 193	1 193	1 247	1 306	1 371
Child Care Facilities		–	–	–	–	–	–	–	–	–
Community Halls and Facilities		539	1 324	582	335	823	823	861	902	946
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		81	118	137	220	286	286	299	313	328
Literacy Programmes		–	–	–	–	–	–	–	–	–
Media Services		–	–	–	–	–	–	–	–	–
Museums and Art Galleries		134	146	988	1 069	990	990	771	179	188
Population Development		–	–	–	–	–	–	–	–	–
Provincial Cultural Matters		–	–	–	–	–	–	–	–	–
Theatres		–	–	–	–	–	–	–	–	–
Zoo's		–	–	–	–	–	–	–	–	–
Sport and recreation		**22 732**	**19 860**	**59 082**	**78 270**	**79 259**	**79 259**	**3 856**	**4 038**	**4 238**
Beaches and Jetties		–	–	–	–	–	–	–	–	–
Casinos, Racing, Gambling, Wagering		–	–	–	–	–	–	–	–	–
Community Parks (including Nurseries)		20 281	18 023	16 420	12 576	12 910	12 910	1 475	1 544	1 620
Recreational Facilities		1 958	1 406	42 212	65 313	65 968	65 968	1 983	2 076	2 179
Sports Grounds and Stadiums		493	431	451	381	381	381	399	418	438
Public safety		**221**	**231**	**127**	**396**	**396**	**396**	**1 134**	**433**	**455**
Civil Defence		0	–	–	–	–	–	–	–	–
Cleansing		–	–	–	–	–	–	–	–	–
Control of Public Nuisances		–	–	–	–	–	–	–	–	–
Fencing and Fences		–	–	–	–	–	–	–	–	–
Fire Fighting and Protection		221	231	127	396	396	396	1 134	433	455
Licensing and Control of Animals		–	–	–	–	–	–	–	–	–
Police Forces, Traffic and Street Parking Control		–	–	–	–	–	–	–	–	–
Pounds		–	–	–	–	–	–	–	–	–
Housing		**3 591**	**8 606**	**10 170**	**55 904**	**153 912**	**153 912**	**68 435**	**21 802**	**22 881**
Housing		3 591	8 606	10 170	55 904	153 912	153 912	68 435	21 802	22 881
Informal Settlements		–	–	–	–	–	–	–	–	–
Health		**–**	**–**	**–**	**4**	**4**	**4**	**4**	**4**	**4**
Ambulance		–	–	–	–	–	–	–	–	–
Health Services		–	–	–	4	4	4	4	4	4
Laboratory Services		–	–	–	–	–	–	–	–	–
Food Control		–	–	–	–	–	–	–	–	–
Health Surveillance and Prevention of Communicable Diseases including		–	–	–	–	–	–	–	–	–
Vector Control		–	–	–	–	–	–	–	–	–
Chemical Safety		–	–	–	–	–	–	–	–	–
Economic and environmental services		**137 606**	**60 373**	**579 148**	**501 424**	**549 328**	**549 328**	**310 506**	**285 218**	**328 422**
Planning and development		**56 234**	**(22 110)**	**52 217**	**48 510**	**44 205**	**44 205**	**54 248**	**59 281**	**57 028**
Billboards		–	–	–	–	–	–	–	–	–
Corporate Wide Strategic Planning (IDPs, LEDs)		–	–	157	1	1	1	1	1	1
Central City Improvement District		–	–	–	–	–	–	–	–	–
Development Facilitation		–	–	–	–	–	–	–	–	–
Economic Development/Planning		43	52	2 297	685	694	694	726	760	798
Regional Planning and Development		4 294	7 613	6 420	5 608	7 692	7 692	8 046	8 424	8 841
Town Planning, Building Regulations and Enforcement, and City Engineer		51 897	(29 776)	34 115	19 503	19 428	19 428	20 436	21 871	23 154
Project Management Unit		–	–	9 229	22 714	16 391	16 391	25 040	28 225	24 235
Provincial Planning		–	–	–	–	–	–	–	–	–
Support to Local Municipalities		–	–	–	–	–	–	–	–	–
Road transport		**83 112**	**81 784**	**525 613**	**450 497**	**503 307**	**503 307**	**254 763**	**225 103**	**270 498**
Public Transport		12 367	9 682	134 836	185 920	186 104	186 104	97 403	93 191	83 757
Road and Traffic Regulation		46 189	45 711	37 477	55 084	55 096	55 096	57 630	60 339	63 326

Roads		24 556	26 390	353 301	209 493	262 107	262 107	99 730	71 573	123 415
Taxi Ranks		–	–	–	–	–	–	–	–	–
Environmental protection		**(1 739)**	**700**	**1 318**	**2 417**	**1 816**	**1 816**	**1 496**	**835**	**896**
Biodiversity and Landscape		(1 739)	700	1 318	2 417	1 816	1 816	1 496	835	896
Coastal Protection		–	–	–	–	–	–	–	–	–
Indigenous Forests		–	–	–	–	–	–	–	–	–
Nature Conservation		–	–	–	–	–	–	–	–	–
Pollution Control		–	–	–	–	–	–	–	–	–
Soil Conservation		–	–	–	–	–	–	–	–	–
Trading services		**1 764 643**	**2 063 560**	**2 657 476**	**3 532 378**	**3 384 066**	**3 384 066**	**3 408 043**	**3 679 058**	**3 981 857**
Energy sources		**1 188 698**	**1 393 445**	**1 587 952**	**2 315 530**	**2 206 435**	**2 206 435**	**2 537 868**	**2 764 510**	**3 016 425**
Electricity		1 188 698	1 393 445	1 587 952	2 315 530	2 206 435	2 206 435	2 537 868	2 764 510	3 016 425
Street Lighting and Signal Systems		–	–	–	–	–	–	–	–	–
Nonelectric Energy		–	–	–	–	–	–	–	–	–
Water management		**264 125**	**326 854**	**566 907**	**718 849**	**652 338**	**652 338**	**455 362**	**491 945**	**532 771**
Water Treatment		–	–	–	1	1	1	1	1	1
Water Distribution		264 125	326 854	566 907	718 848	652 337	652 337	455 362	491 944	532 770
Water Storage		–	–	–	–	–	–	–	–	–
Waste water management		**150 940**	**183 909**	**303 809**	**294 234**	**321 873**	**321 873**	**221 988**	**221 764**	**221 880**
Public Toilets		–	–	–	–	–	–	–	–	–
Sewerage		150 940	183 909	303 809	294 234	321 873	321 873	221 988	221 764	221 880
Storm Water Management		–	–	–	–	–	–	–	–	–
Waste Water Treatment		–	–	–	–	–	–	–	–	–
Waste management		**160 881**	**159 351**	**198 809**	**203 766**	**203 420**	**203 420**	**192 824**	**200 840**	**210 781**
Recycling		–	–	–	–	–	–	–	–	–
Solid Waste Disposal (Landfill Sites)		–	–	–	–	–	–	–	–	–
Solid Waste Removal		160 881	159 351	198 809	203 766	203 420	203 420	192 824	200 840	210 781
Street Cleaning		–	–	–	–	–	–	–	–	–
Other		**62**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Abattoirs		–	–	–	–	–	–	–	–	–
Air Transport		–	–	–	–	–	–	–	–	–
Forestry		–	–	–	–	–	–	–	–	–
Licensing and Regulation		62	–	–	–	–	–	–	–	–
Markets		–	–	–	–	–	–	–	–	–
Tourism		–	–	–	–	–	–	–	–	–
Total Revenue - Functional	2	**4 780 836**	**5 220 151**	**6 610 451**	**6 446 554**	**6 568 439**	**6 568 439**	**6 263 231**	**6 568 121**	**7 007 058**
Expenditure - Functional										
Municipal governance and administration		**1 269 906**	**1 332 531**	**2 213 391**	**1 552 430**	**1 485 963**	**1 485 963**	**1 630 802**	**1 607 938**	**1 721 395**
Executive and council		188 140	114 984	178 165	173 194	175 890	175 890	191 027	198 038	206 005
Mayor and Council		169 565	97 824	160 949	156 002	156 388	156 388	168 481	174 789	181 502
Municipal Manager, Town Secretary and Chief Executive		18 575	17 159	17 215	17 191	19 502	19 502	22 546	23 249	24 503
Finance and administration		1 070 117	1 202 413	2 022 013	1 362 131	1 293 888	1 293 888	1 421 364	1 391 272	1 495 380
Administrative and Corporate Support		7 722	6 008	7 486	21 918	17 962	17 962	22 619	23 576	24 582
Asset Management		77 116	86 201	46 880	93 731	94 004	94 004	101 309	103 471	110 103
Finance		374 511	507 574	386 661	553 823	458 327	458 327	509 069	494 474	527 000
Fleet Management		130 629	135 814	107 874	98 994	119 597	119 597	128 499	128 626	139 653
Human Resources		52 016	68 630	77 399	95 064	90 898	90 898	128 199	128 221	135 190
Information Technology		64 268	65 118	61 568	72 958	83 558	83 558	94 921	80 166	84 192
Legal Services		31 309	37 151	64 402	46 648	60 594	60 594	64 522	62 473	70 122
Marketing, Customer Relations, Publicity and Media Co-ordination		13 489	16 536	14 600	15 608	13 941	13 941	16 152	16 846	17 554
Property Services		73 842	97 638	80 726	68 789	87 281	87 281	73 184	73 025	79 536
Risk Management		7 038	4 279	7 339	8 863	8 514	8 514	9 531	9 548	10 358
Security Services		125 375	92 044	1 139 778	255 904	233 077	233 077	242 335	238 527	263 371
Supply Chain Management		112 801	85 419	27 299	29 831	26 135	26 135	31 025	32 318	33 718
Valuation Service		–	–	–	–	–	–	–	–	–
Internal audit		11 649	15 134	13 213	17 105	16 185	16 185	18 411	18 628	20 009
Governance Function		11 649	15 134	13 213	17 105	16 185	16 185	18 411	18 628	20 009
Community and public safety		**408 118**	**491 416**	**497 304**	**508 298**	**591 275**	**591 275**	**576 447**	**542 767**	**571 576**
Community and social services		**64 671**	**69 473**	**70 673**	**87 644**	**87 598**	**87 598**	**102 067**	**103 814**	**108 545**
Aged Care		–	–	–	–	–	–	–	–	–
Agricultural		–	–	–	–	–	–	–	–	–
Animal Care and Diseases		–	–	–	–	–	–	–	–	–
Cemeteries, Funeral Parlours and Crematoriums		6 517	9 073	7 903	10 328	9 181	9 181	10 402	10 588	11 305
Child Care Facilities		–	–	–	–	–	–	–	–	–
Community Halls and Facilities		12 968	13 915	14 264	16 117	17 217	17 217	20 207	21 059	21 961
Consumer Protection		–	–	–	–	–	–	–	–	–
Cultural Matters		5 179	3 690	3 821	5 636	4 740	4 740	6 288	4 899	5 104
Disaster Management		9 058	10 933	12 026	12 971	13 549	13 549	14 607	15 202	15 875
Education		–	–	–	–	–	–	–	–	–
Indigenous and Customary Law		–	–	–	–	–	–	–	–	–
Industrial Promotion		–	–	–	–	–	–	–	–	–
Language Policy		–	–	–	–	–	–	–	–	–
Libraries and Archives		21 208	21 560	22 145	29 103	30 971	30 971	36 763	38 314	39 954
Literacy Programmes		–	–	–	–	–	–	–	–	–
Media Services		–	–	–	–	–	–	–	–	–
Museums and Art Galleries		9 740	10 302	10 515	13 490	11 940	11 940	13 800	13 753	14 346
Population Development		–	–	–	–	–	–	–	–	–
Provincial Cultural Matters		–	–	–	–	–	–	–	–	–
Theatres		–	–	–	–	–	–	–	–	–
Zoo's		–	–	–	–	–	–	–	–	–
Sport and recreation		**251 056**	**322 764**	**343 376**	**258 916**	**271 487**	**271 487**	**311 386**	**320 128**	**338 417**
Beaches and Jetties		–	–	–	–	–	–	–	–	–
Casinos, Racing, Gambling, Wagering		–	–	–	–	–	–	–	–	–
Community Parks (including Nurseries)		47 660	54 431	107 868	78 761	79 523	79 523	92 381	95 580	100 401
Recreational Facilities		203 396	268 333	235 508	180 155	191 965	191 965	219 005	224 548	238 016
Sports Grounds and Stadiums		–	–	–	–	–	–	–	–	–
Public safety		**68 901**	**77 255**	**63 002**	**92 509**	**73 388**	**73 388**	**86 622**	**88 947**	**93 359**
Civil Defence		–	–	–	–	–	–	–	–	–
Cleansing		–	–	–	–	–	–	–	–	–

Control of Public Nuisances	–	–	–	–	–	–	–	–	–
Fencing and Fences	–	–	–	–	–	–	–	–	–
Fire Fighting and Protection	68 901	77 255	63 002	92 509	73 388	73 388	86 622	88 947	93 359
Licensing and Control of Animals	–	–	–	–	–	–	–	–	–
Police Forces, Traffic and Street Parking Control	–	–	–	–	–	–	–	–	–
Pounds	–	–	–	–	–	–	–	–	–
Housing	**15 457**	**15 096**	**12 905**	**59 914**	**151 525**	**151 525**	**68 259**	**21 448**	**22 439**
Housing	15 457	15 096	12 905	59 914	151 525	151 525	68 259	21 448	22 439
Informal Settlements	–	–	–	–	–	–	–	–	–
Health	**8 033**	**6 827**	**7 349**	**9 315**	**7 277**	**7 277**	**8 113**	**8 430**	**8 817**
Ambulance	–	–	–	–	–	–	–	–	–
Health Services	8 033	6 827	7 349	9 315	7 277	7 277	8 113	8 430	8 817
Laboratory Services	–	–	–	–	–	–	–	–	–
Food Control	–	–	–	–	–	–	–	–	–
Health Surveillance and Prevention of Communicable Diseases including	–	–	–	–	–	–	–	–	–
Vector Control	–	–	–	–	–	–	–	–	–
Chemical Safety	–	–	–	–	–	–	–	–	–

Economic and environmental services		**1 389 229**	**1 136 495**	**981 431**	**873 090**	**871 665**	**871 665**	**884 649**	**870 472**	**950 107**
Planning and development		**119 198**	**105 485**	**111 446**	**138 604**	**129 886**	**129 886**	**153 533**	**157 175**	**164 700**
Billboards		–	–	–	–	–	–	–	–	–
Corporate Wide Strategic Planning (IDPs, LEDs)		24 673	17 865	14 597	21 493	23 233	23 233	25 703	26 712	27 934
Central City Improvement District		–	–	–	–	–	–	–	–	–
Development Facilitation		–	–	–	–	–	–	–	–	–
Economic Development/Planning		22 089	21 363	25 893	30 125	27 527	27 527	33 062	34 312	35 932
Regional Planning and Development		–	–	–	–	–	–	–	–	–
Town Planning, Building Regulations and Enforcement, and City Engineer		52 058	42 077	60 327	62 355	61 347	61 347	67 742	70 712	74 338
Project Management Unit		20 378	24 180	10 629	24 631	17 779	17 779	27 026	25 438	26 496
Provincial Planning		–	–	–	–	–	–	–	–	–
Support to Local Municipalities		–	–	–	–	–	–	–	–	–
Road transport		**1 244 635**	**1 004 832**	**846 905**	**704 071**	**711 199**	**711 199**	**697 087**	**678 816**	**748 577**
Public Transport		115 880	149 645	159 777	192 792	206 677	206 677	178 300	173 946	174 057
Road and Traffic Regulation		152 998	154 986	147 721	144 946	145 570	145 570	169 093	175 495	183 771
Roads		975 757	700 201	539 407	366 333	358 953	358 953	349 694	329 374	390 748
Taxi Ranks		–	–	–	–	–	–	–	–	–
Environmental protection		**25 396**	**26 178**	**23 080**	**30 415**	**30 580**	**30 580**	**34 029**	**34 481**	**36 830**
Biodiversity and Landscape		25 396	26 178	23 080	30 415	30 580	30 580	34 029	34 481	36 830
Coastal Protection		–	–	–	–	–	–	–	–	–
Indigenous Forests		–	–	–	–	–	–	–	–	–
Nature Conservation		–	–	–	–	–	–	–	–	–
Pollution Control		–	–	–	–	–	–	–	–	–
Soil Conservation		–	–	–	–	–	–	–	–	–
Trading services		**2 058 944**	**2 398 267**	**2 561 348**	**2 790 545**	**2 779 290**	**2 779 290**	**3 056 163**	**3 148 434**	**3 302 562**
Energy sources		**1 116 501**	**1 285 130**	**1 468 828**	**1 782 956**	**1 732 951**	**1 732 951**	**1 896 141**	**1 979 307**	**2 068 385**
Electricity		1 116 501	1 285 130	1 468 828	1 782 956	1 732 951	1 732 951	1 896 141	1 979 307	2 068 385
Street Lighting and Signal Systems		–	–	–	–	–	–	–	–	–
Nonelectric Energy		–	–	–	–	–	–	–	–	–
Water management		**662 342**	**808 968**	**775 880**	**656 759**	**704 751**	**704 751**	**775 665**	**791 956**	**836 369**
Water Treatment		17 075	15 685	3 711	25 864	27 861	27 861	26 115	27 238	28 382
Water Distribution		645 267	793 283	772 168	630 895	676 891	676 891	749 550	764 718	807 988
Water Storage		–	–	–	–	–	–	–	–	–
Waste water management		**113 038**	**107 891**	**148 350**	**140 575**	**146 920**	**146 920**	**168 077**	**162 406**	**163 877**
Public Toilets		–	–	–	–	–	–	–	–	–
Sewerage		113 038	107 891	148 350	140 575	146 920	146 920	168 077	162 406	163 877
Storm Water Management		–	–	–	–	–	–	–	–	–
Waste Water Treatment		–	–	–	–	–	–	–	–	–
Waste management		**167 063**	**196 279**	**168 291**	**210 256**	**194 668**	**194 668**	**216 280**	**214 765**	**233 930**
Recycling		–	–	–	–	–	–	–	–	–
Solid Waste Disposal (Landfill Sites)		–	–	–	–	–	–	–	–	–
Solid Waste Removal		167 063	196 279	168 291	210 256	194 668	194 668	216 280	214 765	233 930
Street Cleaning		–	–	–	–	–	–	–	–	–
Other		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Abattoirs		–	–	–	–	–	–	–	–	–
Air Transport		–	–	–	–	–	–	–	–	–
Forestry		–	–	–	–	–	–	–	–	–
Licensing and Regulation		–	–	–	–	–	–	–	–	–
Markets		–	–	–	–	–	–	–	–	–
Tourism		–	–	–	–	–	–	–	–	–
Total Expenditure - Functional	3	**5 126 197**	**5 358 708**	**6 253 474**	**5 724 364**	**5 728 194**	**5 728 194**	**6 148 061**	**6 169 611**	**6 545 640**
Surplus/(Deficit) for the year		**(345 360)**	**(138 558)**	**356 977**	**722 190**	**840 245**	**840 245**	**115 171**	**398 510**	**461 418**

References

1. Government Finance Statistics Functions and Sub-functions are standardised to assist national and international accounts and comparison

2. Total Revenue by Functional Classification must reconcile to total operating revenue shown in Financial Performance (revenue and expenditure)

3. Total Expenditure by Functional Classification must reconcile to total operating expenditure shown in 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 A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description	####	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited	Audited	Audited	Original Budget	Adjusted	Full Year	Budget Year	Budget Year +1	Budget Year +2
Revenue by Vote	1									
Vote 1 - Chief operations office		7 226	23 351	1 003 750	22 717	16 394	16 394	25 044	28 229	24 238
Vote 2 - Municipal managers office		974	5 185	13 781	2	2	2	2	2	2
Vote 3 - Water and sanitation		415 064	510 763	870 716	1 013 082	974 211	974 211	677 351	713 709	754 651
Vote 4 - Energy services		1 188 698	1 393 445	1 587 952	2 315 530	2 206 435	2 206 435	2 537 868	2 764 510	3 016 425
Vote 5 - Community Services		183 473	182 105	261 328	285 583	286 345	286 345	200 261	208 077	218 397
Vote 6 - Public safety		47 035	46 936	39 352	58 528	58 175	58 175	60 321	61 592	64 640
Vote 7 - Corporate and Shared Services		45 277	20 818	33 550	9 767	17 245	17 245	26 905	26 488	24 631
Vote 8 - Planning and Economic Development		56 234	(22 110)	44 531	25 796	27 814	27 814	29 207	31 055	32 792
Vote 9 - Budget and Treasury office		2 796 341	3 014 978	2 257 185	2 264 232	2 379 696	2 379 696	2 440 706	2 547 894	2 641 228
Vote 10 - Transport Operations		13 503	10 178	136 610	186 652	213 166	213 166	101 418	97 395	88 169
Vote 11 - Human Settlement		3 591	8 606	10 170	55 904	153 912	153 912	68 435	21 802	22 881
Vote 12 - Roads and stormwater		23 420	25 895	351 526	208 760	235 044	235 044	95 715	67 370	119 003
Vote 13 -		–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–
Total Revenue by Vote	2	**4 780 836**	**5 220 151**	**6 610 451**	**6 446 554**	**6 568 439**	**6 568 439**	**6 263 231**	**6 568 121**	**7 007 058**
Expenditure by Vote *to be appropriated*	1									
Vote 1 - Chief operations office		118 567	71 999	1 079 424	172 518	174 134	174 134	202 177	203 235	216 851
Vote 2 - Municipal managers office		172 402	96 207	154 409	141 459	150 394	150 394	161 910	166 744	174 361
Vote 3 - Water and sanitation		775 380	916 859	924 229	797 333	851 671	851 671	943 741	954 363	1 000 246
Vote 4 - Energy services		1 116 501	1 285 130	1 468 828	1 782 956	1 732 951	1 732 951	1 896 141	1 979 307	2 068 385
Vote 5 - Community Services		477 064	582 413	574 694	554 174	546 481	546 481	622 682	631 811	673 916
Vote 6 - Public safety		375 411	415 933	455 954	531 248	488 708	488 708	538 920	544 109	584 078
Vote 7 - Corporate and Shared Services		324 522	369 029	327 818	338 565	379 486	379 486	422 330	407 450	435 884
Vote 8 - Planning and Economic Development		94 827	77 003	95 189	109 687	108 749	108 749	122 503	127 561	133 853
Vote 9 - Budget and Treasury office		564 429	679 194	460 840	677 385	578 466	578 466	641 403	630 263	670 821
Vote 10 - Transport Operations		115 880	149 645	159 777	192 792	206 677	206 677	178 300	173 946	174 057
Vote 11 - Human Settlement		15 457	15 096	12 905	59 914	151 525	151 525	68 259	21 448	22 439
Vote 12 - Roads and stormwater		975 757	700 201	539 407	366 333	358 953	358 953	349 694	329 374	390 748
Vote 13 -		–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–
Total Expenditure by Vote	2	**5 126 197**	**5 358 708**	**6 253 474**	**5 724 364**	**5 728 194**	**5 728 194**	**6 148 061**	**6 169 611**	**6 545 640**
Surplus/(Deficit) for the year	2	**(345 360)**	**(138 558)**	**356 977**	**722 190**	**840 245**	**840 245**	**115 171**	**398 510**	**461 418**

References

1. Insert 'Vote'; e.g. department, if different to functional classification structure

2. Must reconcile to Budgeted Financial Performance (revenue and expenditure)

3. Assign share in 'associate' to relevant Vote

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

Vote Description	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited	Audited	Audited	Original Budget	Adjusted	Full Year	Budget Year	Budget Year +1	Budget Year +2
Revenue by Vote	1									
Vote 1 - Chief operations office		**7 226**	**23 351**	**1 003 750**	**22 717**	**16 394**	**16 394**	**25 044**	**28 229**	**24 238**
1.1 - Chief operations office (administration)		7 226	23 351	994 364	1	1	1	1	1	1
1.2 - Legaslative support		–	–	–	0	0	0	0	0	0
1.3 - Legal services		–	–	–	0	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		–	–	9 229	22 714	16 391	16 391	25 040	28 225	24 235
1.7 - Performance management unit		–	–	157	1	1	1	1	1	1
1.8 - Cluster office		–	–	–	1	1	1	1	1	1
1.9 - Executive support		–	–	–	1	1	1	1	1	1
1.10 -		–	–	–	–	–	–	–	–	–
Vote 2 - Municipal managers office		**974**	**5 185**	**13 781**	**2**	**2**	**2**	**2**	**2**	**2**
2.1 - Council		576	5 185	13 781	1	1	1	1	1	1
2.2 - Municipal manager		398	–	–	1	1	1	1	1	1
2.3 - Risk management		–	–	–	1	1	1	1	1	1
2.4 - Internal audit		–	–	–	0	0	0	0	0	0
2.5 -		–	–	–	–	–	–	–	–	–
2.6 -		–	–	–	–	–	–	–	–	–
2.7 -		–	–	–	–	–	–	–	–	–
2.8 -		–	–	–	–	–	–	–	–	–
2.9 -		–	–	–	–	–	–	–	–	–
2.10 -		–	–	–	–	–	–	–	–	–
Vote 3 - Water and sanitation		**415 064**	**510 763**	**870 716**	**1 013 082**	**974 211**	**974 211**	**677 351**	**713 709**	**754 651**
3.1 - Water and sanitation admin		135 343	181 477	207 321	204 380	220 932	220 932	226 656	237 308	249 054
3.2 - Reticulation, distrubution and maintenance		264 125	326 854	354 500	456 696	396 493	396 493	455 236	491 812	532 633
3.3 - Operations and waste water		15 597	2 433	96 488	89 876	101 081	101 081	(4 542)	(15 413)	(27 037)
3.4 - Quality monitoring services		–	–	–	1	1	1	1	1	1
3.5 - Reticulations, distrubution and maintenance, water demand		–	–	–	–	–	–	–	–	–
3.6 - Reticulations, distrubution and maintenance, water demand		–	–	–	–	–	–	–	–	–
3.7 - Infrastructure development		–	–	212 407	262 130	255 705	255 705	1	1	1
3.8 -		–	–	–	–	–	–	–	–	–
3.9 -		–	–	–	–	–	–	–	–	–
3.10 -		–	–	–	–	–	–	–	–	–
Vote 4 - Energy services		**1 188 698**	**1 393 445**	**1 587 952**	**2 315 530**	**2 206 435**	**2 206 435**	**2 537 868**	**2 764 510**	**3 016 425**
4.1 - Energy services admin		1 162 095	1 408 437	1 603 129	2 351 501	2 266 404	2 266 404	2 618 999	2 848 264	3 104 832
4.2 - Energy operation and maintenance administration		26 603	(15 017)	(22 955)	(77 403)	(77 403)	(77 403)	(86 621)	(94 414)	(103 139)
4.3 - Energy services: 66KV		–	–	–	1	1	1	1	2	2
4.4 - Energy services 11KV		–	–	7 745	12 004	12 112	12 112	5 487	10 657	14 729
4.5 - Energy services: Planning and development		–	25	32	29 427	5 321	5 321	1	2	2
4.6 -		–	–	–	–	–	–	–	–	–
4.7 -		–	–	–	–	–	–	–	–	–
4.8 -		–	–	–	–	–	–	–	–	–
4.9 -		–	–	–	–	–	–	–	–	–
4.10 -		–	–	–	–	–	–	–	–	–
Vote 5 - Community Services		**183 473**	**182 105**	**261 328**	**285 583**	**286 345**	**286 345**	**200 261**	**208 077**	**218 397**
5.1 - Directorate coummunity services		–	–	–	–	–	–	–	–	–
5.2 - Sport and recreation		22 732	17 622	56 472	78 268	79 257	79 257	3 855	4 036	4 235
5.3 - Sport and facilities maintenance		–	–	–	1	1	1	1	1	1
5.4 - Recreation services (swimming pools)		–	–	–	1	1	1	1	1	1
5.5 - Sports facilities maintenance (horticultural services)		–	–	–	–	–	–	–	–	–
5.6 - Cultural services (administration)		–	–	–	1	1	1	1	1	1
5.7 - Culture services (art gallery)		134	146	162	163	163	163	170	179	187
5.8 - Cultural services (libraries)		81	118	137	220	286	286	299	313	328
5.9 - Cultural service (museums)		–	–	825	906	827	827	601	1	1
5.10 - Other Community Services		160 526	164 219	203 731	206 024	205 811	205 811	195 334	203 546	213 642
Vote 6 - Public safety		**47 035**	**46 936**	**39 352**	**58 528**	**58 175**	**58 175**	**60 321**	**61 592**	**64 640**
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 - Traffice and licences (licencing)		7	–	–	12	12	12	13	13	14
6.4 - Traffic and licencing (vehicle testing and drivers licence tes		–	–	–	1	1	1	1	1	1
6.5 - Traffic and licencing (traffic services)		46 182	45 711	37 477	55 071	55 082	55 082	57 616	60 324	63 310
6.6 - Disaster management administration		–	–	–	1	1	1	721	1	1
6.7 - Disaster management (fire fighting)		221	231	127	395	395	395	413	432	454

6.8 - By law enforcement and security (administration)	–	–	–	1	1	1	1	1	1
6.9 - Security services	247	234	705	1 348	1 228	1 228	448	469	492
6.10 - Other Community Development	379	760	1 043	1 698	1 453	1 453	1 107	348	366
Vote 7 - Corporate and Shared Services	**45 277**	**20 818**	**33 550**	**9 767**	**17 245**	**17 245**	**26 905**	**26 488**	**24 631**
7.1 - Community and shared services	–	0	–	2	2	2	2	2	2
7.2 - Corporte service- Information Communication Technology	10	16	174	524	115	115	25	26	28
7.3 - Human Resources Development (administration)	–	–	–	1	1	1	1	1	1
7.4 - Human Resources Development (Organisational developm	–	–	–	1	1	1	1	1	1
7.5 - Human Resources Development (Learning and developme	–	–	9 076	5 365	5 296	5 296	14 501	13 501	11 001
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	45 266	20 803	24 301	3 873	11 829	11 829	12 373	12 955	13 596
Vote 8 - Planning and Economic Development	**56 234**	**(22 110)**	**44 531**	**25 796**	**27 814**	**27 814**	**29 207**	**31 055**	**32 792**
8.1 - Directorate planning and development	–	–	–	1	1	1	1	1	1
8.2 - Property management	–	–	–	22	31	31	32	34	35
8.3 - City and regional planning	4 294	8 270	25 616	12 706	14 462	14 462	15 155	16 020	16 801
8.4 - Corporate Gio information	–	–	655	541	724	724	845	1 206	1 478
8.5 - Building inspections (administration)	–	–	–	1	1	1	1	1	1
8.6 - Economic development and tourism	43	52	3 997	683	692	692	724	758	796
8.7 - Local Economic Development	–	–	–	1	1	1	1	1	1
8.8 - Investment Promotion	–	–	–	0	0	0	0	0	0
8.9 - LED (Economic Planning)	–	–	–	0	0	0	0	0	0
8.10 - Other Planning and Economic Development	51 897	(30 433)	14 263	11 842	11 902	11 902	12 449	13 034	13 679
Vote 9 - Budget and Treasury office	**2 796 341**	**3 014 978**	**2 257 185**	**2 264 232**	**2 379 696**	**2 379 696**	**2 440 706**	**2 547 894**	**2 641 228**
9.1 - Budget and treasury office	255 637	5 220	13 047	8 520	8 869	8 869	9 277	9 713	10 194
9.2 - Expenditure	12 784	7 939	–	1	1	1	1	1	1
9.3 - Revenue management and customer care	2 519 329	2 997 511	2 247 011	2 250 118	2 365 232	2 365 232	2 425 587	2 532 082	2 624 662
9.4 - Supply Chain Management	(0)	0	–	1	1	1	1	1	1
9.5 - Asset management	6 207	–	(8 981)	1	1	1	1	1	1
9.6 - Budget and financial reporting	2 385	4 307	6 108	5 592	5 592	5 592	5 839	6 096	6 369
9.7 - Business and financial planning	–	–	–	1	1	1	1	1	1
9.8 -	–	–	–	–	–	–	–	–	–
9.9 -	–	–	–	–	–	–	–	–	–
9.10 -	–	–	–	–	–	–	–	–	–
Vote 10 - Transport Operations	**13 503**	**10 178**	**136 610**	**186 652**	**213 166**	**213 166**	**101 418**	**97 395**	**88 169**
10.1 - Transport services	1 271	828	96 168	151 126	170 744	170 744	68 645	71 094	62 350
10.2 - Transport services (Planning and operations)	12 232	9 350	26 601	14 160	23 360	23 360	14 355	7 855	9 289
10.3 - Transport services (Intelligent transport and system mode	–	–	3 333	9 016	6 326	6 326	6 516	6 553	4 501
10.4 - Transport services (Public transport regulation and monito	–	–	10 508	12 351	12 737	12 737	11 902	11 891	12 029
10.5 -	–	–	–	–	–	–	–	–	–
10.6 -	–	–	–	–	–	–	–	–	–
10.7 -	–	–	–	–	–	–	–	–	–
10.8 -	–	–	–	–	–	–	–	–	–
10.9 -	–	–	–	–	–	–	–	–	–
10.10 -	–	–	–	–	–	–	–	–	–
Vote 11 - Human Settlement	**3 591**	**8 606**	**10 170**	**55 904**	**153 912**	**153 912**	**68 435**	**21 802**	**22 881**
11.1 - Human Settlement	–	–	–	1	1	1	1	1	1
11.2 - Human Settlement Housing admin	3 591	8 606	10 170	8 278	19 866	19 866	20 780	21 757	22 834
11.3 - Human Settlement Rental housing and programme impler	–	–	–	47 625	134 045	134 045	47 655	45	47
11.4 -	–	–	–	–	–	–	–	–	–
11.5 -	–	–	–	–	–	–	–	–	–
11.6 -	–	–	–	–	–	–	–	–	–
11.7 -	–	–	–	–	–	–	–	–	–
11.8 -	–	–	–	–	–	–	–	–	–
11.9 -	–	–	–	–	–	–	–	–	–
11.10 -	–	–	–	–	–	–	–	–	–
Vote 12 - Roads and stormwater	**23 420**	**25 895**	**351 526**	**208 760**	**235 044**	**235 044**	**95 715**	**67 370**	**119 003**
12.1 - Roads and stormwater (Admin)	23 420	25 895	23 165	35 476	38 842	38 842	40 628	42 538	44 644
12.2 - Roads and stormwater (Roads and streets)	–	–	317 376	168 518	161 437	161 437	55 085	24 830	74 358
12.3 - Roads and stormwater (Stormwater)	–	–	10 985	4 766	34 766	34 766	1	1	1
12.4 - Storm water management and traffic enigineering	–	–	–	1	1	1	1	1	1
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	**4 780 836**	**5 220 151**	**6 610 451**	**6 446 554**	**6 568 439**	**6 568 439**	**6 263 231**	**6 568 121**	**7 007 058**

Expenditure by Vote	1									
Vote 1 - Chief operations office		**118 567**	**71 999**	**1 079 424**	**172 518**	**174 134**	**174 134**	**202 177**	**203 235**	**216 851**
1.1 - Chief operations office (administration)		2 004	(62 245)	924 773	5 448	3 485	3 485	4 293	4 475	4 666
1.2 - Legaslative support		18 231	19 988	22 872	30 237	24 714	24 714	29 166	30 400	31 698
1.3 - Legal services		31 309	37 151	64 402	46 648	60 594	60 594	64 522	62 473	70 122
1.4 - Integrated development plan		–	–	–	–	–	–	–	–	–
1.5 - Communications and marketing		13 489	16 536	14 600	15 608	13 941	13 941	16 152	16 846	17 554
1.6 - Project management unit		20 378	24 180	10 629	24 631	17 779	17 779	27 026	25 438	26 496
1.7 - Performance management unit		3 994	4 302	6 449	6 362	10 923	10 923	12 919	13 475	14 041
1.8 - Cluster office		12 968	13 885	14 264	16 117	17 217	17 217	20 207	21 059	21 961
1.9 - Executive support		16 195	18 202	21 436	27 466	25 481	25 481	27 893	29 070	30 314
1.10 -		–	–	–	–	–	–	–	–	–
Vote 2 - Municipal managers office		**172 402**	**96 207**	**154 409**	**141 459**	**150 394**	**150 394**	**161 910**	**166 744**	**174 361**
2.1 - Council		135 139	59 634	116 641	98 299	106 193	106 193	111 423	115 319	119 490
2.2 - Municipal manager		18 575	17 159	17 215	17 191	19 502	19 502	22 546	23 249	24 503
2.3 - Risk management		7 038	4 279	7 339	8 863	8 514	8 514	9 531	9 548	10 358
2.4 - Internal audit		11 649	15 134	13 213	17 105	16 185	16 185	18 411	18 628	20 009
2.5 -		–	–	–	–	–	–	–	–	–
2.6 -		–	–	–	–	–	–	–	–	–
2.7 -		–	–	–	–	–	–	–	–	–
2.8 -		–	–	–	–	–	–	–	–	–
2.9 -		–	–	–	–	–	–	–	–	–
2.10 -		–	–	–	–	–	–	–	–	–
Vote 3 - Water and sanitation		**775 380**	**916 859**	**924 229**	**797 333**	**851 671**	**851 671**	**943 741**	**954 363**	**1 000 246**
3.1 - Water and sanitation admin		391 167	411 905	480 100	435 780	492 309	492 309	552 738	566 532	594 091
3.2 - Reticulation, distrubution and maintenance		243 186	361 515	267 853	182 906	173 548	173 548	183 994	184 817	199 965
3.3 - Operations and waste water		113 038	107 891	110 356	101 011	105 628	105 628	119 483	111 724	111 066
3.4 - Quality monitoring services		17 055	15 685	41 705	64 537	68 445	68 445	73 847	77 022	80 257
3.5 - Reticulations, distrubution and maintenance, water demand		–	–	–	–	–	–	–	–	–
3.6 - Reticulations, distrubution and maintenance, water demand		–	–	–	–	–	–	–	–	–
3.7 - Infrastructure development		10 935	19 862	24 216	13 098	11 742	11 742	13 680	14 268	14 867
3.8 -		–	–	–	–	–	–	–	–	–
3.9 -		–	–	–	–	–	–	–	–	–
3.10 -		–	–	–	–	–	–	–	–	–
Vote 4 - Energy services		**1 116 501**	**1 285 130**	**1 468 828**	**1 782 956**	**1 732 951**	**1 732 951**	**1 896 141**	**1 979 307**	**2 068 385**
4.1 - Energy services admin		2 732	2 782	1 879	4 859	4 612	4 612	5 587	5 819	6 072
4.2 - Energy operation and maintenance administration		107 167	120 351	151 790	114 662	96 626	96 626	115 865	120 158	125 923
4.3 - Energy services: 66KV		25 659	28 685	23 655	36 275	26 774	26 774	30 066	30 973	32 676
4.4 - Energy services 11KV		972 883	1 130 552	1 288 788	1 618 916	1 596 696	1 596 696	1 738 598	1 816 271	1 897 167
4.5 - Energy services: Planning and development		8 060	2 761	2 715	8 243	8 243	8 243	6 025	6 086	6 548
4.6 -		–	–	–	–	–	–	–	–	–
4.7 -		–	–	–	–	–	–	–	–	–
4.8 -		–	–	–	–	–	–	–	–	–
4.9 -		–	–	–	–	–	–	–	–	–
4.10 -		–	–	–	–	–	–	–	–	–
Vote 5 - Community Services		**477 064**	**582 413**	**574 694**	**554 174**	**546 481**	**546 481**	**622 682**	**631 811**	**673 916**
5.1 - Directorate coummunity services		–	–	–	–	–	–	–	–	–
5.2 - Sport and recreation		70 131	78 656	243 697	156 404	157 218	157 218	175 616	181 929	190 860
5.3 - Sport and facilities maintenance		173 805	237 491	92 823	94 624	105 674	105 674	125 567	127 644	136 467
5.4 - Recreation services (swimming pools)		7 120	6 618	6 856	7 888	8 595	8 595	10 204	10 555	11 090
5.5 - Sports facilities maintenance (horticultural services)		–	–	–	–	–	–	–	–	–
5.6 - Cultural services (administration)		1 532	1 600	1 631	2 492	2 162	2 162	2 562	2 673	2 785
5.7 - Culture services (art gallery)		1 506	1 134	957	1 385	1 203	1 203	1 410	1 471	1 533
5.8 - Cultural services (libraries)		21 208	21 560	22 145	29 103	30 971	30 971	36 763	38 314	39 954
5.9 - Cultural service (museums)		8 235	9 167	9 557	12 105	10 736	10 736	12 390	12 282	12 813
5.10 - Other Community Services		193 528	226 187	197 028	250 173	229 921	229 921	258 170	256 943	278 414
Vote 6 - Public safety		**375 411**	**415 933**	**455 954**	**531 248**	**488 708**	**488 708**	**538 920**	**544 109**	**584 078**
6.1 - Public safety administration		533	381	361	5 136	3 152	3 152	4 726	4 926	5 137
6.2 - Traffic and licencing administration		2 015	2 085	2 875	2 958	3 054	3 054	3 583	3 737	3 894
6.3 - Traffice and licences (licencing)		14 604	15 766	15 470	19 190	17 100	17 100	20 287	21 157	22 048
6.4 - Traffic and licencing (vehicle testing and drivers licence tes		12 830	12 975	12 488	14 455	13 312	13 312	15 942	16 622	17 326
6.5 - Traffic and licencing (traffic services)		123 549	124 160	116 888	108 333	112 094	112 094	129 271	133 969	140 492
6.6 - Disaster management administration		77 960	88 188	75 028	105 481	86 937	86 937	101 229	104 149	109 233
6.7 - Disaster management (fire fighting)		–	–	–	–	–	–	–	–	–
6.8 - By law enforcement and security (administration)		2 122	1 923	2 757	2 992	2 366	2 366	2 805	2 926	3 049
6.9 - Security services		104 302	133 123	192 967	229 645	205 266	205 266	209 881	204 994	228 100
6.10 - Other Community Development		37 497	37 332	37 119	43 057	45 427	45 427	51 197	51 630	54 800
Vote 7 - Corporate and Shared Services		**324 522**	**369 029**	**327 818**	**338 565**	**379 486**	**379 486**	**422 330**	**407 450**	**435 884**

7.1 - Community and shared services	3 767	1 829	2 810	5 986	5 717	5 717	6 442	6 710	7 001
7.2 - Corporte service- Information Communication Technology	64 268	65 118	61 568	72 958	83 558	83 558	94 921	80 166	84 192
7.3 - Human Resources Development (administration)	–	–	1	2 089	1 435	1 435	1 681	1 754	1 827
7.4 - Human Resources Development (Organisational developm	3 725	4 021	4 146	5 455	4 998	4 998	5 924	6 179	6 438
7.5 - Human Resources Development (Learning and developme	17 364	12 803	19 669	22 123	18 585	18 585	28 293	27 880	26 610
7.6 - Human Resources Development (EAP)	1 417	1 519	2 089	5 093	4 181	4 181	4 808	4 921	5 225
7.7 - Human Resources (Administration)	4 102	4 040	6 756	11 392	11 092	11 092	11 961	12 475	12 999
7.8 - Human Resources (Personnel administration)	7 551	16 695	4 904	6 928	5 579	5 579	6 675	6 962	7 254
7.9 - Human Resources Management (Labour relations)	7 046	18 377	28 013	26 826	25 689	25 689	46 395	44 688	50 422
7.10 - Other corporate and shared services	215 282	244 626	197 862	179 715	218 652	218 652	215 231	215 714	233 914
Vote 8 - Planning and Economic Development	**94 827**	**77 003**	**95 189**	**109 687**	**108 749**	**108 749**	**122 503**	**127 561**	**133 853**
8.1 - Directorate planning and development	2 774	3 344	3 548	5 464	4 987	4 987	5 896	6 130	6 408
8.2 - Property management	5 239	5 197	5 515	7 936	8 555	8 555	9 737	10 128	10 582
8.3 - City and regional planning	28 046	23 915	34 116	32 005	30 716	30 716	31 775	32 901	34 689
8.4 - Corporate Gio information	4 255	4 694	6 485	7 474	7 629	7 629	9 045	9 759	10 390
8.5 - Building inspections (administration)	8 618	8 272	13 738	15 630	17 762	17 762	21 095	22 002	22 926
8.6 - Economic development and tourism	2 244	1 605	2 485	2 558	2 624	2 624	3 059	3 191	3 325
8.7 - Local Economic Development	7 653	6 443	5 930	5 927	6 976	6 976	8 243	8 587	8 958
8.8 - Investment Promotion	4 906	4 981	7 860	8 918	6 494	6 494	7 859	8 139	8 541
8.9 - LED (Economic Planning)	25 192	18 553	15 511	23 774	23 005	23 005	25 795	26 725	28 034
8.10 - Other Planning and Economic Development	5 900	–	–	–	–	–	–	–	–
Vote 9 - Budget and Treasury office	**564 429**	**679 194**	**460 840**	**677 385**	**578 466**	**578 466**	**641 403**	**630 263**	**670 821**
9.1 - Budget and treasury office	29 544	4 717	6 946	18 688	19 425	19 425	20 902	20 884	22 716
9.2 - Expenditure	136 290	138 354	149 235	96 490	96 970	96 970	100 499	98 634	98 612
9.3 - Revenue management and customer care	167 783	320 784	185 082	333 891	237 217	237 217	263 536	267 239	286 412
9.4 - Supply Chain Management	112 801	85 419	27 299	29 831	26 135	26 135	31 025	32 318	33 718
9.5 - Asset management	77 116	86 201	46 880	93 731	94 004	94 004	101 309	103 471	110 103
9.6 - Budget and financial reporting	38 909	41 630	43 753	98 176	99 204	99 204	107 330	105 249	116 629
9.7 - Business and financial planning	1 985	2 088	1 644	6 579	5 511	5 511	16 803	2 469	2 631
9.8 -	–	–	–	–	–	–	–	–	–
9.9 -	–	–	–	–	–	–	–	–	–
9.10 -	–	–	–	–	–	–	–	–	–
Vote 10 - Transport Operations	**115 880**	**149 645**	**159 777**	**192 792**	**206 677**	**206 677**	**178 300**	**173 946**	**174 057**
10.1 - Transport services	96 879	115 640	122 337	154 553	159 738	159 738	137 295	138 047	138 060
10.2 - Transport services (Planning and operations)	6 710	13 248	17 313	10 693	19 717	19 717	12 302	6 627	7 835
10.3 - Transport services (Intelligent transport and system mode	8 522	9 008	3 608	9 271	6 675	6 675	7 120	7 216	5 494
10.4 - Transport services (Public transport regulation and monito	3 769	11 749	16 520	18 275	20 546	20 546	21 582	22 056	22 668
10.5 -	–	–	–	–	–	–	–	–	–
10.6 -	–	–	–	–	–	–	–	–	–
10.7 -	–	–	–	–	–	–	–	–	–
10.8 -	–	–	–	–	–	–	–	–	–
10.9 -	–	–	–	–	–	–	–	–	–
10.10 -	–	–	–	–	–	–	–	–	–
Vote 11 - Human Settlement	**15 457**	**15 096**	**12 905**	**59 914**	**151 525**	**151 525**	**68 259**	**21 448**	**22 439**
11.1 - Human Settlement	138	10	–	259	298	298	323	337	351
11.2 - Human Settlement Housing admin	3 451	1 017	349	3 108	2 548	2 548	2 663	2 692	2 895
11.3 - Human Settlement Rental housing and programme impler	11 869	14 069	12 556	56 548	148 679	148 679	65 273	18 420	19 194
11.4 -	–	–	–	–	–	–	–	–	–
11.5 -	–	–	–	–	–	–	–	–	–
11.6 -	–	–	–	–	–	–	–	–	–
11.7 -	–	–	–	–	–	–	–	–	–
11.8 -	–	–	–	–	–	–	–	–	–
11.9 -	–	–	–	–	–	–	–	–	–
11.10 -	–	–	–	–	–	–	–	–	–
Vote 12 - Roads and stormwater	**975 757**	**700 201**	**539 407**	**366 333**	**358 953**	**358 953**	**349 694**	**329 374**	**390 748**
12.1 - Roads and stormwater (Admin)	1 805	8 358	4 490	8 177	7 187	7 187	8 292	8 558	9 012
12.2 - Roads and stormwater (Roads and streets)	90 213	106 363	198 174	166 042	159 343	159 343	119 075	88 929	140 110
12.3 - Roads and stormwater (Stormwater)	883 738	585 480	336 743	192 026	192 336	192 336	222 235	231 791	241 527
12.4 - Storm water management and traffic enigineering	–	–	–	88	88	88	92	96	100
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	**5 126 197**	**5 358 708**	**6 253 474**	**5 724 364**	**5 728 194**	**5 728 194**	**6 148 061**	**6 169 611**	**6 545 640**
Surplus/(Deficit) for the year	2	**(345 360)**	**(138 558)**	**356 977**	**722 190**	**840 245**	**840 245**	**115 171**	**398 510**	**461 418**

References

1. Insert 'Vote'; e.g. Department, if different to Functional structure

2. Must reconcile to Financial Performance ('Revenue and Expenditure by Functional Classification' and 'Revenue and Expenditure')

3. Assign share in 'associate' to relevant Vote

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

Description	###	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue											
Exchange Revenue											
Service charges - Electricity	2	1 179 656	1 363 550	1 554 279	2 226 730	2 141 629	2 141 629	1 133 421	2 482 891	2 702 037	2 947 315
Service charges - Water	2	264 125	293 107	311 369	424 132	363 929	363 929	187 250	423 579	458 668	497 848
Service charges - Waste Water Management	2	150 940	168 664	188 546	165 527	172 533	172 533	125 394	174 366	182 561	191 597
Service charges - Waste Management	2	140 930	141 418	161 565	159 147	159 147	159 147	114 559	181 544	190 076	199 485
Sale of Goods and Rendering of Services	2	26 360	21 211	24 865	22 289	25 455	25 455	11 650	26 626	27 877	29 257
Agency services	2	23 554	26 227	23 404	35 475	38 841	38 841	18 861	40 628	42 537	44 643
Interest		-	-	-	0	(0)	(0)	-	-	-	-
Interest earned from Receivables	2	69 602	84 573	92 190	99 384	99 623	99 623	48 024	104 205	109 103	114 504
Interest earned from Current and Non Current Assets	2	38 815	48 178	69 806	52 986	69 038	69 038	56 643	72 214	75 608	79 350
Dividends	2	-	-	-	-	-	-	-	-	-	-
Rent on Land	2	-	-	-	-	-	-	-	-	-	-
Rental from Fixed Assets	2	36 325	40 961	37 413	19 125	41 495	41 495	27 114	43 404	45 444	47 694
Licence and permits	2	13 789	13 597	14 352	16 179	16 179	16 179	31 362	16 923	17 718	18 596
Special rating levies	2	-	-	-	-	-	-	-	-	-	-
Construction Contract Revenue	2	-	-	-	-	-	-	-	-	-	-
Development Charges	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	41 537	7 621	19 397	25 667	25 781	25 781	17 075	26 967	28 234	29 632
Non-Exchange Revenue											
Property rates	2	572 644	593 067	710 102	669 774	729 978	729 978	495 535	734 789	769 324	807 406
Surcharges and Taxes	2	-	-	-	-	-	-	-	-	-	-
Fines, penalties and forfeits	2	42 451	40 979	32 431	46 801	46 817	46 817	13 088	48 970	51 272	53 810
Licences or permits	2	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational	2	1 403 549	1 538 725	1 678 654	1 862 915	1 916 612	1 916 612	1 726 926	1 825 856	1 804 558	1 879 695
Interest	2	40 926	55 266	59 008	24 846	57 619	57 619	38 249	60 270	63 103	66 226
Fuel Levy	2	-	-	-	-	-	-	-	-	-	-
Operational Revenue	2	-	-	-	-	-	-	-	-	-	-
Gains on disposal of Fixed and Intangible Assets	2	(2 099)	25	(9 287)	-	-	-	-	-	-	-
Other Gains	2	-	-	-	-	-	-	-	-	-	-
Discontinued Operations		-	-	-	-	-	-	-	-	-	-
Total Revenue (excluding capital transfers and contributions)		**4 043 103**	**4 437 170**	**4 968 094**	**5 850 979**	**5 904 676**	**5 904 676**	**4 045 152**	**6 263 231**	**6 568 121**	**7 007 058**
Expenditure											
Employee related costs	2	1 072 016	1 114 536	1 094 965	1 374 637	1 229 855	1 229 855	(774 668)	1 463 453	1 526 199	1 590 601
Remuneration of councillors	2	41 384	43 877	83 711	66 479	67 173	67 173	(44 540)	70 390	73 417	76 500
Bulk purchases - electricity	2	856 611	1 018 199	1 186 443	1 469 753	1 469 753	1 469 753	(874 231)	1 596 152	1 664 787	1 734 708
Inventory consumed	2,8	225 857	275 699	285 576	344 497	351 592	351 592	(135 808)	374 807	390 924	407 344
Debt impairment	2,3	313 871	347 769	87 589	280 169	150 072	150 072	-	157 125	163 881	170 764
Depreciation, amortisation and impairment	2	724 406	1 147 255	881 981	407 814	407 814	407 814	(613 191)	458 494	478 209	498 294
Interest, Dividends and Rent on Land	2	57 837	50 808	52 064	40 124	41 124	41 124	(19 557)	43 057	39 969	36 183
Contracted services	2	852 654	996 990	1 234 821	1 269 378	1 384 458	1 384 458	(855 570)	1 357 990	1 178 088	1 362 597
Transfers and subsidies	2	9 671	15 480	16 480	60 480	67 167	67 167	(53 755)	43 300	49 505	43 300
Irrecoverable debts written off	2	-	-	0	-	-	-	0	30 000	31 290	32 604
Operational costs	2	271 693	290 927	273 982	411 033	429 089	429 089	(248 021)	448 593	464 140	478 956
Disposal of Fixed and Intangible Assets	2	580 910	(3 006)	(9 060)	-	-	-	2	-	-	-
Other Losses	2	88 137	14 819	1 045 578	-	100 000	100 000	-	104 700	109 202	113 789
Total Expenditure		**5 095 048**	**5 313 356**	**6 234 130**	**5 724 364**	**5 698 097**	**5 698 097**	**(3 619 339)**	**6 148 061**	**6 169 611**	**6 545 640**
Surplus/(Deficit)		**(1 051 945)**	**(876 186)**	**(1 266 037)**	**126 616**	**206 580**	**206 580**	**7 664 491**	**115 171**	**398 510**	**461 418**
Transfers and subsidies - capital (monetary allocations)	6	612 013	770 125	615 386	595 575	663 763	663 763	390 575	1 208 493	1 413 580	1 089 052
Transfers and subsidies - capital (in-kind)	6	576	5 185	13 781	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions		**(439 356)**	**(100 877)**	**(636 870)**	**722 190**	**870 343**	**870 343**	**8 055 066**	**1 323 664**	**1 812 090**	**1 550 470**
Income Tax		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after income tax		**(439 356)**	**(100 877)**	**(636 870)**	**722 190**	**870 343**	**870 343**	**8 055 066**	**1 323 664**	**1 812 090**	**1 550 470**
Share of Surplus/Deficit attributable to Joint Venture		-	-	-	-	-	-	-	-	-	-
Share of Surplus/Deficit attributable to Minorities		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) attributable to municipality		**(439 356)**	**(100 877)**	**(636 870)**	**722 190**	**870 343**	**870 343**	**8 055 066**	**1 323 664**	**1 812 090**	**1 550 470**
Share of Surplus/Deficit attributable to Associate	7	-	-	-	-	-	-	-	-	-	-
Intercompany/Parent subsidiary transactions		-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	1	**(439 356)**	**(100 877)**	**(636 870)**	**722 190**	**870 343**	**870 343**	**8 055 066**	**1 323 664**	**1 812 090**	**1 550 470**

References

1. Classifications are revenue sources and expenditure type

2. Detail to be provided in Table SA1

3. Debt impairment includes Impairment and Reversal of Impairment Losses

4. Expenditure type components previously shown under repairs and maintenance should be allocated back to the originating expenditure group/item; e.g. employee costs

5. Repairs & maintenance detailed in Table A9 and Table SA34c

6. Contributions are funds provided by external organisations to assist with infrastructure development; e.g. developer contributions (detail to be provided in Table SA1)

7. Equity method (Includes Joint Ventures)

8. All materials consumed including water consumed and materials used in operations.

Vote Description	###	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote 1 - Chief operations office		–	–	–	–	–	–	–	–	–	–
Vote 2 - Municipal managers office		–	–	–	–	–	–	–	–	–	–
Vote 3 - Water and sanitation		–	–	–	–	–	–	–	–	–	–
Vote 4 - Energy services		–	–	–	–	–	–	–	–	–	–
Vote 5 - Community Services		–	–	–	–	–	–	–	–	–	–
Vote 6 - Public safety		–	–	–	–	–	–	–	–	–	–
Vote 7 - Corporate and Shared Services		–	–	–	–	–	–	–	–	–	–
Vote 8 - Planning and Economic Development		–	–	–	–	–	–	–	–	–	–
Vote 9 - Budget and Treasury office		–	–	–	–	–	–	–	–	–	–
Vote 10 - Transport Operations		–	–	1 669	–	–	–	–	–	–	–
Vote 11 - Human Settlement		–	–	–	–	–	–	–	–	–	–
Vote 12 - Roads and stormwater		–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	**–**	**–**	**1 669**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Single-year expenditure *to be appropriated*	2										
Vote 1 - Chief operations office		13 761	0	15 000	2 800	2 557	2 557	–	2 609	2 739	2 876
Vote 2 - Municipal managers office		–	–	1 217	–	–	–	–	–	–	–
Vote 3 - Water and sanitation		297 887	515 807	369 709	322 343	414 354	414 354	–	828 639	997 541	746 274
Vote 4 - Energy services		63 514	44 266	29 947	93 586	75 021	75 021	–	66 836	72 948	71 530
Vote 5 - Community Services		20 262	43 484	85 434	109 153	109 570	109 570	–	122 520	122 722	132 943
Vote 6 - Public safety		2 251	8 346	4 660	11 000	12 000	12 000	–	20 870	21 913	23 704
Vote 7 - Corporate and Shared Services		24 217	16 875	38 408	55 223	76 251	76 251	–	70 261	74 130	77 913
Vote 8 - Planning and Economic Development		5 588	16 539	13 478	1 000	2 000	2 000	–	9 130	9 478	9 791
Vote 9 - Budget and Treasury office		13 430	19 520	2 243	1 700	657	657	–	1 739	1 739	1 745
Vote 10 - Transport Operations		65 834	57 472	24 395	37 062	82 881	82 881	–	35 845	34 115	42 609
Vote 11 - Human Settlement		–	–	–	–	–	–	–	–	–	–
Vote 12 - Roads and stormwater		118 534	148 611	205 241	77 193	176 170	176 170	–	131 439	155 484	118 507
Vote 13 -		–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		**625 278**	**870 919**	**789 732**	**711 061**	**951 460**	**951 460**	**–**	**1 289 887**	**1 492 809**	**1 227 892**
Total Capital Expenditure - Vote		**625 278**	**870 919**	**791 402**	**711 061**	**951 460**	**951 460**	**–**	**1 289 887**	**1 492 809**	**1 227 892**
Capital Expenditure - Functional											
Governance and administration		**38 189**	**37 048**	**42 881**	**61 223**	**81 208**	**81 208**	**30 353**	**79 826**	**81 957**	**85 571**
Executive and council		–	–	1 217	–	–	–	–	–	–	–
Finance and administration		38 189	37 048	41 664	61 223	81 208	81 208	30 353	79 826	81 957	85 571
Internal audit		–	–	–	–	–	–	–	–	–	–
Community and public safety		**21 307**	**37 550**	**75 710**	**84 832**	**84 569**	**84 569**	**58 498**	**92 940**	**71 243**	**104 812**
Community and social services		1 707	1 384	15 326	9 917	9 674	9 674	5 174	8 696	9 087	9 969
Sport and recreation		19 600	36 166	60 384	74 915	74 895	74 895	53 324	84 245	62 156	94 843
Public safety		–	–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**204 218**	**228 930**	**245 249**	**117 155**	**263 950**	**263 950**	**96 653**	**185 110**	**210 729**	**183 742**
Planning and development		19 349	16 539	13 622	1 000	2 000	2 000	–	9 130	9 478	9 791
Road transport		184 463	212 391	231 627	116 155	261 950	261 950	96 653	175 979	201 251	173 951
Environmental protection		406	–	–	–	–	–	–	–	–	–
Trading services		**361 564**	**567 390**	**427 562**	**447 851**	**521 733**	**521 733**	**294 267**	**932 011**	**1 128 881**	**853 767**
Energy sources		63 514	44 266	29 947	93 586	75 021	75 021	22 321	66 836	72 948	71 530
Water management		195 624	318 878	285 573	251 403	324 945	324 945	190 959	217 770	232 051	250 709
Waste water management		102 263	196 929	84 136	70 940	89 410	89 410	59 585	610 869	765 490	495 565
Waste management		163	7 318	27 905	31 922	32 358	32 358	21 401	36 536	58 393	35 963
Other		–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	3	**625 278**	**870 919**	**791 402**	**711 061**	**951 460**	**951 460**	**479 771**	**1 289 887**	**1 492 809**	**1 227 892**
Funded by:											
National Government		517 418	634 351	536 998	517 891	577 710	577 710	357 905	1 050 864	1 229 200	947 002
Provincial Government		–	–	–	–	–	–	–	–	–	–
District Municipality		–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	4	**517 418**	**634 351**	**536 998**	**517 891**	**577 710**	**577 710**	**357 905**	**1 050 864**	**1 229 200**	**947 002**
Borrowing	6	–	–	–	–	–	–	–	–	–	–
Internally generated funds		103 833	236 568	254 403	193 169	373 751	373 751	121 865	239 024	263 609	280 890
Total Capital Funding	7	**621 251**	**870 919**	**791 402**	**711 061**	**951 460**	**951 460**	**479 771**	**1 289 887**	**1 492 809**	**1 227 892**

References

1. Municipalities may choose to appropriate for capital expenditure for three years or for one year (if one year appropriation projected expenditure required for yr2 and yr3).

2. Include capital component of PPP unitary payment. Note that capital transfers are only appropriated to municipalities for the budget year
3. Capital expenditure by functional classification must reconcile to the appropriations by vote
4. Must reconcile to supporting table SA20 and to Budgeted Financial Performance (revenue and expenditure)

6. Include finance leases and PPP capital funding component of unitary payment - total borrowing/repayments to reconcile to changes in Table SA17
7. Total Capital Funding must balance with Total Capital Expenditure
8. Include any capitalised interest (MFMA section 46) as part of relevant capital budget

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

Vote Description	###	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
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 demand		–	–	–	–	–	–	–	–	–	–
3.6 - Reticulations, distrubution and maintenance, water demand		–	–	–	–	–	–	–	–	–	–
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 coummunity 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 - Traffice and licences (licencing)		–	–	–	–	–	–	–	–	–	–
6.4 - Traffic and licencing (vehicle testing and drivers licence tes		–	–	–	–	–	–	–	–	–	–
6.5 - Traffic and licencing (traffic services)		–	–	–	–	–	–	–	–	–	–
6.6 - Disaster management administration		–	–	–	–	–	–	–	–	–	–
6.7 - Disaster management (fire fighting)		–	–	–	–	–	–	–	–	–	–
6.8 - By law enforcement and security (administration)		–	–	–	–	–	–	–	–	–	–
6.9 - Security services		–	–	–	–	–	–	–	–	–	–
6.10 - Other Community Development		–	–	–	–	–	–	–	–	–	–
Vote 7 - Corporate and Shared Services		–	–	–	–	–	–	–	–	–	–

7.1 - Community and shared services	–	–	–	–	–	–	–	–	–	–
7.2 - Corporte service- Information Communication Technology	–	–	–	–	–	–	–	–	–	–
7.3 - Human Resources Development (administration)	–	–	–	–	–	–	–	–	–	–
7.4 - Human Resources Development (Organisational developm	–	–	–	–	–	–	–	–	–	–
7.5 - Human Resources Development (Learning and developme	–	–	–	–	–	–	–	–	–	–
7.6 - Human Resources Development (EAP)	–	–	–	–	–	–	–	–	–	–
7.7 - Human Resources (Administration)	–	–	–	–	–	–	–	–	–	–
7.8 - Human Resources (Personnel administration)	–	–	–	–	–	–	–	–	–	–
7.9 - Human Resources Management (Labour relations)	–	–	–	–	–	–	–	–	–	–
7.10 - Other corporate and shared services	–	–	–	–	–	–	–	–	–	–

Vote 8 - Planning and Economic Development	–	–	–	–	–	–	–	–	–	–	–
8.1 - Directorate planning and development	–	–	–	–	–	–	–	–	–	–	–
8.2 - Property management	–	–	–	–	–	–	–	–	–	–	–
8.3 - City and regional planning	–	–	–	–	–	–	–	–	–	–	–
8.4 - Corporate Gio information	–	–	–	–	–	–	–	–	–	–	–
8.5 - Building inspections (administration)	–	–	–	–	–	–	–	–	–	–	–
8.6 - Economic development and tourism	–	–	–	–	–	–	–	–	–	–	–
8.7 - Local Economic Development	–	–	–	–	–	–	–	–	–	–	–
8.8 - Investment Promotion	–	–	–	–	–	–	–	–	–	–	–
8.9 - LED (Economic Planning)	–	–	–	–	–	–	–	–	–	–	–
8.10 - Other Planning and Economic Development	–	–	–	–	–	–	–	–	–	–	–
Vote 9 - Budget and Treasury office	–	–	–	–	–	–	–	–	–	–	–
9.1 - Budget and treasury office	–	–	–	–	–	–	–	–	–	–	–
9.2 - Expenditure	–	–	–	–	–	–	–	–	–	–	–
9.3 - Revenue management and customer care	–	–	–	–	–	–	–	–	–	–	–
9.4 - Supply Chain Management	–	–	–	–	–	–	–	–	–	–	–
9.5 - Asset management	–	–	–	–	–	–	–	–	–	–	–
9.6 - Budget and financial reporting	–	–	–	–	–	–	–	–	–	–	–
9.7 - Business and financial planning	–	–	–	–	–	–	–	–	–	–	–
9.8 -	–	–	–	–	–	–	–	–	–	–	–
9.9 -	–	–	–	–	–	–	–	–	–	–	–
9.10 -	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Transport Operations	–	–	**1 669**	–	–	–	–	–	–	–	–
10.1 - Transport services	–	–	1 669	–	–	–	–	–	–	–	–
10.2 - Transport services (Planning and operations)	–	–	–	–	–	–	–	–	–	–	–
10.3 - Transport services (Intelligent transport and system mode	–	–	–	–	–	–	–	–	–	–	–
10.4 - Transport services (Public transport regulation and monito	–	–	–	–	–	–	–	–	–	–	–
10.5 -	–	–	–	–	–	–	–	–	–	–	–
10.6 -	–	–	–	–	–	–	–	–	–	–	–
10.7 -	–	–	–	–	–	–	–	–	–	–	–
10.8 -	–	–	–	–	–	–	–	–	–	–	–
10.9 -	–	–	–	–	–	–	–	–	–	–	–
10.10 -	–	–	–	–	–	–	–	–	–	–	–
Vote 11 - Human Settlement	–	–	–	–	–	–	–	–	–	–	–
11.1 - Human Settlement	–	–	–	–	–	–	–	–	–	–	–
11.2 - Human Settlement Housing admin	–	–	–	–	–	–	–	–	–	–	–
11.3 - Human Settlement Rental housing and programme implen	–	–	–	–	–	–	–	–	–	–	–
11.4 -	–	–	–	–	–	–	–	–	–	–	–
11.5 -	–	–	–	–	–	–	–	–	–	–	–
11.6 -	–	–	–	–	–	–	–	–	–	–	–
11.7 -	–	–	–	–	–	–	–	–	–	–	–
11.8 -	–	–	–	–	–	–	–	–	–	–	–
11.9 -	–	–	–	–	–	–	–	–	–	–	–
11.10 -	–	–	–	–	–	–	–	–	–	–	–
Vote 12 - Roads and stormwater	–	–	–	–	–	–	–	–	–	–	–
12.1 - Roads and stormwater (Admin)	–	–	–	–	–	–	–	–	–	–	–
12.2 - Roads and stormwater (Roads and streets)	–	–	–	–	–	–	–	–	–	–	–
12.3 - Roads and stormwater (Stormwater)	–	–	–	–	–	–	–	–	–	–	–
12.4 - Storm water management and traffic enigineering	–	–	–	–	–	–	–	–	–	–	–
12.5 -	–	–	–	–	–	–	–	–	–	–	–
12.6 -	–	–	–	–	–	–	–	–	–	–	–
12.7 -	–	–	–	–	–	–	–	–	–	–	–
12.8 -	–	–	–	–	–	–	–	–	–	–	–
12.9 -	–	–	–	–	–	–	–	–	–	–	–
12.10 -	–	–	–	–	–	–	–	–	–	–	–
Vote 13 -	–	–	–	–	–	–	–	–	–	–	–
13.1 -	–	–	–	–	–	–	–	–	–	–	–
13.2 -	–	–	–	–	–	–	–	–	–	–	–
13.3 -	–	–	–	–	–	–	–	–	–	–	–
13.4 -	–	–	–	–	–	–	–	–	–	–	–
13.5 -	–	–	–	–	–	–	–	–	–	–	–
13.6 -	–	–	–	–	–	–	–	–	–	–	–
13.7 -	–	–	–	–	–	–	–	–	–	–	–
13.8 -	–	–	–	–	–	–	–	–	–	–	–
13.9 -	–	–	–	–	–	–	–	–	–	–	–
13.10 -	–	–	–	–	–	–	–	–	–	–	–
Vote 14 -	–	–	–	–	–	–	–	–	–	–	–
14.1 -	–	–	–	–	–	–	–	–	–	–	–
14.2 -	–	–	–	–	–	–	–	–	–	–	–
14.3 -	–	–	–	–	–	–	–	–	–	–	–
14.4 -	–	–	–	–	–	–	–	–	–	–	–
14.5 -	–	–	–	–	–	–	–	–	–	–	–
14.6 -	–	–	–	–	–	–	–	–	–	–	–
14.7 -	–	–	–	–	–	–	–	–	–	–	–
14.8 -	–	–	–	–	–	–	–	–	–	–	–

14.9 -		–	–	–	–	–	–	–	–	–	–
14.10 -		–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–
15.1 -		–	–	–	–	–	–	–	–	–	–
15.2 -		–	–	–	–	–	–	–	–	–	–
15.3 -		–	–	–	–	–	–	–	–	–	–
15.4 -		–	–	–	–	–	–	–	–	–	–
15.5 -		–	–	–	–	–	–	–	–	–	–
15.6 -		–	–	–	–	–	–	–	–	–	–
15.7 -		–	–	–	–	–	–	–	–	–	–
15.8 -		–	–	–	–	–	–	–	–	–	–
15.9 -		–	–	–	–	–	–	–	–	–	–
15.10 -		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total		–	–	**1 669**	–	–	–	–	–	–	–
Capital expenditure - Municipal Vote											
Single-year expenditure appropriation	2										
Vote 1 - Chief operations office		**13 761**	**0**	**15 000**	**2 800**	**2 557**	**2 557**	**–**	**2 609**	**2 739**	**2 876**
1.1 - Chief operations office (administration)		–	–	11 011	–	–	–	–	–	–	–
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	0	–	–	–	–	–	–	–	–
1.7 - Performance management unit		–	–	144	–	–	–	–	–	–	–
1.8 - Cluster office		(0)	–	3 845	2 800	2 557	2 557	–	2 609	2 739	2 876
1.9 - Executive support		–	–	–	–	–	–	–	–	–	–
1.10 -		–	–	–	–	–	–	–	–	–	–
Vote 2 - Municipal managers office		**–**	**–**	**1 217**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
2.1 - Council		–	–	1 217	–	–	–	–	–	–	–
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		**297 887**	**515 807**	**369 709**	**322 343**	**414 354**	**414 354**	**–**	**828 639**	**997 541**	**746 274**
3.1 - Water and sanitation admin		48 604	16 551	–	–	–	–	–	–	–	–
3.2 - Reticulation, distrubution and maintenance		–	–	–	2 000	2 000	2 000	–	–	–	–
3.3 - Operations and waste water		102 263	196 929	84 136	70 940	89 410	89 410	–	610 869	765 490	495 565
3.4 - Quality monitoring services		–	–	12 023	–	–	–	–	–	–	–
3.5 - Reticulations, distrubution and maintenance, water der		–	–	–	–	–	–	–	–	–	–
3.6 - Reticulations, distrubution and maintenance, water der		–	–	–	–	–	–	–	–	–	–
3.7 - Infrastructure development		147 020	302 327	273 550	249 403	322 945	322 945	–	217 770	232 051	250 709
3.8 -		–	–	–	–	–	–	–	–	–	–
3.9 -		–	–	–	–	–	–	–	–	–	–
3.10 -		–	–	–	–	–	–	–	–	–	–
Vote 4 - Energy services		**63 514**	**44 266**	**29 947**	**93 586**	**75 021**	**75 021**	**–**	**66 836**	**72 948**	**71 530**
4.1 - Energy services admin		926	1 601	–	–	–	–	–	–	–	–
4.2 - Energy operation and maintenance administration		–	–	–	–	–	–	–	–	–	–
4.3 - Energy services: 66KV		–	–	–	–	–	–	–	–	–	–
4.4 - Energy services 11KV		24 647	24 994	16 946	65 972	68 992	68 992	–	63 482	69 167	69 790
4.5 - Energy services: Planning and development		37 941	17 671	13 001	27 615	6 030	6 030	–	3 354	3 781	1 739
4.6 -		–	–	–	–	–	–	–	–	–	–
4.7 -		–	–	–	–	–	–	–	–	–	–
4.8 -		–	–	–	–	–	–	–	–	–	–
4.9 -		–	–	–	–	–	–	–	–	–	–
4.10 -		–	–	–	–	–	–	–	–	–	–
Vote 5 - Community Services		**20 262**	**43 484**	**85 434**	**109 153**	**109 570**	**109 570**	**–**	**122 520**	**122 722**	**132 943**
5.1 - Directorate coummunity services		–	–	–	–	–	–	–	–	–	–
5.2 - Sport and recreation		14 256	21 988	48 384	74 915	74 895	74 895	–	83 984	62 156	94 843
5.3 - Sport and facilities maintenance		5 344	14 178	12 000	–	–	–	–	261	–	–
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)		93	–	(2 855)	2 317	2 317	2 317	–	1 739	2 174	2 137
5.10 - Other Community Services		569	7 318	27 905	31 922	32 358	32 358	–	36 536	58 393	35 963
Vote 6 - Public safety		**2 251**	**8 346**	**4 660**	**11 000**	**12 000**	**12 000**	**–**	**20 870**	**21 913**	**23 704**
6.1 - Public safety administration		–	–	–	–	–	–	–	–	–	–
6.2 - Traffic and licencing administration		–	4 068	321	1 900	2 900	2 900	–	–	–	–
6.3 - Traffice and licences (licencing)		–	–	–	–	–	–	–	–	–	–

6.4 - Traffic and licencing (vehicle testing and drivers licenc	–	2 240	–	–	–	–	–	8 696	11 652	12 835
6.5 - Traffic and licencing (traffic services)	94	0	–	–	–	–	–	–	–	–
6.6 - Disaster management administration	1 614	1 384	3 326	4 800	4 800	4 800	–	4 348	4 174	4 957
6.7 - Disaster management (fire fighting)	–	–	–	–	–	–	–	–	–	–
6.8 - By law enforcement and security (administration)	–	–	–	–	–	–	–	–	–	–
6.9 - Security services	–	–	–	–	–	–	–	–	–	–
6.10 - Other Community Development	542	654	1 012	4 300	4 300	4 300	–	7 826	6 087	5 913
Vote 7 - Corporate and Shared Services	**24 217**	**16 875**	**38 408**	**55 223**	**76 251**	**76 251**	**–**	**70 261**	**74 130**	**77 913**
7.1 - Community and shared services	–	–	–	–	–	–	–	–	–	–
7.2 - Corporte service- Information Communication Technol	2 268	6 087	11 592	7 619	8 023	8 023	–	14 174	15 087	13 913
7.3 - Human Resources Development (administration)	–	–	–	–	–	–	–	–	–	–
7.4 - Human Resources Development (Organisational develo	–	–	–	–	–	–	–	–	–	–
7.5 - Human Resources Development (Learning and develop	–	–	–	–	–	–	–	–	–	–
7.6 - Human Resources Development (EAP)	–	–	–	–	–	–	–	–	–	–
7.7 - Human Resources (Administration)	–	–	–	–	–	–	–	–	–	–
7.8 - Human Resources (Personnel administration)	–	–	–	–	–	–	–	–	–	–
7.9 - Human Resources Management (Labour relations)	–	–	–	–	–	–	–	–	–	–
7.10 - Other corporate and shared services	21 949	10 788	26 816	47 603	68 228	68 228	–	56 087	59 043	64 000
Vote 8 - Planning and Economic Development	**5 588**	**16 539**	**13 478**	**1 000**	**2 000**	**2 000**	**–**	**9 130**	**9 478**	**9 791**
8.1 - Directorate planning and development	–	–	–	–	–	–	–	–	–	–
8.2 - Property management	–	–	–	–	–	–	–	–	–	–
8.3 - City and regional planning	1 461	15 545	13 478	1 000	2 000	2 000	–	7 826	9 478	7 617
8.4 - Corporate Gio information	4 127	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)	–	–	–	–	–	–	–	1 304	–	2 174
8.10 - Other Planning and Economic Development	–	–	–	–	–	–	–	–	–	–

Vote 9 - Budget and Treasury office	**13 430**	**19 520**	**2 243**	**1 700**	**657**	**657**	**–**	**1 739**	**1 739**	**1 745**
9.1 - Budget and treasury office	–	–	–	–	–	–	–	–	–	–
9.2 - Expenditure	–	–	–	–	–	–	–	–	–	–
9.3 - Revenue management and customer care	–	–	277	1 700	657	657	–	1 739	1 739	1 745
9.4 - Supply Chain Management	470	–	–	–	–	–	–	–	–	–
9.5 - Asset management	12 960	19 520	1 966	–	–	–	–	–	–	–
9.6 - Budget and financial reporting	–	–	–	–	–	–	–	–	–	–
9.7 - Business and financial planning	–	–	–	–	–	–	–	–	–	–
9.8 -	–	–	–	–	–	–	–	–	–	–
9.9 -	–	–	–	–	–	–	–	–	–	–
9.10 -	–	–	–	–	–	–	–	–	–	–
Vote 10 - Transport Operations	**65 834**	**57 472**	**24 395**	**37 062**	**82 881**	**82 881**	**–**	**35 845**	**34 115**	**42 609**
10.1 - Transport services	65 834	57 472	24 395	37 062	82 881	82 881	–	35 845	34 115	42 609
10.2 - Transport services (Planning and operations)	–	–	–	–	–	–	–	–	–	–
10.3 - Transport services (Intelligent transport and system m	–	–	–	–	–	–	–	–	–	–
10.4 - Transport services (Public transport regulation and m	–	–	–	–	–	–	–	–	–	–
10.5 -	–	–	–	–	–	–	–	–	–	–
10.6 -	–	–	–	–	–	–	–	–	–	–
10.7 -	–	–	–	–	–	–	–	–	–	–
10.8 -	–	–	–	–	–	–	–	–	–	–
10.9 -	–	–	–	–	–	–	–	–	–	–
10.10 -	–	–	–	–	–	–	–	–	–	–
Vote 11 - Human Settlement	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
11.1 - Human Settlement	–	–	–	–	–	–	–	–	–	–
11.2 - Human Settlement Housing admin	–	–	–	–	–	–	–	–	–	–
11.3 - Human Settlement Rental housing and programme im	–	–	–	–	–	–	–	–	–	–
11.4 -	–	–	–	–	–	–	–	–	–	–
11.5 -	–	–	–	–	–	–	–	–	–	–
11.6 -	–	–	–	–	–	–	–	–	–	–
11.7 -	–	–	–	–	–	–	–	–	–	–
11.8 -	–	–	–	–	–	–	–	–	–	–
11.9 -	–	–	–	–	–	–	–	–	–	–
11.10 -	–	–	–	–	–	–	–	–	–	–
Vote 12 - Roads and stormwater	**118 534**	**148 611**	**205 241**	**77 193**	**176 170**	**176 170**	**–**	**131 439**	**155 484**	**118 507**
12.1 - Roads and stormwater (Admin)	–	–	–	–	–	–	–	–	–	–
12.2 - Roads and stormwater (Roads and streets)	118 534	137 716	195 663	73 050	144 939	144 939	–	108 488	118 482	88 304
12.3 - Roads and stormwater (Stormwater)	–	10 895	9 578	4 143	31 230	31 230	–	22 951	37 001	30 203
12.4 - Storm water management and traffic enigineering	–	–	–	–	–	–	–	–	–	–
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	**625 278**	**870 919**	**789 732**	**711 061**	**951 460**	**951 460**	**–**	**1 289 887**	**1 492 809**	**1 227 892**
Total Capital Expenditure	**625 278**	**870 919**	**791 402**	**711 061**	**951 460**	**951 460**	**–**	**1 289 887**	**1 492 809**	**1 227 892**

LIM354 Polokwane - Table A6 Budgeted Financial Position

Description	###	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
ASSETS											
Current assets											
Cash and cash equivalents	1	184 371	343 279	708 477	260 479	461 341	461 341	1 265 959	350 848	1 682 690	3 065 184
Short term Investments	2	–	–	–	–	–	–	–	–	–	–
Trade and other receivables from exchange transactions	3	696 098	732 487	857 331	967 882	1 575 171	1 575 171	882 015	1 345 324	1 010 728	647 509
Receivables from non-exchange transactions	3	345 703	319 034	401 762	410 849	463 990	463 990	479 022	453 061	441 780	430 257
Current portion of non-current receivables	4	–	–	–	–	–	–	–	–	–	–
Inventory	5	93 995	112 808	107 250	139 595	192 706	192 706	204 462	287 515	386 401	489 438
VAT Receivable	6	119 170	44 773	70 349	480 648	530 988	530 988	31 465	445 175	445 175	445 175
Other current assets	7	106 654	120 838	126 959	26 004	135 973	135 973	132 527	142 645	149 630	156 961
Total current assets		**1 545 991**	**1 673 218**	**2 272 128**	**2 285 457**	**3 360 169**	**3 360 169**	**2 995 449**	**3 024 569**	**4 116 403**	**5 234 524**
Non current assets											
Investments	8	–	–	–	–	–	–	–	–	–	–
Investment property	9	997 033	976 961	1 051 151	999 131	1 054 901	1 054 901	1 051 151	1 059 249	1 064 292	1 064 292
Property, plant and equipment	10	14 809 391	14 597 307	14 467 559	15 372 725	14 982 386	14 982 386	14 335 741	15 805 414	16 809 960	17 531 123
Biological assets	11	59 367	51 293	58 923	55 789	57 646	57 646	57 321	16 870	16 870	16 870
Living resources	12	–	11 353	12 748	10 055	12 748	12 748	12 748	12 748	12 748	12 748
Heritage assets	13	21 868	21 868	22 004	22 005	22 004	22 004	22 004	22 004	22 004	22 004
Intangible assets	14	–	–	–	–	–	–	–	49 141	59 195	67 630
Trade and other receivables from exchange transactions	15	–	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions	15	–	–	–	–	–	–	–	–	–	–
Other non-current assets	16	1	1	1	1	1	1	1	1	1	1
Total non current assets		**15 887 660**	**15 658 783**	**15 612 386**	**16 459 706**	**16 129 685**	**16 129 685**	**15 478 965**	**16 965 426**	**17 985 070**	**18 714 669**
TOTAL ASSETS		**17 433 651**	**17 332 001**	**17 884 514**	**18 745 162**	**19 489 853**	**19 489 853**	**18 474 415**	**19 989 995**	**22 101 473**	**23 949 193**
LIABILITIES											
Current liabilities											
Bank overdraft	17	–	–	–	–	–	–	–	–	–	–
Financial liabilities	18	46 141	38 389	38 037	36 078	64 400	(64 400)	26 895	29 864	(8 304)	(50 813)
Consumer deposits	19	66 794	66 296	100 233	66 794	100 233	(100 233)	(93 627)	100 233	100 233	100 233
Trade and other payables from exchange transactions	20	633 312	726 494	896 164	847 556	1 221 750	(1 221 750)	(440 422)	431 840	768 472	1 107 307
Trade and other payables from non-exchange transactions	21	130 279	117 452	100 033	506 154	564 600	(564 600)	(368 746)	565 524	566 448	567 372
Provision	22	9 117	31 071	37 649	20 086	37 777	(37 777)	(35 823)	12 009	12 009	12 009
VAT Payable	23	–	–	–	–	–	–	–	–	–	–
Other current liabilities	24	–	–	–	–	–	–	–	25 768	25 768	25 768
Total current liabilities		**885 643**	**979 703**	**1 172 117**	**1 476 668**	**1 988 761**	**(1 988 761)**	**(911 723)**	**1 165 239**	**1 464 627**	**1 761 876**
Non current liabilities											
Financial liabilities	25	352 265	332 266	295 334	267 754	242 606	(242 606)	(329 180)	242 606	242 606	242 606
Provision	26	191 552	312 979	334 215	133 846	335 393	(335 393)	(334 215)	270 542	270 542	270 542
Long term portion of trade payables	27	–	–	–	–	–	–	–	–	–	–
Other non-current liabilities	28	214 847	223 958	242 777	393 958	242 777	(242 777)	(242 777)	307 628	307 628	307 628
Total non current liabilities		**758 664**	**869 203**	**872 326**	**795 558**	**820 776**	**(820 776)**	**(906 172)**	**820 776**	**820 776**	**820 776**
TOTAL LIABILITIES		**1 644 307**	**1 848 906**	**2 044 443**	**2 272 226**	**2 809 537**	**(2 809 537)**	**(1 817 894)**	**1 986 015**	**2 285 403**	**2 582 653**
NET ASSETS		**15 789 345**	**15 483 095**	**15 840 071**	**16 472 937**	**16 680 316**	**22 299 390**	**20 292 309**	**18 003 980**	**19 816 070**	**21 366 540**
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	29	5 423 410	5 225 175	5 582 152	6 230 583	6 422 397	(6 422 397)	(6 148 968)	7 746 061	9 558 151	11 108 620
Reserves and funds	30	10 257 919	10 257 919	10 257 919	10 242 354	10 257 919	(10 257 919)	(10 257 919)	10 257 919	10 257 919	10 257 919
Other	31	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	32	**15 681 329**	**15 483 095**	**15 840 071**	**16 472 937**	**16 680 316**	**(16 680 316)**	**(16 406 887)**	**18 003 980**	**19 816 070**	**21 366 540**

References

1. Detail breakdown in Table SA3.
2. Detail breakdown in Table SA3.
3. Detail breakdown in Table SA3 for Trade receivables from Exchange and Non-exchange transactions
4. Detail breakdown in Table SA3.
5. Include 'Construction-work-in-progress' (disclosed separately in annual financial statements) detail in 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.
10. Include 'Construction-work-in-progress' (disclosed separately in annual financial statements) detail in SA3
11. Detail breakdown in Table SA3.
12. Detail breakdown in Table SA3.
13. Detail breakdown in Table SA3.
14. Detail breakdown in Table SA3.
15. Detail breakdown in Table SA3 for Non- Current Trade receivables from Exchange and Non-exchange transactions
16. Detail breakdown in Table SA3.
17. Detail breakdown in Table SA3.
18. Detail breakdown in Table SA3.
19. Detail breakdown in Table SA3.
20. Detail breakdown in Table SA3.
21. Detail breakdown in Table SA3.
22. Detail breakdown in Table SA3.
23. Detail breakdown in Table SA3.
24. Detail breakdown in Table SA3.
25. Detail breakdown in Table SA3.
26. Detail breakdown in Table SA3.
27. Detail breakdown in Table SA3.
28. Detail breakdown in Table SA3.
29. Detail breakdown in Table SA3.
30. Detail breakdown in Table SA3. Includes reserves to be funded by statute.
31. Detail breakdown in Table SA3.
32. Net assets must balance with Total Community Wealth/Equity

LIM354 Polokwane - Table A7 Budgeted Cash Flows

Description	###	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		523 005	540 779	650 336	589 401	647 197	647 197	647 197	718 382	752 146	789 377
Service charges		2 095 158	2 078 446	2 480 798	2 618 473	2 485 706	2 485 706	2 485 706	3 502 576	3 790 784	4 112 909
Other revenue		2 390 445	536 372	295 565	275 056	303 153	303 153	303 153	194 906	204 067	214 168
Transfers and Subsidies - Operational	1	1 231 726	1 533 239	1 652 616	1 862 915	1 916 612	1 916 612	1 916 612	1 825 856	1 804 558	1 879 695
Transfers and Subsidies - Capital	1	659 393	774 458	659 567	595 575	663 763	663 763	663 763	1 208 493	1 413 580	1 089 052
Interest		34 613	64 991	118 791	156 594	202 184	202 184	202 184	208 742	218 553	229 372
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(3 720 463)	(4 054 824)	(4 393 809)	(5 260 768)	(5 424 605)	(5 424 605)	(5 424 605)	(6 891 899)	(5 759 091)	(6 143 019)
Finance charges		–	(19 746)	(52 778)	(38 118)	(39 068)	(39 068)	(39 068)	(40 904)	(37 971)	(34 374)
Transfers and Subsidies	1	–	(10 559)	(16 480)	(57 456)	(63 809)	(63 809)	(63 809)	(42 376)	(48 581)	(42 376)
NET CASH FROM/(USED) OPERATING ACTIVITIES		**3 213 877**	**1 443 156**	**1 394 607**	**741 672**	**691 133**	**691 133**	**691 133**	**683 775**	**2 338 045**	**2 094 804**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE		1 919	5	3	192	192	192	192	230	241	253
Decrease (increase) in non-current receivables		144	–	–	–	–	–	–	–	–	–
Decrease (increase) in non-current investments		–	–	–	–	–	–	–	–	–	–
Insurance Refund - Capital		–	–	–	–	–	–	–	–	–	–
Interest on Short Term Investment (Greater then 90 days) and Long Term Investments		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		(745 602)	(910 982)	(765 638)	(680 258)	(907 383)	(907 383)	(907 383)	(1 413 953)	(1 636 404)	(1 341 473)
Retention (Capital)		–	–	–	–	–	–	–	141 395	163 640	134 147
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(743 539)**	**(910 977)**	**(765 635)**	**(680 066)**	**(907 191)**	**(907 191)**	**(907 191)**	**(1 272 327)**	**(1 472 522)**	**(1 207 072)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans		–	–	–	–	–	–	–	–	–	–
Borrowing long term/refinancing		–	–	–	–	–	–	–	–	–	–
Increase (decrease) in consumer deposits		–	–	–	–	–	–	–	–	–	–
Payments											
Repayment of borrowing		15 338	(7 752)	(352)	(31 078)	(31 078)	(31 078)	(31 078)	(34 536)	(38 168)	(42 509)
NET CASH FROM/(USED) FINANCING ACTIVITIES		**15 338**	**(7 752)**	**(352)**	**(31 078)**	**(31 078)**	**(31 078)**	**(31 078)**	**(34 536)**	**(38 168)**	**(42 509)**
NET INCREASE/ (DECREASE) IN CASH HELD		**2 485 676**	**524 427**	**628 620**	**30 528**	**(247 136)**	**(247 136)**	**(247 136)**	**(623 088)**	**827 354**	**845 223**
Cash/cash equivalents at the year begin:	2	**232 670**	**184 371**	**343 276**	**229 950**	**708 477**	**708 477**	**708 477**	**461 341**	**(161 747)**	**665 607**
Cash/cash equivalents at the year end:	2	**2 718 346**	**708 798**	**971 896**	**260 478**	**461 341**	**461 341**	**461 341**	**(161 747)**	**665 607**	**1 510 830**

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

Description	###	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited	Audited	Audited	Original Budget	Adjusted	Full Year	Pre-audit	Budget Year	Budget Year +1	Budget Year +2
Cash and investments available											
Cash/cash equivalents at the year end	1	2 718 346	708 798	971 896	260 478	461 341	461 341	461 341	(161 747)	665 607	1 510 830
Other current investments > 90 days		–	–	–	–	–	–	–	–	–	–
Non current Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		**2 718 346**	**708 798**	**971 896**	**260 478**	**461 341**	**461 341**	**461 341**	**(161 747)**	**665 607**	**1 510 830**
Application of cash and investments											
Unspent conditional transfers		25 714	16 736	4 220	25 772	4 220	(4 220)	(264 797)	4 220	4 220	4 220
Unspent borrowing											
Statutory requirements	2	(14 664)	55 944	25 465	(3 814)	26 034	26 034	(72 483)	(27 741)	(85 313)	(139 005)
Other working capital requirements	3	(265 085)	168 420	272 831	214 363	325 075	(2 118 425)	(1 388 350)	(1 478 404)	(773 940)	(36 845)
Other provisions		9 117	31 071	37 649	20 086	37 777	37 777	(35 823)	12 009	12 009	12 009
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5	–	–	–	–	–	–	–	–	–	–
Total Application of cash and investments:		**(244 918)**	**272 171**	**340 165**	**256 407**	**393 106**	**(2 058 834)**	**(1 761 455)**	**(1 489 916)**	**(843 024)**	**(159 621)**
Surplus(shortfall) - Excluding Non-Current Creditors Trf to Debt Relief Benefits		**2 963 264**	**436 627**	**631 731**	**4 071**	**68 235**	**2 520 175**	**2 222 795**	**1 328 169**	**1 508 631**	**1 670 451**
Creditors transferred to Debt Relief - Non-Current portion		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Surplus(shortfall) - Including Non-Current Creditors Trf to Debt Relief Benefits		**2 963 264**	**436 627**	**631 731**	**4 071**	**68 235**	**2 520 175**	**2 222 795**	**1 328 169**	**1 508 631**	**1 670 451**

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	898 397	558 074	623 333	633 193	896 675	896 675	947 928	1 910 244	1 542 412	1 144 152
Creditors due	633 312	726 494	896 164	847 556	1 221 750	(1 221 750)	(440 422)	431 840	768 472	1 107 307
Total	265 085	(168 420)	(272 831)	(214 363)	(325 075)	2 118 425	1 388 350	1 478 404	773 940	36 845
Debtors collection assumptions										
Balance outstanding - debtors	1 041 800	1 051 520	1 259 093	1 378 731	2 039 161	2 039 161	1 361 037	1 798 385	1 452 508	1 077 766
Estimate of debtors collection rate	86.2%	53.1%	49.5%	45.9%	44.0%	44.0%	69.6%	106.2%	106.2%	106.2%
Long term investments committed										
Balance (*Insert description; eg sinking fund)*										
	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments										
Housing Development Fund	–	–	–	–	–	–	–	–	–	–
Capital replacement	–	–	–	–	–	–	–	–	–	–
Self-insurance	–	–	–	–	–	–	–	–	–	–
Compensation for Occupational Injuries and Diseases			–	–	–	–	–	–	–	–
Employee Benefit reserve			–	–	–	–	–	–	–	–
Non-current Provisions reserve			–	–	–	–	–	–	–	–
Valuation reserve			–	–	–	–	–	–	–	–
Investment in associate account			–	–	–	–	–	–	–	–
Capitalisation			–	–	–	–	–	–	–	–
6	–	–	–	–	–	–	–	–	–	–

Note:

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

LIM354 Polokwane - Table A9 Asset Management

Description	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
CAPITAL EXPENDITURE										
Total New Assets	1	**479 126**	**736 355**	**546 144**	**546 735**	**639 676**	**639 676**	**538 067**	**567 393**	**594 427**
Roads Infrastructure		33 791	83 919	94 113	34 765	50 961	50 961	38 696	38 393	33 152
Storm water Infrastructure		14 953	9 930	17 696	8 500	10 790	10 790	5 980	13 043	13 043
Electrical Infrastructure		63 514	43 024	28 096	77 586	54 253	54 253	61 184	69 469	68 486
Water Supply Infrastructure		166 845	266 741	198 507	247 903	317 537	317 537	200 621	214 145	239 405
Sanitation Infrastructure		112 495	196 929	72 569	13 322	25 647	25 647	2 174	2 873	1 739
Solid Waste Infrastructure		–	3 003	14 394	25 674	25 694	25 694	29 107	41 874	23 478
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	3 443	–	–	9 565	10 435	8 870
Infrastructure		***391 597***	***603 546***	***425 375***	***411 194***	***484 883***	***484 883***	***347 327***	***390 233***	***388 174***
Community Facilities		31 486	48 623	8 400	18 300	18 340	18 340	21 267	16 476	19 273
Sport and Recreation Facilities		11 919	11 543	36 580	53 606	51 789	51 789	57 689	29 650	58 696
Community Assets		***43 405***	***60 166***	***44 980***	***71 906***	***70 128***	***70 128***	***78 955***	***46 127***	***77 969***
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		1 461	15 345	13 478	1 000	2 000	2 000	870	1 913	2 174
Non-revenue Generating		4 127	994	–	–	–	–	6 957	7 565	5 443
Investment properties		***5 588***	***16 339***	***13 478***	***1 000***	***2 000***	***2 000***	***7 826***	***9 478***	***7 617***
Operational Buildings		1 017	37	2 053	1 000	1 332	1 332	3 043	6 217	5 617
Housing		–	–	–	–	–	–	–	–	–
Other Assets		***1 017***	***37***	***2 053***	***1 000***	***1 332***	***1 332***	***3 043***	***6 217***	***5 617***
Biological or Cultivated Assets		**406**	**–**	**–**	**–**	**–**	**–**	**1 512**	**1 859**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		94	2 200	7 263	–	–	–	–	–	–
Intangible Assets		***94***	***2 200***	***7 263***	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment		**11 697**	**23 322**	**7 945**	**3 882**	**6 829**	**6 829**	**3 043**	**3 087**	**3 478**
Furniture and Office Equipment		**1 538**	**2 746**	**2 420**	**2 700**	**2 324**	**2 324**	**3 478**	**3 478**	**3 484**
Machinery and Equipment		**7 368**	**5 655**	**9 891**	**14 900**	**14 844**	**14 844**	**15 217**	**13 739**	**16 522**
Transport Assets		**16 415**	**22 345**	**32 739**	**40 153**	**57 335**	**57 335**	**77 664**	**93 175**	**91 565**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Renewal of Existing Assets	2	**40 640**	**16 315**	**157 315**	**60 609**	**120 756**	**120 756**	**98 006**	**87 469**	**73 326**
Roads Infrastructure		24 073	7 205	66 214	33 583	79 855	79 855	57 421	55 298	31 239
Storm water Infrastructure		–	–	–	–	319	319	–	–	–
Electrical Infrastructure		0	1 241	–	1 500	4 800	4 800	–	–	–
Water Supply Infrastructure		4 516	–	62 715	2 000	5 907	5 907	11 323	11 304	11 304
Sanitation Infrastructure		3 940	0	11 567	13 043	15 366	15 366	5 050	870	6 174
Solid Waste Infrastructure		–	–	–	4 348	4 348	4 348	4 386	13 475	8 696
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Infrastructure		***32 530***	***8 446***	***140 497***	***54 474***	***110 596***	***110 596***	***78 180***	***80 947***	***57 413***
Community Facilities		1 743	2 057	11 388	2 435	3 175	3 175	5 652	435	7 391
Sport and Recreation Facilities		5 738	4 811	1 404	–	–	–	1 130	–	–
Community Assets		***7 481***	***6 868***	***12 792***	***2 435***	***3 175***	***3 175***	***6 783***	***435***	***7 391***
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		629	1 001	4 027	3 700	4 482	4 482	12 609	5 565	8 087
Housing		–	–	–	–	2 000	2 000	435	522	435
Other Assets		***629***	***1 001***	***4 027***	***3 700***	***6 482***	***6 482***	***13 043***	***6 087***	***8 522***
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Furniture and Office Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Machinery and Equipment		**–**	**–**	**–**	**–**	**503**	**503**	**–**	**–**	**–**
Transport Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Upgrading of Existing Assets	6	**105 512**	**118 250**	**87 942**	**103 717**	**191 029**	**191 029**	**653 815**	**837 947**	**560 139**
Roads Infrastructure		91 445	55 444	22 015	9 573	73 289	73 289	14 043	21 384	30 000
Storm water Infrastructure		1 271	4 547	8 849	4 143	13 839	13 839	16 342	31 088	10 377
Electrical Infrastructure		–	–	28	12 750	12 968	12 968	3 913	2 174	2 174
Water Supply Infrastructure		12 235	15 940	–	–	–	–	–	–	–
Sanitation Infrastructure		–	19 647	23 428	44 574	48 396	48 396	598 348	756 174	487 652
Solid Waste Infrastructure		–	–	–	–	–	–	2 174	2 174	2 920
Rail Infrastructure		–	–	–	–	–	–	–	–	–

Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		0	–	–	1 794	2 694	2 694	1 565	1 565	1 565
Infrastructure		***104 952***	***95 578***	***54 319***	***72 835***	***151 185***	***151 185***	***636 386***	***814 559***	***534 688***
Community Facilities		–	8 202	20 345	19 187	28 048	28 048	4 348	3 478	5 304
Sport and Recreation Facilities		–	11 374	11 741	11 696	11 696	11 696	9 603	18 170	19 451
Community Assets		**–**	***19 575***	***32 086***	***30 882***	***39 743***	***39 743***	***13 951***	***21 648***	***24 756***
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		560	3 097	1 537	–	100	100	3 478	1 739	696
Housing		–	–	–	–	–	–	–	–	–
Other Assets		***560***	***3 097***	***1 537***	**–**	***100***	***100***	***3 478***	***1 739***	***696***
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Intangible Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Furniture and Office Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Machinery and Equipment		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Transport Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
Total Capital Expenditure	4	**625 278**	**870 919**	**791 402**	**711 061**	**951 460**	**951 460**	**1 289 887**	**1 492 809**	**1 227 892**
Roads Infrastructure		149 309	146 567	182 343	77 921	204 104	204 104	110 160	115 075	94 391
Storm water Infrastructure		16 224	14 477	26 545	12 643	24 949	24 949	22 322	44 132	23 421
Electrical Infrastructure		63 514	44 266	28 124	91 836	72 021	72 021	65 097	71 643	70 660
Water Supply Infrastructure		183 597	282 681	261 222	249 903	323 445	323 445	211 944	225 450	250 709
Sanitation Infrastructure		116 436	216 576	107 564	70 940	89 410	89 410	605 571	759 917	495 565
Solid Waste Infrastructure		–	3 003	14 394	30 022	30 042	30 042	35 667	57 523	35 093
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		0	–	–	5 238	2 694	2 694	11 130	12 000	10 435
Infrastructure		***529 080***	***707 569***	***620 191***	***538 503***	***746 664***	***746 664***	***1 061 892***	***1 285 740***	***980 274***
Community Facilities		33 229	58 881	40 133	39 921	49 562	49 562	31 267	20 389	31 969
Sport and Recreation Facilities		17 657	27 727	49 724	65 302	63 484	63 484	68 422	47 820	78 147
Community Assets		***50 886***	***86 609***	***89 858***	***105 223***	***113 046***	***113 046***	***99 689***	***68 210***	***110 116***
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		1 461	15 345	13 478	1 000	2 000	2 000	870	1 913	2 174
Non-revenue Generating		4 127	994	–	–	–	–	6 957	7 565	5 443
Investment properties		***5 588***	***16 339***	***13 478***	***1 000***	***2 000***	***2 000***	***7 826***	***9 478***	***7 617***
Operational Buildings		2 206	4 135	7 617	4 700	5 914	5 914	19 130	13 522	14 400
Housing		–	–	–	–	2 000	2 000	435	522	435
Other Assets		***2 206***	***4 135***	***7 617***	***4 700***	***7 914***	***7 914***	***19 565***	***14 043***	***14 835***
Biological or Cultivated Assets		**406**	**–**	**–**	**–**	**–**	**–**	**1 512**	**1 859**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		94	2 200	7 263	–	–	–	–	–	–
Intangible Assets		***94***	***2 200***	***7 263***	**–**	**–**	**–**	**–**	**–**	**–**
Computer Equipment		**11 697**	**23 322**	**7 945**	**3 882**	**6 829**	**6 829**	**3 043**	**3 087**	**3 478**
Furniture and Office Equipment		**1 538**	**2 746**	**2 420**	**2 700**	**2 324**	**2 324**	**3 478**	**3 478**	**3 484**
Machinery and Equipment		**7 368**	**5 655**	**9 891**	**14 900**	**15 347**	**15 347**	**15 217**	**13 739**	**16 522**
Transport Assets		**16 415**	**22 345**	**32 739**	**40 153**	**57 335**	**57 335**	**77 664**	**93 175**	**91 565**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		**625 278**	**870 919**	**791 402**	**711 061**	**951 460**	**951 460**	**1 289 887**	**1 492 809**	**1 227 892**
ASSET REGISTER SUMMARY - PPE (WDV)	5	13 586 152	12 914 067	13 456 750	12 844 879	13 128 172	13 128 172	12 821 311	12 495 145	12 148 523
Roads Infrastructure		3 977 671	3 744 329	3 740 974	3 692 166	3 620 185	3 620 185	3 477 429	3 335 655	3 188 050
Storm water Infrastructure		1 349 153	1 317 785	1 342 867	1 310 154	1 328 977	1 328 977	1 313 055	1 296 450	1 279 146
Electrical Infrastructure		481 108	408 643	307 231	386 925	254 811	254 811	187 919	118 152	45 454
Water Supply Infrastructure		2 057 966	2 091 585	2 261 285	1 993 337	2 190 094	2 190 094	2 117 323	2 042 254	1 964 830
Sanitation Infrastructure		1 074 686	1 292 123	1 269 676	1 046 658	1 255 281	1 255 281	1 238 343	1 220 638	1 202 154
Solid Waste Infrastructure		71 671	60 122	54 829	18 402	51 866	51 866	48 693	45 310	41 710
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		20 618	16 642	13 549	18 205	12 052	12 052	10 626	9 140	7 590
Infrastructure		***9 032 873***	***8 931 228***	***8 990 410***	***8 465 847***	***8 713 266***	***8 713 266***	***8 393 389***	***8 067 599***	***7 728 935***
Community Assets		2 333 446	2 178 896	2 180 333	2 209 902	2 078 017	2 078 017	1 990 178	1 897 404	1 802 289
Heritage Assets		21 868	21 868	22 004	22 005	22 004	22 004	22 004	22 004	22 004
Investment properties		997 033	976 961	1 051 151	999 131	1 054 901	1 054 901	1 059 249	1 064 292	1 064 292
Other Assets		425 906	23 583	432 323	411 709	419 467	419 467	408 036	396 113	383 690
Biological or Cultivated Assets		24 274	15 622	16 870	18 361	16 870	16 870	16 870	16 870	16 870
Intangible Assets		35 094	35 671	42 053	37 428	40 776	40 776	49 141	59 195	67 630
Computer Equipment		13 649	25 444	27 056	15 196	30 903	30 903	32 225	33 516	35 124
Furniture and Office Equipment		6 600	7 992	2 287	(7 627)	(3 715)	(3 715)	(4 546)	(5 563)	(6 762)
Machinery and Equipment		44 145	46 370	50 814	92 921	78 575	78 575	117 930	131 922	149 171
Transport Assets		188 783	168 650	158 272	218 447	193 232	193 232	252 958	327 915	401 404

Land		462 482	470 429	470 429	351 505	471 129	471 129	471 129	471 129	471 129
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Living Resources		–	11 353	12 748	10 055	12 748	12 748	12 748	12 748	12 748
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	**13 586 152**	**12 914 067**	**13 456 750**	**12 844 879**	**13 128 172**	**13 128 172**	**12 821 311**	**12 495 145**	**12 148 523**
EXPENDITURE OTHER ITEMS		**1 482 575**	**1 905 625**	**1 677 206**	**1 288 325**	**1 219 938**	**1 219 938**	**1 260 163**	**1 250 257**	**1 335 720**
Depreciation	7	724 406	1 147 255	881 981	407 814	407 814	407 814	458 494	478 209	498 294
Repairs and Maintenance by Asset Class	3	**758 168**	**758 369**	**795 225**	**880 511**	**812 124**	**812 124**	**801 669**	**772 048**	**837 426**
Roads Infrastructure		116 581	87 264	77 559	100 475	79 065	79 065	92 461	92 465	100 487
Storm water Infrastructure		–	–	–	–	–	–	4 102	3 922	4 458
Electrical Infrastructure		127 509	126 820	109 294	165 991	133 115	133 115	146 748	151 079	159 487
Water Supply Infrastructure		237 914	233 477	257 133	254 301	212 977	212 977	243 793	238 693	259 746
Sanitation Infrastructure		34 353	6 377	39 002	25 022	30 382	30 382	31 810	30 513	34 571
Solid Waste Infrastructure		84 229	101 688	98 618	108 101	108 101	108 101	17 299	15 667	17 714
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	1 200	600	600	18 154	669	761
Infrastructure		***600 585***	***555 626***	***581 606***	***655 090***	***564 241***	***564 241***	***554 368***	***533 008***	***577 225***
Community Facilities		14 334	23 197	22 819	23 342	26 869	26 869	28 134	27 123	30 936
Sport and Recreation Facilities		35 421	35 936	36 326	41 123	37 794	37 794	43 921	45 451	47 733
Community Assets		***49 755***	***59 134***	***59 145***	***64 465***	***64 663***	***64 663***	***72 055***	***72 575***	***78 669***
Heritage Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		–	–	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Investment properties		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Operational Buildings		33 482	35 220	36 691	61 788	57 755	57 755	63 914	63 781	69 462
Housing		–	–	–	–	–	–	–	–	–
Other Assets		***33 482***	***35 220***	***36 691***	***61 788***	***57 755***	***57 755***	***63 914***	***63 781***	***69 462***
Biological or Cultivated Assets		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		7 991	8 238	10 119	10 859	21 159	21 159	6 576	6 287	7 147
Intangible Assets		***7 991***	***8 238***	***10 119***	***10 859***	***21 159***	***21 159***	***6 576***	***6 287***	***7 147***
Computer Equipment		**7 048**	**2 230**	**3 629**	**12 841**	**12 841**	**12 841**	**13 444**	**14 023**	**14 612**
Furniture and Office Equipment		**9 352**	**18 549**	**15 240**	**–**	**–**	**–**	**–**	**–**	**–**
Machinery and Equipment		**–**	**445**	**268**	**577**	**577**	**577**	**1 220**	**1 166**	**1 326**
Transport Assets		**49 956**	**78 927**	**88 526**	**74 892**	**90 888**	**90 888**	**90 092**	**81 208**	**88 986**
Land		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Zoo's, Marine and Non-biological Animals		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Mature		–	-	-	-	-	-	-	-	-
Immature		–	-	-	-	-	-	-	-	-
Living Resources		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		**1 482 575**	**1 905 625**	**1 677 206**	**1 288 325**	**1 219 938**	**1 219 938**	**1 260 163**	**1 250 257**	**1 335 720**
Renewal and upgrading of Existing Assets as % of total capex		*23.4%*	*15.5%*	*31.0%*	*23.1%*	*32.8%*	*32.8%*	*58.3%*	*62.0%*	*51.6%*
Renewal and upgrading of Existing Assets as % of deprecn		*20.2%*	*11.7%*	*27.8%*	*40.3%*	*76.5%*	*76.5%*	*164.0%*	*193.5%*	*127.1%*
R&M as a % of PPE & Investment Property		*5.6%*	*5.8%*	*5.9%*	*6.8%*	*6.1%*	*6.1%*	*6.3%*	*6.2%*	*6.9%*
Renewal and upgrading and R&M as a % of PPE and Investment Property		*6.6%*	*6.9%*	*7.7%*	*8.1%*	*8.5%*	*8.5%*	*12.2%*	*13.7%*	*12.2%*

References

1. Detail of new assets provided in Table SA34a
2. Detail of renewal of existing assets provided in Table SA34b
3. Detail of Repairs and Maintenance by Asset Class provided in Table SA34c
4. Must reconcile to total capital expenditure on Budgeted Capital Expenditure
5. Must reconcile to 'Budgeted Financial Position' (written down value)
6. Detail of upgrading of existing assets provided in Table SA34e
7. Detail of depreciation provided in Table SA34d

LIM354 Polokwane - Table A10 Basic service delivery measurement

Description	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Household service targets	1									
Water:										
Piped water inside dwelling		103 269	105 469	107 716	112 353	112 353	112 353	114 746	117 190	119 686
Piped water inside yard (but not in dwelling)		93 541	95 534	97 568	101 769	101 769	101 769	103 937	106 151	108 412
Using public tap (at least min.service level)	2	25 693	26 240	26 799	27 953	27 953	27 953	28 548	29 156	29 777
Other water supply (at least min.service level)	4	–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		222 503	227 242	232 083	242 075	242 075	242 075	247 231	252 497	257 875
Using public tap (< min.service level)	3	–	–	–	–	–	–	–	–	–
Other water supply (< min.service level)	4	–	–	–	–	–	–	–	–	–
No water supply		32 253	32 940	33 642	29 309	29 310	29 311	29 934	30 571	31 223
Below Minimum Service Level sub-total		32 253	32 940	33 642	29 309	29 310	29 311	29 934	30 571	31 223
Total number of households	5	**254 756**	**260 182**	**265 724**	**271 384**	**271 385**	**271 386**	**277 165**	**283 068**	**289 098**
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		120 481	123 047	125 668	131 079	131 079	131 079	133 871	136 722	139 634
Flush toilet (with septic tank)		8 473	11 286	11 526	5 267	5 268	5 269	6 375	6 511	6 649
Chemical toilet		2 245	2 293	2 342	2 442	2 442	2 442	2 494	2 548	2 602
Pit toilet (ventilated)		123 557	123 557	126 188	131 621	131 621	131 621	134 425	137 288	140 212
Other toilet provisions (> min.service level)		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		254 756	260 182	265 724	270 409	270 410	270 411	277 165	283 068	289 098
Bucket toilet		–	–	–	582	582	582	–	–	–
Other toilet provisions (< min.service level)		–	–	–	–	–	–	–	–	–
No toilet provisions		–	–	–	393	393	393	–	–	–
Below Minimum Service Level sub-total		–	–	–	975	975	975	–	–	–
Total number of households	5	**254 756**	**260 182**	**265 724**	**271 384**	**271 385**	**271 386**	**277 165**	**283 068**	**289 098**
Energy:										
Electricity (at least min.service level)		242 018	247 173	252 438	257 815	257 816	257 817	263 307	268 915	274 643
Electricity - prepaid (min.service level)		–	–	–	–	–	–	–	–	–
Minimum Service Level and Above sub-total		242 018	247 173	252 438	257 815	257 816	257 817	263 307	268 915	274 643
Electricity (< min.service level)		–	–	–	–	–	–	–	–	–
Electricity - prepaid (< min. service level)		–	–	–	–	–	–	–	–	–
Other energy sources		12 738	13 009	13 286	13 569	13 569	13 569	13 858	14 153	14 455
Below Minimum Service Level sub-total		12 738	13 009	13 286	13 569	13 569	13 569	13 858	14 153	14 455
Total number of households	5	**254 756**	**260 182**	**265 724**	**271 384**	**271 385**	**271 386**	**277 165**	**283 068**	**289 098**
Refuse:										
Removed at least once a week		115 991	118 462	120 985	123 562	126 194	126 194	128 882	131 627	134 430
Minimum Service Level and Above sub-total		115 991	118 462	120 985	123 562	126 194	126 194	128 882	131 627	134 430
Removed less frequently than once a week		2 494	2 548	2 602	2 657	2 714	2 714	2 772	2 831	2 891
Using communal refuse dump		4 490	4 586	4 683	4 783	4 885	4 885	4 989	5 095	5 204
Using own refuse dump		107 759	110 055	112 399	114 793	117 238	117 238	119 735	122 286	124 890
Other rubbish disposal		14 792	15 107	15 429	15 757	10 314	10 315	10 532	10 757	10 986
No rubbish disposal		9 229	9 426	9 627	9 832	10 041	10 041	10 255	10 474	10 697
Below Minimum Service Level sub-total		138 765	141 721	144 739	147 822	145 192	145 193	148 283	151 442	154 667
Total number of households	5	**254 756**	**260 182**	**265 724**	**271 384**	**271 385**	**271 386**	**277 165**	**283 068**	**289 098**
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		18 077	19 704	21 478	23 821	23 821	23 821	24 940	26 113	27 340
Sanitation (free minimum level service)		18 840	19 970	21 169	22 439	22 439	22 439	23 493	24 597	25 754
Electricity/other energy (50kwh per household per month)		–	–	–	–	–	–	–	–	–
Refuse (removed at least once a week)		18 840	19 970	21 169	22 439	22 439	22 439	23 493	24 597	25 754
Informal Settlements		38	40	42	45	45	45	47	49	52
Cost of Free Basic Services provided - Formal Settlements (R'000)										
Water (6 kilolitres per **indigent** household per month)		(30 276)	(51 440)	(56 070)	(62 187)	(62 187)	(62 187)	(21 006)	(21 006)	(21 006)
Sanitation (free sanitation service to **indigent households**)		(19 212)	(20 366)	(21 588)	(22 884)	(22 884)	(22 884)	(23 936)	(23 936)	(23 936)
Electricity/other energy (50kwh per **indigent** household per month)		(57 045)	(65 752)	(71 328)	(80 421)	(80 421)	(80 421)	(89 896)	(89 896)	(89 896)
Refuse (removed once a week **for indigent households**)		(16 106)	(17 074)	(18 099)	(19 185)	(19 185)	(19 185)	(20 067)	(21 010)	(22 050)
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		32 311	37 441	39 687	42 068	42 068	42 068	48 438	49 475	50 620
Total cost of FBS provided	8	**(90 328)**	**(117 193)**	**(127 398)**	**(142 608)**	**(142 608)**	**(142 608)**	**(106 468)**	**(106 374)**	**(106 269)**
Highest level of free service provided per household										
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)		–	–	–	–	–	–	–	–	–
Revenue cost of subsidised services provided (R'000)	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)**		(6 814)	(64 439)	(58 852)	(79 388)	(78 522)	(78 522)	(42 425)	(81 774)	(85 618)
Water **(in excess of 6 kilolitres per indigent household per month)**		30 275	48 003	43 603	(5)	(5)	(5)	17 527	(47 581)	(53 431)
Sanitation **(in excess of free sanitation service to indigent households)**		10 149	442	(4 792)	(24 751)	(26 137)	(26 137)	1 547	(30 230)	(32 776)
Electricity/other energy **(in excess of 50 kwh per indigent household per month)**		56 953	50 707	19 833	0	0	0	71 209	(6)	(7 972)
Refuse **(in excess of one removal a week for indigent households)**		16 106	1 543	(1 066)	(19 185)	(19 185)	(19 185)	4 748	(21 136)	(22 077)
Municipal Housing - rental rebates		–	–	–	–	–	–	–	–	–
Housing - top structure subsidies	6	–	–	–	–	–	–	–	–	–
Other		–	–	–	–	–	–	–	–	–
Total revenue cost of subsidised services provided		**106 669**	**36 255**	**(1 273)**	**(123 329)**	**(123 849)**	**(123 849)**	**52 605**	**(180 728)**	**(201 874)**

References

1. Include services provided by another entity; e.g. Eskom

2. Stand distance <= 200m from dwelling

3. Stand distance > 200m from dwelling

4. Borehole, spring, rain-water tank etc.

5. Must agree to total number of households in municipal area (informal settlements receiving services must be included)

6. Include value of subsidy provided by municipality above provincial subsidy level

7. Show number of households receiving at least these levels of services completely free (informal settlements must be included)

8. Must reflect the cost to the municipality of providing the Free Basic Service

9. Reflect the cost of free or subsidised services in excess to the National policy that are not funded from the Free Basic Services component of the Equitable Share

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

Description	###	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
REVENUE ITEMS:											
Exchange revenue											
Service charges - Electricity	6										
Appliance Maintenance									–	–	–
Availability Charges									–	–	–
Connection/Reconnection		8 627	8 819	8 645	11 457	11 469	11 469	4 387	13 044	13 658	14 334
Electricity Distribution Revenue for Services					2 465	2 465	2 465		2 680	2 806	2 945
Electricity Sales		1 165 005	1 358 497	1 585 712	2 290 593	2 205 481	2 205 481	1 135 910	2 552 650	2 778 815	3 031 965
Joint Pole Usage									–	–	–
Meter Compliance Testing					5	5	5		6	6	6
Meter Reading Fees					5	5	5		6	6	6
Notice Revenues		6 115	11 280	11 416	2 625	2 625	2 625	11 810	4 407	4 614	4 843
Temporary Service Plant									–	–	–
Total Service charges - Electricity		**1 179 747**	**1 378 595**	**1 605 774**	**2 307 151**	**2 222 050**	**2 222 050**	**1 152 108**	**2 572 793**	**2 799 905**	**3 054 099**
Less Revenue Foregone (in excess of 50 kwh per indigent household per month)		56 953	50 707	19 833	0	0	0	71 209	(6)	(7 972)	(106 784)
Less Cost of Free Basis Services (50 kwh per indigent household per month)		(57 045)	(65 752)	(71 328)	(80 421)	(80 421)	(80 421)	(89 896)	(89 896)	(89 896)	-
Net Service charges - Electricity		**1 179 656**	**1 363 550**	**1 554 279**	**2 226 730**	**2 141 629**	**2 141 629**	**1 133 421**	**2 482 891**	**2 702 037**	**2 947 315**
Service charges - Water	6										
Agricultural and Rural Water Service									–	–	–
Availability Charges									–	–	–
Connection/Disconnection		2 150	1 661	1 906	22 135	22 135	22 135	1 796	24 197	25 335	26 589
Industrial Water									–	–	–
Meter Reading Fees					2 783	2 783	2 783		3 018	3 159	3 316
Sale		244 668	293 529	320 453	458 817	398 613	398 613	187 890	462 006	501 415	545 440
Urban Higher Level Service		17 309	1 354	1 477	2 590	2 590	2 590	1 044	2 945	3 196	3 477
Total Service charges - Water		**264 126**	**296 545**	**323 836**	**486 325**	**426 121**	**426 121**	**190 730**	**492 166**	**533 106**	**578 821**
Less Revenue Foregone (in excess of 6 kilolitres per indigent household per month)		30 275	48 003	43 603	(5)	(5)	(5)	17 527	(47 581)	(53 431)	(80 973)
Less Cost of Free Basis Services (6 kilolitres per indigent household per month)		(30 276)	(51 440)	(56 070)	(62 187)	(62 187)	(62 187)	(21 006)	(21 006)	(21 006)	-
Net Service charges - Water		**264 125**	**293 107**	**311 369**	**424 132**	**363 929**	**363 929**	**187 250**	**423 579**	**458 668**	**497 848**
Service charges - Waste Water Management	6										
Agricultural and Rural									–	–	–
Availability Charges									–	–	–
Connection/Reconnection		538	461	378	3 053	665	665	482	750	786	825
Higher Level Service									–	–	–
Industrial Effluent			1		2 433	2	2	1	3	3	3
Industrial Waste Water		1 724		18	563				–	–	–
Pump/Removal of Waste Water		17	82	2	1 727	26	26	15	29	30	32
Sanitation Charges		142 126	169 090	196 442	187 606	212 666	212 666	141 680	218 442	228 708	240 030
Treatment of Effluent		15 598	18 955	18 086	17 781	8 195	8 195	5 605	9 309	9 746	10 228
Total Service charges - Waste Water Management		**160 003**	**188 588**	**214 926**	**213 162**	**221 554**	**221 554**	**147 784**	**228 532**	**239 273**	**251 117**
Less Revenue Foregone (in excess of free sanitation service to indigent households)		10 149	442	(4 792)	(24 751)	(26 137)	(26 137)	1 547	(30 230)	(32 776)	(59 520)
Less Cost of Free Basis Services (free sanitation service to indigent households)		(19 212)	(20 366)	(21 588)	(22 884)	(22 884)	(22 884)	(23 936)	(23 936)	(23 936)	-
Net Service charges - Waste Water Management		**150 940**	**168 664**	**188 546**	**165 527**	**172 533**	**172 533**	**125 394**	**174 366**	**182 561**	**191 597**
Service charges - Waste Management	6										
Availability Charges									–	–	–
Carrier Bags									–	–	–
Disposal Facilities									–	–	–
Refuse Bags									–	–	–
Refuse Removal		140 930	156 950	180 730	197 516	197 516	197 516	129 878	223 690	234 204	245 797
Skip									–	–	–
Waste Bins									–	–	–
Total refuse removal revenue		**140 930**	**156 950**	**180 730**	**197 516**	**197 516**	**197 516**	**129 878**	**223 690**	**234 204**	**245 797**
Less Revenue Foregone (in excess of one removal a week to indigent households)		16 106	1 543	(1 066)	(19 185)	(19 185)	(19 185)	4 748	(21 136)	(22 077)	(46 312)
Less Cost of Free Basis Services (removed once a week to indigent households)		(16 106)	(17 074)	(18 099)	(19 185)	(19 185)	(19 185)	(20 067)	(21 010)	(22 050)	-
Net Service charges - Waste Management		**140 930**	**141 418**	**161 565**	**159 147**	**159 147**	**159 147**	**114 559**	**181 544**	**190 076**	**199 485**
Sales of Goods and Rendering of Services											
Academic Services		88	34	4	24	24	24	1	25	26	28

Advertisements		116	127	122	124	124	124	60	130	136	143
Amendment Fees					30	30	30		32	33	35
Application Fees for Land Usage		1 136	496	1 775	654	3 759	3 759	1 974	3 932	4 117	4 321
Building Plan Approval		8 405	6 626	11 211	9 046	9 105	9 105	6 130	9 523	9 971	10 465
Building Plan Clause Levy									–	–	–
Buyers Card									–	–	–
Camping Fees									–	–	–
Cemetery and Burial		1 205	1 305	1 422	1 192	1 192	1 192	853	1 247	1 305	1 370
Cleaning and Removal									–	–	–
Clearance Certificates		1 334	1 654	1 158	2 635	2 635	2 635	885	2 756	2 885	3 028
Computer Services									–	–	–
Day Care Fees									–	–	–
Demolition Application Fees									–	–	–
Development Charges									–	–	–
Domestic Services									–	–	–
Drainage Fees									–	–	–

Encroachment Fees	867	878	874	892	892	892	710	933	977	1 025
Entrance Fees	150	307	190	181	181	181	287	189	198	208
Escort Fees								–	–	–
Exempted Parking	131	165	123	352	352	352		368	386	405
Fire Services								–	–	–
Health Services								–	–	–
Housing (Boarding Services)								–	–	–
Immunisation Fees								–	–	–
Laboratory Services								–	–	–
Legal Fees	19	21	11	55	55	55	10	58	60	63
Library Fees				589	589	589		616	645	677
Management Fees								–	–	–
Meal and Refreshment								–	–	–
Membership Fees								–	–	–
Objections and Appeals	268	224	194	161	162	162	196	170	178	186
Occupation Certificates		2		1 709	1 709	1 709		1 787	1 871	1 964
Parking Fees	10	15	16	22	22	22	24	23	24	25
Photo copies, Faxes and Telephone charges								–	–	–
Removal of Restrictions								–	–	–
Sale of Carbon Credits	387	5	3	360	360	360	49	376	394	413
Sale of Goods								–	–	–
Scrap, Waste & Other Goods								–	–	–
Shared Services								–	–	–
Squatter Re-allocation								–	–	–
Stone and Gravel								–	–	–
Streets/Street Markets (Informal Traders)								–	–	–
Town Planning and Servitudes								–	–	–
Traffic Control	12 232	9 350	7 756	4 253	4 253	4 253	463	4 448	4 658	4 888
Transport Fees								–	–	–
Valuation Services								–	–	–
Water Meter Protectors	11	2	5	11	11	11	9	12	12	13
Weighbridge Fees								–	–	–
Total Sales of Goods and Rendering of Services	**26 360**	**21 211**	**24 865**	**22 289**	**25 455**	**25 455**	**11 650**	**26 626**	**27 877**	**29 257**
Agency Services										
District Municipalities										
Eastern Cape								–	–	–
Free State								–	–	–
Gauteng								–	–	–
KwazuluNatal								–	–	–
Limpopo	135	332	239					–	–	–
Mpumalanga								–	–	–
Northern Cape								–	–	–
Northwest								–	–	–
Western Cape								–	–	–
Total District Municipalities	**135**	**332**	**239**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
National										
AARTO								–	–	–
Department of Environmental Affairs								–	–	–
Total National	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Provincial										
Eastern Cape								–	–	–
Free State								–	–	–
Gauteng								–	–	–
KwazuluNatal								–	–	–
Limpopo		11 773	26 296	35 475	35 475	35 475	21 472	37 107	38 851	40 774
Mpumalanga								–	–	–
Northern Cape								–	–	–
Northwest								–	–	–
Western Cape	23 420	14 122	(3 131)		3 366	3 366	(2 610)	3 521	3 686	3 869
Total Provincial	**23 420**	**25 895**	**23 165**	**35 475**	**38 841**	**38 841**	**18 861**	**40 628**	**42 537**	**44 643**
Total Agency Services	**23 554**	**26 227**	**23 404**	**35 475**	**38 841**	**38 841**	**18 861**	**40 628**	**42 537**	**44 643**
Interest - Deemed Interest					()	()		–	–	–
Interest earned from Receivables										
Affiliates/Related Parties/Associated Companies								–	–	–

Electricity		22 928	20 328	38 401	38 405	38 405	11 660	40 172	42 060	44 142
Housing								–	–	–
Housing Land Sales								–	–	–
Housing Selling Schemes								–	–	–
Merchandising, Jobbing and Contracts								–	–	–
Property Rental Debtors			9	1 431	1 431	1 431		1 497	1 567	1 645
SARS								–	–	–
Service Charges	69 602	(4 840)	13	8 805	9 034	9 034	(182)	9 449	9 894	10 383
Sporting and Other Bodies								–	–	–
Staff								–	–	–
Waste Management		17 492	17 665	9 827	9 827	9 827	11 338	10 279	10 762	11 295
Waste Water Management		15 246	14 845	10 681	10 686	10 686	9 491	11 177	11 703	12 282
Water		33 747	39 328	30 239	30 240	30 240	15 715	31 631	33 118	34 757
Shared Services								–	–	–
Total Interest earned from Receivables	**69 602**	**84 573**	**92 190**	**99 384**	**99 623**	**99 623**	**48 024**	**104 205**	**109 103**	**114 504**
Interest earned from Current and Non Current Assets										
Bank Accounts	17 813	21 081	21 002	15 886	15 886	15 886	16 647	16 617	17 398	18 259
Financial Assets								–	–	–
Short Term Investments and Call Accounts	21 002	27 097	48 804	37 100	53 152	53 152	39 996	55 597	58 210	61 091
Total Interest earned from Current and Non Current Assets	**38 815**	**48 178**	**69 806**	**52 986**	**69 038**	**69 038**	**56 643**	**72 214**	**75 608**	**79 350**
Dividends										
External Investment								–	–	–
Municipal Entities								–	–	–
Total Dividends	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Rent on Land										
Land								–	–	–
Prospecting, Mining, Royalties								–	–	–
Servitudes								–	–	–
Total Rent on Land	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Rental from Fixed Assets										
Market Related										
Biological Assets								–	–	–
Heritage Assets								–	–	–
Investment Property								–	–	–
Property Plant and Equipment	32 719	32 331	27 222	10 804	21 581	21 581	14 864	22 574	23 635	24 805
Total Market Related	**32 719**	**32 331**	**27 222**	**10 804**	**21 581**	**21 581**	**14 864**	**22 574**	**23 635**	**24 805**
Non-market Related										
Biological Assets								–	–	–
Heritage Assets								–	–	–
Investment Property	3 591	8 606	10 170	8 277	19 866	19 866	12 221	20 779	21 756	22 833
Property Plant and Equipment	15	24	22	44	48	48	28	51	53	56
Total Non-market Related	**3 607**	**8 630**	**10 191**	**8 321**	**19 914**	**19 914**	**12 250**	**20 830**	**21 809**	**22 889**
Total Rental from Fixed Assets	**36 325**	**40 961**	**37 413**	**19 125**	**41 495**	**41 495**	**27 114**	**43 404**	**45 444**	**47 694**
Licences or Permits										
Angling/Fishing								–	–	–
Atmospheric Emissions								–	–	–
Boat								–	–	–
Dog				4	4	4		4	4	5
Fauna and Flora								–	–	–
Filming Fees								–	–	–
Game								–	–	–
Health Certificates								–	–	–
Hiking Trails								–	–	–
Hoarding (Collecting/Storing)								–	–	–
Market Porters								–	–	–
Road and Transport	13 781	13 595	14 352	16 069	16 069	16 069	31 362	16 808	17 598	18 469
Threatened and Protected Species								–	–	–
Trading	7	2		106	106	106		111	116	122
Total Licences or Permits	**13 789**	**13 597**	**14 352**	**16 179**	**16 179**	**16 179**	**31 362**	**16 923**	**17 718**	**18 596**
Special Rating Levies										
Agricultural Properties								–	–	–
Business and Commercial Properties								–	–	–
Industrial Properties								–	–	–
Mining Properties								–	–	–

Public Benefit Organisations								–	–	–
Public Service Infrastructure Properties								–	–	–
Public Service Purposes Properties								–	–	–
Residential Properties								–	–	–
Residential Sectional Title Garages								–	–	–
Sport Clubs and Fields								–	–	–
Vacant Land								–	–	–
Total Special Rating Levies	-	-	-	-	-	-	-	-	-	-
Construction Contract Revenue								–	–	–
Development Charges								–	–	–
Operational Revenue										
Administrative Handling Fees	721	709	653	815	815	815	385	853	893	937
Arbor City Awards Competition		700	212	302	302	302		316	331	347
Bad Debts Recovered								–	–	–
Bontle Ke Botho Cleaning and Greening Award								–	–	–
Breakages and Losses Recovered								–	–	–
Bursary Repayment								–	–	–
Collection Charges			8 861	7 989	8 103	8 103	10 698	8 475	8 874	9 313
Commission	2 367	4 293	3 844	3 058	3 058	3 058	4 510	3 198	3 349	3 514
Discounts and Early Settlements								–	–	–
Incidental Cash Surpluses	36 584	12	20	5 893	5 893	5 893	194	6 164	6 453	6 773
Inspection Fees	46	53	68	140	140	140	41	146	153	161
Insurance Refund				135	135	135		141	148	155
Merchandising, Jobbing and Contracts				8	8	8		9	9	10
Recovery Maintenance			3 933	193	193	193		202	211	222
Registration Fees								–	–	–
Request for Information	49	67	39	241	241	241	28	252	264	277
Sale of Property				5 364	5 364	5 364		5 611	5 875	6 165
Skills Development Levy Refund	1 751	1 727	1 736	1 461	1 461	1 461	1 179	1 528	1 600	1 679
Staff and Councillors Recoveries	19	60	31	68	68	68	40	71	75	78
Total Operational Revenue	**41 537**	**7 621**	**19 397**	**25 667**	**25 781**	**25 781**	**17 075**	**26 967**	**28 234**	**29 632**
Non-Exchange revenue										
Property Rates										
Agricultural Properties	11 843	12 623	12 414	11 302	12 757	12 757	8 552	13 344	13 971	14 663
Business and Commercial Properties	246 252	266 605	277 346	278 023	297 651	297 651	197 698	285 964	299 405	314 225
Industrial Properties	60 151	64 191	75 602	73 231	77 821	77 821	52 238	81 401	85 227	89 445
Mining Properties				20				–	–	–
Public Benefit Organisations	3 006	1 182	396	869	330	330	222	342	358	376
Public Service Infrastructure Properties	319	125	203	497	215	215	107	225	235	247
Public Service Purposes Properties		22 144	42 488	44 772	45 172	45 172	30 111	47 250	49 471	51 920
Residential Properties	257 887	290 636	360 505	340 448	374 553	374 553	249 033	388 037	406 274	426 385
Residential Sectional Title Garages								–	–	–
Sport Clubs and Fields								–	–	–
Vacant Land								–	–	–
Total Property Rates	**579 458**	**657 506**	**768 954**	**749 162**	**808 500**	**808 500**	**537 961**	**816 563**	**854 942**	**897 261**
Less Revenue Foregone (exemptions, reductions and rebates and impermissable values in	(6 814)	(64 439)	(58 852)	(79 388)	(78 522)	(78 522)	(42 425)	(81 774)	(85 618)	(89 856)
Net Property Rates	**572 644**	**593 067**	**710 102**	**669 774**	**729 978**	**729 978**	**495 535**	**734 789**	**769 324**	**807 406**
Surcharges and Taxes										
Surcharges								–	–	–
Taxes								–	–	–
Total Surcharges and Taxes	-	-	-	-	-	-	-	-	-	-
Fines, Penalties and Forfeits										
Fines	41 441	38 820	27 934	46 228	46 244	46 244	13 047	48 371	50 645	53 152
Forfeits	1 010	2 158	4 497	573	573	573	41	599	627	658
Penalties								–	–	–
Total Fines, Penalties and Forfeits	**42 451**	**40 979**	**32 431**	**46 801**	**46 817**	**46 817**	**13 088**	**48 970**	**51 272**	**53 810**
Licences or Permits										
Angling/Fishing								–	–	–
Atmospheric Emission								–	–	–
Boat								–	–	–
Dog								–	–	–
Fauna and Flora								–	–	–
Filming Fees								–	–	–
Game								–	–	–

Health Certificates								–	–	–
Hiking Trails								–	–	–
Hoarding (Collecting/Storing)								–	–	–
Market Porters								–	–	–
Road and Transport								–	–	–
Threatened and Protected Species								–	–	–
Trading								–	–	–
Total Licences or Permits	-	-	-	-	-	-	-	-	-	-
Transfer and subsidies - Operational										
Allocations In-kind										
Departmental Agencies and Accounts								–	–	–
District Municipalities								–	–	–
Foreign Government and International Organisations								–	–	–
Higher Educational Institutions								–	–	–
Households								–	–	–
National Government								–	–	–
Non-Profit Institutions								–	–	–
Parent Municipality								–	–	–
Private Enterprises								–	–	–
Provincial Government								–	–	–
Public Corporations								–	–	–
Total Allocations In-kind	-	-	-	-	-	-	-	-	-	-
Monetary Allocations										
Departmental Agencies and Accounts								–	–	–
District Municipalities								–	–	–
Foreign Government and International Organisations								–	–	–
Higher Educational Institutions								–	–	–
Households								–	–	–
National Governments	205 738	219 604	270 345	329 149	290 335	290 335	198 970	237 005	198 388	226 778
National Revenue Fund	1 196 550	1 318 621	1 407 809	1 481 181	1 481 181	1 481 181	1 481 181	1 541 239	1 606 170	1 652 917
Non-Profit Institutions								–	–	–
Parent Municipality								–	–	–
Private Enterprises	1 262	500	500	5 000	11 092	11 092	500	–	–	–
Provincial Government				47 585	134 004	134 004	46 275	47 612	–	–
Public Corporations								–	–	–
Total Monetary Allocations	**1 403 549**	**1 538 725**	**1 678 654**	**1 862 915**	**1 916 612**	**1 916 612**	**1 726 926**	**1 825 856**	**1 804 558**	**1 879 695**
Total Transfer and subsidies - Operational	**1 403 549**	**1 538 725**	**1 678 654**	**1 862 915**	**1 916 612**	**1 916 612**	**1 726 926**	**1 825 856**	**1 804 558**	**1 879 695**
Interest Receivables										
Property Rates	40 926	55 266	59 008	24 846	57 619	57 619	38 249	60 270	63 103	66 226
Service Charges										
Electricity								–	–	–
Waste Management								–	–	–
Waste Water Management								–	–	–
Water								–	–	–
Total Service Charges	-	-	-	-	-	-	-	-	-	-
Total Interest Receivables	**40 926**	**55 266**	**59 008**	**24 846**	**57 619**	**57 619**	**38 249**	**60 270**	**63 103**	**66 226**
Fuel Levy (RSC Replacement Grant)								–	–	–
Operational Revenue - Service Charges										
Electricity - Availability Charges								–	–	–
Waste Management - Availability Charges								–	–	–
Waste Water Management - Availability Charges								–	–	–
Water - Availability Charges								–	–	–
Total Operational Revenue - Service Charges	-	-	-	-	-	-	-	-	-	-
Gains on Disposal of Fixed and Intangible Assets										
Biological Assets	(2 099)							–	–	–
Heritage Assets								–	–	–
Intangible Assets								–	–	–
Investment Property								–	–	–
Living resources		25	32					–	–	–
Property, Plant and Equipment			(9 319)					–	–	–
Total Disposal of Fixed and Intangible Assets	**(2 099)**	**25**	**(9 287)**	-	-	-	-	-	-	-
Other Gains										
Debt waived								–	–	–
Discontinued Operations and Disposals of Non-current Assets								–	–	–

Inventory											
Fair value assessment - Water stock									–	–	–
Increase to net-realisable Value									–	–	–
Total Inventory		-	-	-	-	-	-	-	-	-	-
Fair Value Adjustment											
Actuarial Assessments											
Leave Gratuity		59 347	440	2 908					–	–	–
Long Service Awards									–	–	–
Medical		(1 757)	11 894	11 607					–	–	–
Pension Funds		11 896	7 939						–	–	–
Total Actuarial Assessments		**69 486**	**20 273**	**14 515**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Biological Assets		6 207	747	1 248					–	–	–
Heritage Assets									–	–	–
Interest rate Swaps									–	–	–
Investment Property		49 452	(15 587)	996 066					–	–	–
Investments									–	–	–
Living resources			2 238	1 362					–	–	–
Total Fair Value Adjustment		-	-	-	-	-	-	-	-	-	-
Foreign Exchange									–	–	–
Contributions to Provisions for landfill sites									–	–	–
Total Other Gains		-	-	-	-	-	-	-	-	-	-
Discontinued Operations									–	–	–
Total Revenue		**4 043 103**	**4 437 170**	**4 968 094**	**5 850 979**	**5 904 676**	**5 904 676**	**4 045 152**	**6 263 231**	**6 568 121**	**7 007 058**
EXPENDITURE ITEMS:											
Employee related costs											
Salaries and Allowances											
Basic Salary	2	568 986	593 642	634 571	819 801	694 915	694 915	(458 529)	824 077	859 324	895 717
Bonuses					21 275	100	100	(79)	23 128	24 123	25 136
Allowance											
Accommodation, Travel and Incidental									–	–	–
Cellular and Telephone		96	33	33	152	152	152	(20)	179	187	194
Housing Benefits		7 986	6 996	6 978	11 779	11 673	11 673	(4 677)	13 859	14 455	15 062
Non-pensionable		297	136	2	5	3	3		3	4	4
Travel or Motor Vehicle		60 257	61 115	71 579	84 571	77 840	77 840	(50 033)	91 658	95 599	99 614
Voluntary Work									–	–	–
Total Allowance		**68 635**	**68 281**	**78 593**	**96 506**	**89 668**	**89 668**	**(54 730)**	**105 699**	**110 244**	**114 874**
Service Related Benefits											
Acting		5 568	7 651	6 085	10 554	11 091	11 091	(3 289)	13 272	13 843	14 424
Bonus		45 606	48 030	51 496	70 212	70 311	70 311	(37 818)	82 823	86 384	90 012
Danger Allowance						1 923	1 923		2 269	2 366	2 465
Entertainment									–	–	–
Fire Brigade		13 516	14 356	8 151	8 766	8 766	8 766	(4 041)	10 344	10 789	11 242
In-kind Benefits									–	–	–
Leave Pay		23 869	41 999	33 395	35 144	40 793	40 793	(29 942)	47 578	49 624	51 708
Lifeguard/Duty Squads									–	–	–
Long Service Award		5 286	()		22 893	20 783	20 783	(2 335)	24 525	25 579	26 653
Overtime		120 437	106 554	68 124	41 256	53 191	53 191	(40 683)	47 391	49 427	51 502
Scarcity									–	–	–
Standby Allowance		13 550	12 314	10 073	15 965	15 565	15 565	(7 103)	18 367	19 157	19 962
Tools Allowance		199	207	198	366	366	366	(134)	432	450	469
Uniform-Special-Protective Clothing				80	69	84	84	(80)	99	103	107
Leave gratuity									–	–	–
Long Term Service Award									–	–	–
Total Service Related Benefits		**228 031**	**231 111**	**177 603**	**205 224**	**222 873**	**222 873**	**(125 423)**	**247 099**	**257 723**	**268 545**
Total Salaries and Allowances		**865 652**	**893 034**	**890 766**	**1 142 807**	**1 007 556**	**1 007 556**	**(638 760)**	**1 200 003**	**1 251 413**	**1 304 272**
Social Contributions											
Bargaining Council		250	259	280	743	748	748	(199)	882	920	958
Group Life Insurance					3 761	3 761	3 761		4 430	4 621	4 815
Medical		45 207	49 583	53 163	59 693	57 803	57 803	(38 100)	68 753	71 710	74 722
Pension		109 231	115 262	122 963	155 438	145 127	145 127	(87 948)	171 880	179 271	186 800
Unemployment Insurance		4 646	4 797	4 842	5 338	5 348	5 348	(3 277)	6 279	6 557	6 834
Total Social Contributions		**159 335**	**169 901**	**181 247**	**224 972**	**212 787**	**212 787**	**(129 523)**	**252 224**	**263 078**	**274 129**
Post-retirement Benefit		32 363	37 257	39 156	6 857	9 513	9 513	(6 384)	11 225	11 708	12 199
Medical		14 666	14 344	14 717					–	–	–

Other Benefits									–	–	–
Pension									–	–	–
Total Post-retirement Benefit	4	**47 029**	**51 601**	**53 873**	**6 857**	**9 513**	**9 513**	**(6 384)**	**11 225**	**11 708**	**12 199**
Sub-Total		**1 072 016**	**1 114 536**	**1 125 886**	**1 374 637**	**1 229 855**	**1 229 855**	**(774 668)**	**1 463 453**	**1 526 199**	**1 590 601**
Less: Employees costs capitalised to PPE				(30 921)					–	–	–
Total Employee Related Cost	1,2	**1 072 016**	**1 114 536**	**1 094 965**	**1 374 637**	**1 229 855**	**1 229 855**	**(774 668)**	**1 463 453**	**1 526 199**	**1 590 601**
Remuneration of Councillors											
Allowances and Service Related Benefits											
Basic Salary		26 581	27 888	56 034	41 617	43 644	43 644	(28 913)	45 756	47 723	49 728
Cell phone Allowance		3 821	4 246	4 049	3 845	4 041	4 041	(2 688)	4 231	4 413	4 598
Housing Allowance									–	–	–
In-kind Benefits		667	357	341	342	341	341	(227)	357	372	388
Market Related Non-pensionable Allowance									–	–	–
Motor Vehicle Allowance		6 278	7 179	15 065	14 171	12 513	12 513	(8 312)	13 101	13 664	14 238
Office-bearer Allowance									–	–	–
Out of pocket Expenses									–	–	–
Travelling Allowance		1							–	–	–
Use of Personal Facilities									–	–	–
Total Allowances and Service Related Benefits		**37 348**	**39 670**	**75 487**	**59 975**	**60 539**	**60 539**	**(40 140)**	**63 444**	**66 172**	**68 951**
Social Contributions											
Medial Aid Benefits		321	333	428	562	496	496	(333)	520	542	565
Pension Fund Contributions		3 714	3 874	7 796	5 941	6 138	6 138	(4 066)	6 426	6 702	6 984
Total Social Contributions		**4 035**	**4 207**	**8 224**	**6 504**	**6 634**	**6 634**	**(4 399)**	**6 946**	**7 244**	**7 549**
Total Remuneration of Councillors	1,2	**41 384**	**43 877**	**83 711**	**66 479**	**67 173**	**67 173**	**(44 540)**	**70 390**	**73 417**	**76 500**
Bulk Purchases - Electricity											
ESKOM		856 611	1 018 199	1 186 443	1 469 753	1 469 753	1 469 753	(874 231)	1 596 152	1 664 787	1 734 708
Independent Power Producers											
Green Electricity											
Green Charges									–	–	–
Green Rights and Certificates									–	–	–
Total Green Electricity		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Renewable, Cogen, etc									–	–	–
Total Independent Power Producers		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Self Generation									–	–	–
Capitalisation Electricity Costs (Credit Account)									–	–	–
Total Bulk Purchases - Electricity	-	**856 611**	**1 018 199**	**1 186 443**	**1 469 753**	**1 469 753**	**1 469 753**	**(874 231)**	**1 596 152**	**1 664 787**	**1 734 708**
Inventory Consumed											
Agricultural									–	–	–
Consumables		6 291	8 029	17 160	34 043	34 035	34 035	(8 711)	35 709	37 245	38 810
Finished Goods									–	–	–
Housing Stock									–	–	–
Land									–	–	–
Materials and Supplies		65 792	54 627	38 624	65 763	72 866	72 866	(45 780)	73 364	76 519	79 733
Water		153 773	213 044	229 792	244 691	244 691	244 691	(81 318)	265 734	277 161	288 801
Sub-total		**225 857**	**275 699**	**285 576**	**344 497**	**351 592**	**351 592**	**(135 808)**	**374 807**	**390 924**	**407 344**
Less: Capitalisation of inventory consumed									–	–	–
Total Inventory Consumed	-	**225 857**	**275 699**	**285 576**	**344 497**	**351 592**	**351 592**	**(135 808)**	**374 807**	**390 924**	**407 344**
Debt Impairment											
Trade and Other Receivables from Exchange Transactions											
Electricity		41 378	32 332	531	28 570	15 303	15 303		16 023	16 712	17 413
Shared Services									–	–	–
Waste Management		15 927	22 858	8 020	15 940	8 538	8 538		8 939	9 324	9 715
Waste Water Management		22 310	25 540	5 034	17 796	9 532	9 532		9 980	10 409	10 847
Water		56 118	42 833	(5 557)	23 349	12 507	12 507		13 094	13 657	14 231
Non Specific Accounts		118 179	70 660	20 385	137 726	73 772	73 772		77 240	80 561	83 944
Total Trade and Other Receivables from Exchange Transactions		**253 913**	**194 223**	**28 413**	**223 379**	**119 652**	**119 652**	**-**	**125 276**	**130 663**	**136 151**
Other Receivables from Non-exchange Revenue											
Property Rates											
Property Rates General											
Agricultural Properties									953	994	1 036
Business and Commercial Properties									1 750	1 826	1 902
Industrial Properties									691	720	751
Mining Properties									580	605	630
Public Benefit Organisations									46	48	50

Public Service Infrastructure Properties								163	170	177
Public Service Purposes Properties								777	810	844
Residential Properties								25 070	26 148	27 246
Residential Sectional Title Garages								1 668	1 739	1 812
Sport Clubs and Fields								46	48	50
Vacant Land								105	110	114
Total Property Rates	-	-	-	-	-	-	-	**31 849**	**33 218**	**34 614**
Service Charges										
Service Charges General								–	–	–
Electricity								–	–	–
Waste Management								–	–	–
Waste Water Management								–	–	–
Water								–	–	–
Total Service Charges	-	-	-	-	-	-	-	-	-	-
Non Specific Accounts	59 958	153 546	59 175	56 790	30 419	30 419		–	–	–
Total Other Receivables from Non-exchange Revenue	**59 958**	**153 546**	**59 175**	**56 790**	**30 419**	**30 419**	**-**	**31 849**	**33 218**	**34 614**
Total Debt Impairment	**313 871**	**347 769**	**87 589**	**280 169**	**150 072**	**150 072**	**-**	**157 125**	**163 881**	**170 764**
Depreciation, Amortisation and Impairment										
Amortisation										
Intangible Assets	3 580	2 436	2 406	1 277	1 277	1 277	(1 602)	1 199	1 251	1 303
Total Amortisation	**3 580**	**2 436**	**2 406**	**1 277**	**1 277**	**1 277**	**(1 602)**	**1 199**	**1 251**	**1 303**
Depreciation										
Biological or Cultivated Assets								–	–	–
Coastal Infrastructure								–	–	–
Community Assets	121 741	224 575	189 310	84 063	84 063	84 063	(124 794)	93 451	97 469	101 563
Computer Equipment	(3 499)	2 145	2 852	1 465	1 465	1 465	(2 491)	1 722	1 796	1 871
Electrical Infrastructure	36 733	61 794	134 451	57 920	57 920	57 920	(89 173)	66 891	69 768	72 698
Furniture and Office Equipment	28 997	17 719	16 464	8 218	8 218	8 218	(5 731)	4 309	4 495	4 684
Heritage Assets								–	–	–
Information and Communication Infrastructure	2 639	4 125	3 320	1 497	1 497	1 497	(1 988)	1 425	1 487	1 549
Investment Property								–	–	–
Land								–	–	–
Libraries								–	–	–
Living resources		159	223					–	–	–
Machinery and Equipment	10 707	3 251	3 291	1 850	1 850	1 850	(3 233)	2 132	2 224	2 317
Other Assets	3 579	6 043	23 736	12 856	12 856	12 856	(15 201)	11 431	11 923	12 423
Rail Infrastructure								–	–	–
Roads Infrastructure	255 605	455 305	239 014	119 571	119 571	119 571	(196 564)	147 017	153 339	159 779
Sanitation Infrastructure	25 849	45 644	40 599	14 327	14 327	14 327	(23 774)	17 808	18 574	19 354
Solid Waste Infrastructure	134 658	230 886	9 167	4 483	4 483	4 483	(6 560)	4 912	5 123	5 338
Storm water Infrastructure	17 750	49 561	31 014	13 872	13 872	13 872	(21 253)	15 921	16 606	17 303
Transport Assets	79 691	29 015	38 721	18 218	18 218	18 218	(23 549)	16 633	17 348	18 077
Water Supply Infrastructure	6 377	14 596	147 414	68 197	68 197	68 197	(97 277)	73 641	76 808	80 033
Zoo, Marine and Non-biological Animals								–	–	–
Total Depreciation	**720 826**	**1 144 820**	**879 576**	**406 537**	**406 537**	**406 537**	**(611 590)**	**457 294**	**476 958**	**496 990**
Capital Impairment Losses and Reversals										
Biological or Cultivated Assets								–	–	–
Construction Work-in-progress								–	–	–
Heritage Assets								–	–	–
Intangible Assets		908						–	–	–
Investment Property								–	–	–
Living resources								–	–	–
Contributions to Provisions for landfill sites								–	–	–
Property, Plant and Equipment										
Coastal Infrastructure								–	–	–
Community Assets			14 717		21 127	21 127		–	–	–
Computer Equipment	2 538	26	(355)		17	17		–	–	–
Electrical Infrastructure								–	–	–
Furniture and Office Equipment	206	12	(1 377)		9	9		–	–	–
Housing								–	–	–
Information and Communication Infrastructure								–	–	–
Land								–	–	–
Machinery and Equipment	3 300	3	991		991	991		–	–	–
Operational Buildings								–	–	–

Other Assets								–	–	–
Rails Infrastructure								–	–	–
Roads Infrastructure		24 655	39 320	3 559		4 717	4 717	–	–	–
Sanitation Infrastructure				68		68	68	–	–	–
Solid Waste Infrastructure								–	–	–
Storm water Infrastructure				18		18	18	–	–	–
Transport Assets		449	5 083	(1 272)		157	157	–	–	–
Water Supply Infrastructure				2 994		2 994	2 994	–	–	–
Zoo, Marine and Non-biological Assets								–	–	–
Total Property, Plant and Equipment		**31 149**	**44 445**	**19 344**	**-**	**30 098**	**30 098**	**-**	**-**	**-**	**-**
Total Capital Impairment Losses and Reversals		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Total Depreciation, Amortisation and Impairment	'	**724 406**	**1 147 255**	**881 981**	**407 814**	**407 814**	**407 814**	**(613 191)**	**458 494**	**478 209**	**498 294**
Interest, Dividends and Rent on Land											
Dividends Paid								–	–	–
Interest Paid		57 837	50 808	52 064	40 124	41 124	41 124	(19 557)	43 057	39 969	36 183
Rent on Land								–	–	–
Total Interest, Dividends and Rent on Land	'	**57 837**	**50 808**	**52 064**	**40 124**	**41 124**	**41 124**	**(19 557)**	**43 057**	**39 969**	**36 183**
Contracted Services											
Consultants and Professional Services		282 304	311 495	489 004	450 826	533 765	533 765	(292 493)	432 393	323 801	403 798
Contractors		258 951	272 665	254 934	304 911	322 437	322 437	(204 213)	366 006	341 458	376 471
Outsourced Services		311 399	412 831	490 883	513 641	528 256	528 256	(358 864)	559 591	512 829	582 328
Total Contracted Services	'	**852 654**	**996 990**	**1 234 821**	**1 269 378**	**1 384 458**	**1 384 458**	**(855 570)**	**1 357 990**	**1 178 088**	**1 362 597**
Transfers and Subsidies											
Capital											
Allocations In-kind									–	–	–
Monetary Allocations					50 000	49 687	49 687	(43 435)	24 820	31 025	24 820
Total Capital		**-**	**-**	**-**	**50 000**	**49 687**	**49 687**	**(43 435)**	**24 820**	**31 025**	**24 820**
Operational											
Allocations In-kind									–	–	–
Monetary Allocations		9 671	15 480	16 480	10 480	17 480	17 480	(10 320)	18 480	18 480	18 480
Total Operational		**9 671**	**15 480**	**16 480**	**10 480**	**17 480**	**17 480**	**(10 320)**	**18 480**	**18 480**	**18 480**
Total Transfers and Subsidies	'	**9 671**	**15 480**	**16 480**	**60 480**	**67 167**	**67 167**	**(53 755)**	**43 300**	**49 505**	**43 300**
Irrecoverable Debts Written Off											
Bad debt written off											
Exchange											
Electricity									6 178	6 444	6 714
Non Specific Accounts				()					3 059	3 191	3 325
Waste Management									3 602	3 757	3 915
Waste Water Management									5 513	5 750	5 992
Water									3 051	3 182	3 316
Total Exchange		**-**	**-**	**(0)**	**-**	**-**	**-**	**0**	**21 404**	**22 324**	**23 262**
Non-exchange											
Non Specific Accounts									–	–	–
Property Rates								()	8 596	8 966	9 342
Service Charges									–	–	–
Total Non-exchange		**-**	**-**	**0**	**-**	**-**	**-**	**(0)**	**8 596**	**8 966**	**9 342**
Total Irrecoverable Debts Written Off	'	**-**	**-**	**0**	**-**	**-**	**-**	**0**	**30 000**	**31 290**	**32 604**
Operational Cost and Other Cost											
Operational Cost											
Achievements and Awards					10	10	10		10	11	11
Advertising, Publicity and Marketing		26 409	45 976	61 159	67 188	78 353	78 353	(42 881)	47 186	47 555	49 552
Assets less than the Capitalisation Threshold									–	–	–
Atmospheric Emission Licence									–	–	–
Bank Charges, Facility and Card Fees		5 870	7 188	5 924	8 332	8 332	8 332	(4 512)	8 723	9 099	9 481
Bargaining Council									–	–	–
Bond Issue Amortisation Costs									–	–	–
Brokers Fees									–	–	–
Bursaries (Employees)		2 518	1 322	1 126	2 264	2 264	2 264	(439)	2 370	2 472	2 576
Cash Discount									–	–	–
Cleaning Services					10	10	10		10	11	11
Commission		160	421	350	10	10	10		10	11	11
Communication		17 744	16 225	14 638	25 720	20 820	20 820	(11 350)	21 799	22 736	23 691
Contribution to Provisions					128	128	128		–	–	–
Copy Right Fees									–	–	–

Cost relating to the Sale of Houses								–	–	–
Courier and Delivery Services								–	–	–
Deeds		1	4	23	23	23	(2)	24	25	26
Drivers Licences and Permits	1	1	1	40	40	40	(2)	42	44	46
Dumping Fees (District Council)								–	–	–
Electricity Compliance Certificate								–	–	–
Entertainment								–	–	–
Entrance Fees	26	52	67	80	80	80	(51)	22 856	23 839	24 840
Environmental Levy								–	–	–
Eskom Connection Fees								–	–	–
External Audit Fees	16 190	14 308	15 217	17 775	18 875	18 875	(16 748)	19 762	20 612	21 477
External Computer Service	24 580	24 640	23 125	30 961	32 530	32 530	(26 848)	33 965	35 215	34 670
Fines and Penalties								–	–	–
Firearm Handling Fees		14	26	79	79	79		82	86	89
Freight Services								–	–	–
Full Time Union Representative								–	–	–
Hire Charges	8 209	2 340	3 629	13 446	13 396	13 396	(7 763)	14 025	14 629	15 243
Honoraria (Voluntarily Workers)								–	–	–
Indigent Relief	14 754	14 549	16 237	20 000	20 000	20 000	(12 029)	20 940	21 840	22 758
Insurance Underwriting	28 942	42 828	25 822	40 151	39 851	39 851	(28 279)	41 724	43 518	45 346
Capitalisation of Wet Fuel Costs (Credit Account)								–	–	–
Land Alienation Costs								–	–	–
Learnerships and Internships	5 544	1 275	5 494	3 888	3 884	3 884	(2 052)	5 708	5 785	1 951
Levies Paid - Water Resource Management Charges								–	–	–
Licences				71	71	71		74	78	81
Management Fee	171	141	275	310	310	310	(234)	325	339	353
Municipal Services	4 700	4 149	5 282	29 147	28 544	28 544	(21 811)	29 886	31 171	32 480
Office Decorations								–	–	–
Parking Fees								–	–	–
Permits								–	–	–
Personnel Agency Fees [Personnel Recruitment Costs]								–	–	–
Printing, Publications and Books	130	306	43	506	446	446	(30)	1 771	487	507
Professional Bodies, Membership and Subscription	11 195	12 058	11 615	14 285	15 435	15 435	(11 929)	16 161	16 856	17 563
Registration Fees	4 221	4 600	2 812	17 518	11 985	11 985	(4 632)	19 029	19 553	21 607
Remuneration to Section 79 Committee Members								–	–	–
Repayment of Forfeited Deposits								–	–	–
Resettlement Cost								–	–	–
Rewards Incentives								–	–	–
Road Worthy Test								–	–	–
Samples and Specimens				40	40	40		42	44	46
Search Fees								–	–	–
Seating Allowance for Traditional Leaders								–	–	–
Servitudes and Land Surveys								–	–	–
Signage		612		1 398	1 398	1 398		1 061	1 087	1 115
Skills Development Fund Levy	9 459	9 457	9 828	14 565	15 023	15 023	(6 876)	15 694	16 370	17 059
Small Differences Tolerances								–	–	–
Storage of Assets and Goods								–	–	–
Storage of Files (Archiving)								–	–	–
Supplier Development Programme								–	–	–
System Access and Information Fees	717	243						–	–	–
Taking over Contractual Obligations								–	–	–
Toll Gate Fees	69	84	95	1 125	1 117	1 117	(97)	1 172	1 222	1 274
Transport Provided as Part of Departmental Activities								–	–	–
Travel Agency and Visas	2 989	3 827	5 784	8 869	10 763	10 763	(4 187)	13 116	13 994	14 836
Travel and Subsistence	1 582	1 921	1 659	5 467	5 701	5 701	(1 440)	5 997	6 251	6 515
Uniform and Protective Clothing	11 298	19 408	11 180	28 260	30 376	30 376	(12 370)	32 579	33 636	35 002
Vehicle Tracking								–	–	–
Ward Committees	7 104	8 765	12 356	15 810	15 640	15 640	(6 608)	16 375	17 079	17 797
Warrantees and Guarantees								–	–	–
Wet Fuel	61 940	46 836	36 135	35 000	45 000	45 000	(24 851)	47 115	49 141	51 205
Witness Fees								–	–	–
Workmens Compensation Fund	5 171	7 381	4 100	8 557	8 557	8 557		8 959	9 345	9 737
Total Operational Cost	**271 693**	**290 927**	**273 982**	**411 033**	**429 089**	**429 089**	**(248 021)**	**448 593**	**464 140**	**478 956**
Operating Leases										

Biological Assets									–	–	–
Community Assets									–	–	–
Computer Equipment									–	–	–
Furniture and Office Equipment									–	–	–
Heritage Assets									–	–	–
Infrastructure									–	–	–
Intangible Assets									–	–	–
Investment Properties									–	–	–
Land									–	–	–
Libraries									–	–	–
Machinery and Equipment									–	–	–
Other Assets									–	–	–
Transport Assets									–	–	–
Zoo, Marine and Non-biological Animals									–	–	–
Total Operational Leases		-	-	-	-	-	-	-	-	-	-
Discontinued Operations									–	–	–
Statutory Payments other than Income Taxes									–	–	–
Total Operational Cost and Other Cost		**271 693**	**290 927**	**273 982**	**411 033**	**429 089**	**429 089**	**(248 021)**	**448 593**	**464 140**	**478 956**
Disposal of Fixed and Intangible Assets											
Biological Assets									–	–	–
Heritage Assets									–	–	–
Intangible Assets									–	–	–
Investment Property		5 900							–	–	–
Living resources									–	–	–
Property, Plant and Equipment		575 010	(3 006)	(9 060)				2	–	–	–
Total Disposal of Fixed and Intangible Assets		**580 910**	**(3 006)**	**(9 060)**	**-**	**-**	**-**	**2**	**-**	**-**	**-**
Other Losses											
Inventory											
Decrease in net-realisable Value		793	9 279	2 580					–	–	–
Total Inventory		**793**	**9 279**	**2 580**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Water Losses											
Apparent Losses											
Customer Meter Inaccuracies									–	–	–
Unauthoried Consumption									–	–	–
Total Apparent Losses		-	-	-	-	-	-	-	-	-	-
Data Transfer and Management Errors									–	–	–
Real Losses											
Leakage and Overflows at Storage Tanks/Reservoirs									–	–	–
Leakage on Service Connections up to the point of Customer Meter		87 344	68 506	112 821		100 000	100 000		104 700	109 202	113 789
Leakage on Transmission and Distribution Mains									–	–	–
Total Real Losses		**87 344**	**68 506**	**112 821**	**-**	**100 000**	**100 000**	**-**	**104 700**	**109 202**	**113 789**
Unavoidable Annual Real Losses									–	–	–
Total Water Losses		**87 344**	**68 506**	**112 821**	**-**	**100 000**	**100 000**	**-**	**104 700**	**109 202**	**113 789**
Fair Value Adjustment											
Actuarial Assessments											
Leave Gratuity									–	–	–
Long Service Awards									–	–	–
Medical									–	–	–
Pension Funds				8 300					–	–	–
Total Actuarial Assessments		-	-	**8 300**	-	-	-	-	-	-	-
Biological Assets			30						–	–	–
Heritage Assets									–	–	–
Interest rate Swaps									–	–	–
Investment Property			(62 996)	921 876					–	–	–
Investments									–	–	–
Living resources									–	–	–
Total Fair Value Adjustment		-	**(62 966)**	**930 177**	-	-	-	-	-	-	-
Foreign Exchange									–	–	–
Discontinued Operations and Disposals of Non-current Assets									–	–	–
Contributions to Provisions for landfill sites									–	–	–
Total Other Losses		**88 137**	**14 819**	**1 045 578**	**-**	**100 000**	**100 000**	**-**	**104 700**	**109 202**	**113 789**
Total Expenditure		**5 095 048**	**5 313 356**	**6 234 130**	**5 724 364**	**5 698 097**	**5 698 097**	**(3 619 339)**	**6 148 061**	**6 169 611**	**6 345 640**
Surplus/(Deficit)		**(1 051 945)**	**(876 186)**	**(1 266 037)**	**126 616**	**206 580**	**206 580**	**7 664 491**	**115 171**	**398 510**	**461 418**
Transfers and subsidies - capital (monetary allocations)											

Departmental Agencies and Accounts									–	–	–
District Municipalities									–	–	–
Foreign Government and International Organisations			14 715						–	–	–
Higher Educational Institutions									–	–	–
Households									–	–	–
National Government		612 013	755 410	615 386	595 575	663 763	663 763	390 575	1 208 493	1 413 580	1 089 052
Non-Profit Institutions									–	–	–
Parent Municipality									–	–	–
Private Enterprises									–	–	–
Provincial Governments									–	–	–
Public Corporations									–	–	–
Total Transfers and subsidies - capital (monetary allocations)		**612 013**	**770 125**	**615 386**	**595 575**	**663 763**	**663 763**	**390 575**	**1 208 493**	**1 413 580**	**1 089 052**
Transfers and subsidies - capital (in-kind)											
Departmental Agencies and Accounts									–	–	–
District Municipalities									–	–	–
Foreign Government and International Organisations									–	–	–
Higher Educational Institutions									–	–	–
Households									–	–	–
Local Municipalities									–	–	–
National Government									–	–	–
Non Profit Institutions									–	–	–
Parent Municipality									–	–	–
Private Enterprises		576	5 185	13 781					–	–	–
Provincial Governments									–	–	–
Public Corporations									–	–	–
Total Transfers and subsidies - capital (in-kind)		**576**	**5 185**	**13 781**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Surplus/(Deficit) after capital transfers and contributions		**(439 356)**	**(100 877)**	**(636 870)**	**722 190**	**870 343**	**870 343**	**8 055 066**	**1 323 664**	**1 812 090**	**1 550 470**
Income Tax											
Continuing Operations									–	–	–
Discontinued Operations									–	–	–
Total Income Tax		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Surplus/(Deficit) after income tax		**(439 356)**	**(100 877)**	**(636 870)**	**722 190**	**870 343**	**870 343**	**8 055 066**	**1 323 664**	**1 812 090**	**1 550 470**
Share of Surplus/Deficit attributable to Joint Venture									–	–	–
Share of Surplus/Deficit attributable to Minorities									–	–	–
Surplus/(Deficit) attributable to municipality		**(439 356)**	**(100 877)**	**(636 870)**	**722 190**	**870 343**	**870 343**	**8 055 066**	**1 323 664**	**1 812 090**	**1 550 470**
Share of Surplus/Deficit attributable to Associate									–	–	–
Intercompany/Parent-subsidiary Transactions									–	–	–
Surplus/(Deficit) for the year		**(439 356)**	**(100 877)**	**(636 870)**	**722 190**	**870 343**	**870 343**	**8 055 066**	**1 323 664**	**1 812 090**	**1 550 470**
Repairs and Maintenance by Expenditure Item	8										
Employee related costs		252 771	251 183	206 742	313 245	256 184	256 184	(15 438)	299 219	312 086	325 193
Inventory Consumed (Project Maintenance)		46 456	41 257	29 753	39 791	47 838	47 838	4 768	50 086	52 240	54 434
Contracted Services		448 447	450 259	544 060	496 267	478 646	478 646	632	421 616	375 863	426 626
Operational Costs		10 494	15 670	14 669	31 209	29 456	29 456	(40 992)	–	–	–
Total Repairs and Maintenance Expenditure	9	**758 168**	**758 369**	**795 225**	**880 511**	**812 124**	**812 124**	**(51 030)**	**770 922**	**740 189**	**806 254**
	check	–	–	–	–	–	–		(30 748)	(31 859)	(31 173)

References
1. Must reconcile with 'Budgeted Financial Performance (Revenue and Expenditure)
2. Must reconcile to supporting documentation on staff salaries

4. Expenditure to meet any 'unfunded obligations'
5 This total must agree with the total on SA22, but excluding councillor
6. Include a note for each revenue item that is affected by 'revenue foregone'

8. Repairs and Maintenance is not a GRAP item. However to facilitate transparency, municipalities must provide a breakdown of the amounts included in the relevant GRAP items that will be spent on Repairs and Maintenance.
9. Must reconcile with Repairs and Maintenance by Asset Class (Total Repairs and Maintenance) on Table SA34c.

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 - Roads and stormwater	Vote 13 -	Vote 14 -	Vote 15 -	Total
R thousand	1																
Revenue		1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	
Exchange Revenue																	
Service charges - Electricity		–	–	–	2 482 891	–	–	–	–	–	–	–	–	–	–	–	**2 482 891**
Service charges - Water		–	–	423 579	–	–	–	–	–	–	–	–	–	–	–	–	**423 579**
Service charges - Waste Water Management		–	–	174 366	–	–	–	–	–	–	–	–	–	–	–	–	**174 366**
Service charges - Waste Management		–	–	–	–	181 544	–	–	–	–	–	–	–	–	–	–	**181 544**
Sale of Goods and Rendering of Services		–	–	–	–	2 245	2 559	26	13 210	86	8 463	36	–	–	–	–	**26 626**
Agency services		–	–	–	–	–	–	–	–	–	–	–	40 628	–	–	–	**40 628**
Interest		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**–**
Interest earned from Receivables		–	–	42 808	40 171	10 279	–	–	–	10 947	–	–	–	–	–	–	**104 205**
Interest earned from Current and Non Current Assets		–	–	–	–	–	–	–	–	72 214	–	–	–	–	–	–	**72 214**
Dividends		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**–**
Rent on Land		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**–**
Rental from Fixed Assets		–	–	–	–	4 097	–	10 700	7 828	–	–	20 779	–	–	–	–	**43 404**
Licence and permits		–	–	–	–	–	16 812	–	–	111	–	–	–	–	–	–	**16 923**
Special rating levies		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**–**
Construction Contract Revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**–**
Development Charges		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**–**
Operational Revenue		4	2	4	7	25	501	1 679	6 697	17 951	3	8	86	–	–	–	**26 967**
Non-Exchange Revenue																	
Property rates		–	–	–	–	–	–	–	–	734 789	–	–	–	–	–	–	**734 789**
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**–**
Fines, penalties and forfeits		–	–	24	9 313	80	38 954	–	–	599	–	–	–	–	–	–	**48 970**
Licences or permits		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**–**
Transfer and subsidies - Operational		25 040	–	36 569	5 486	1 991	1 494	14 500	1 473	1 543 739	92 952	47 612	55 001	–	–	–	**1 825 856**
Interest		–	–	–	–	–	–	–	–	60 270	–	–	–	–	–	–	**60 270**
Fuel Levy		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**–**
Operational Revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**–**
Gains on disposal of Fixed and Intangible Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**–**
Other Gains		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**–**
Discontinued Operations		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**–**
Total Revenue (excluding capital transfers and contributions		**25 044**	**2**	**677 351**	**2 537 868**	**200 261**	**60 321**	**26 905**	**29 207**	**2 440 706**	**101 418**	**68 435**	**95 715**	**–**	**–**	**–**	**6 263 231**
Expenditure																	
Employee related costs		113 372	34 792	185 994	111 025	247 381	325 082	126 556	90 869	134 672	21 683	18 756	53 271	–	–	–	**1 463 453**
Remuneration of councillors		–	70 390	–	–	–	–	–	–	–	–	–	–	–	–	–	**70 390**
Bulk purchases - electricity		–	–	–	1 596 152	–	–	–	–	–	–	–	–	–	–	–	**1 596 152**
Inventory consumed		3 140	204	287 693	31 752	24 146	5 349	3 925	909	7 412	151	140	9 986	–	–	–	**374 807**
Debt impairment		–	–	23 075	16 023	8 939	–	–	–	109 088	–	–	–	–	–	–	**157 125**
Depreciation, amortisation and impairment		232	209	97 526	67 185	94 332	701	2 960	6 173	2 927	11 482	10	174 757	–	–	–	**458 494**
Interest, Dividends and Rent on Land		–	–	–	–	–	–	4 467	–	38 590	–	–	–	–	–	–	**43 057**
Contracted services		59 546	15 341	204 138	35 159	172 911	190 486	172 010	7 940	230 441	112 937	48 604	108 477	–	–	–	**1 357 990**
Transfers and subsidies		–	18 480	–	–	–	–	–	–	–	24 820	–	–	–	–	–	**43 300**
Irrecoverable debts written off		–	–	8 565	6 178	3 602	–	–	–	11 655	–	–	–	–	–	–	**30 000**
Operational costs		25 888	22 495	32 049	32 669	71 370	17 302	112 410	16 612	106 618	7 227	748	3 204	–	–	–	**448 593**
Disposal of Fixed and Intangible Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**–**
Other Losses		–	–	104 700	–	–	–	–	–	–	–	–	–	–	–	–	**104 700**
Total Expenditure		**202 177**	**161 910**	**943 741**	**1 896 141**	**622 682**	**538 920**	**422 330**	**122 503**	**641 403**	**178 300**	**68 259**	**349 694**	**–**	**–**	**–**	**6 148 061**
Surplus/(Deficit)		**(177 133)**	**(161 908)**	**(266 391)**	**641 727**	**(422 421)**	**(478 600)**	**(395 425)**	**(93 295)**	**1 799 302**	**(76 882)**	**176**	**(253 980)**	**–**	**–**	**–**	**115 171**
Transfers and subsidies - capital (monetary allocations)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**–**
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	**–**
Surplus/(Deficit) after capital transfers &		**(177 133)**	**(161 908)**	**(266 391)**	**641 727**	**(422 421)**	**(478 600)**	**(395 425)**	**(93 295)**	**1 799 302**	**(76 882)**	**176**	**(253 980)**	**–**	**–**	**–**	**115 171**

References

1. Departmental columns to be based on municipal organisation structure

1 208 493 213

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

Description	###	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
ASSETS											
Current Assets											
Cash and Cash Equivalents											
Call Deposits and Investments		–	–	–	0	0	0	1 180 000	0	(0)	(0)
Cash at Bank		184 357	343 264	708 465	260 464	461 329	461 329	85 947	350 837	1 682 678	3 065 173
Cash on Hand		14	14	12	14	12	12	12	12	12	12
Total Cash and Cash Equivalents		**184 371**	**343 279**	**708 477**	**260 479**	**461 341**	**461 341**	**1 265 959**	**350 848**	**1 682 690**	**3 065 184**
Short term Investments											
Deposit Taking Institutions		–	–	–	–	–	–	–	–	–	–
Trade and other receivables from exchange transactions											
Electricity		315 550	339 579	350 250	1 282 601	618 661	618 661	320 415	534 607	443 197	343 576
Waste Management		189 678	212 807	226 700	237 158	246 976	246 976	243 403	287 097	237 711	185 908
Waste Water Management		159 008	185 412	190 623	208 294	212 049	212 049	198 341	160 334	106 212	49 453
Water		419 017	451 245	485 215	330 126	998 540	998 540	463 669	859 983	804 354	743 846
Other trade receivables from exchange transactions		277 487	238 082	243 750	315 234	257 804	257 804	231 109	247 754	236 697	224 522
VAT Receivable Input Tax Accrual		–	–	–	–	–	–	–	139 684	197 356	251 153
Gross: Trade and other receivables from exchange transactions		**1 360 741**	**1 427 125**	**1 496 538**	**2 373 413**	**2 334 030**	**2 334 030**	**1 456 938**	**2 229 460**	**2 025 526**	**1 798 458**
Less: Impairment for debt											
Impairment for Electricity		(156 853)	(154 643)	(141 124)	(55 779)	(156 427)	(156 427)	(134 505)	(172 450)	(189 161)	(206 575)
Impairment for Waste Management		(94 284)	(104 963)	(102 065)	(31 120)	(110 603)	(110 603)	(96 784)	(119 542)	(128 866)	(138 581)
Impairment for Waste Water Management		(79 039)	(91 812)	(84 127)	(34 744)	(93 660)	(93 660)	(78 388)	(103 640)	(114 049)	(124 896)
Impairment for Water		(208 284)	(221 952)	(198 615)	(45 585)	(211 122)	(211 122)	(156 706)	(224 216)	(237 874)	(252 105)
Impairment for other trade receivalbes from exchange transactions		(126 183)	(121 268)	(113 276)	(1 238 302)	(187 048)	(187 048)	(108 539)	(264 288)	(344 848)	(428 793)
Total Less: Impairment for debt		**(664 643)**	**(694 638)**	**(639 207)**	**(1 405 531)**	**(758 859)**	**(758 859)**	**(574 922)**	**(884 135)**	**(1 014 798)**	**(1 150 949)**
Total net Trade and other receivables from Exchange Transactions		**696 098**	**732 487**	**857 331**	**967 882**	**1 575 171**	**1 575 171**	**882 015**	**1 345 324**	**1 010 728**	**647 509**
Receivables from non-exchange transactions											
Property rates											
Agricultural Properties		83 450	103 062	109 036	89 901	110 450	110 450	107 340	112 052	113 728	115 488
Business and Commercial Properties		114 895	109 655	114 622	195 168	148 027	148 027	115 073	145 686	143 234	140 661
Industrial Properties		28 907	29 231	30 722	39 795	39 647	39 647	32 236	49 015	58 824	69 118
Mining Properties		(33)	(33)	(32)	(28)	(31)	(31)	36	(31)	(31)	(31)
Public Benefit Organisations		(275)	550	471	899	554	554	342	595	638	683
Public Service Infrastructure Properties		1 236	(200)	(69)	1 389	(28)	(28)	(266)	(26)	(24)	(21)
Public Service Purposes Properties		–	37 427	48 256	38 117	53 558	53 558	52 640	59 228	65 165	71 395
Residential Properties		122 624	339 912	399 416	362 850	437 318	437 318	434 951	438 020	438 790	439 665
Residential Sectional Title Garages		–	–	–	–	–	–	–	–	–	–
Sports Clubs and Fields		–	–	–	–	–	–	–	–	–	–
Vacant Land		–	6 419	6 877	4 379	6 877	6 877	6 921	6 877	6 877	6 877
Property Rates General		–	–	–	–	–	–	–	–	–	–
Gross: Property rates		**350 803**	**626 023**	**709 299**	**732 471**	**796 373**	**796 373**	**749 274**	**811 416**	**827 201**	**843 834**
Less: Impairment of Property rates		(9 391)	(311 772)	(319 813)	(337 187)	(350 232)	(350 232)	(291 128)	(382 081)	(415 299)	(449 912)
Net Property rates		**341 412**	**314 251**	**389 487**	**395 283**	**446 141**	**446 141**	**458 146**	**429 336**	**411 902**	**393 922**
Other receivables from non-exchange transactions		171 122	76 850	99 563	182 396	105 137	105 137	108 164	111 013	117 166	123 623
Less:Impairment for other receivables from non-exchange transactions		(166 831)	(72 067)	(87 288)	(166 831)	(87 288)	(87 288)	(87 288)	(87 288)	(87 288)	(87 288)
Net other receivables from non-exchange transactions		**4 291**	**4 783**	**12 275**	**15 565**	**17 849**	**17 849**	**20 876**	**23 725**	**29 878**	**36 335**
Total net Receivables from non-exchange transactions		**345 703**	**319 034**	**401 762**	**410 849**	**463 990**	**463 990**	**479 022**	**453 061**	**441 780**	**430 257**
Current Portion of Non-current Receivables											
Associates		–	–	–	–	–	–	–	–	–	–
Bursary Obligations		–	–	–	–	–	–	–	–	–	–
Car		–	–	–	–	–	–	–	–	–	–
Computer and Electronic Equipment		–	–	–	–	–	–	–	–	–	–
Employee Benefits		–	–	–	–	–	–	–	–	–	–
Finance Lease Receivable		–	–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–
Housing Land Sales		–	–	–	–	–	–	–	–	–	–
Housing Selling Schemes		–	–	–	–	–	–	–	–	–	–
Intercompany/Parent-subsidiary Transactions		–	–	–	–	–	–	–	–	–	–
Joint Ventures		–	–	–	–	–	–	–	–	–	–
Operating Lease		–	–	–	–	–	–	–	–	–	–
Public Organisation		–	–	–	–	–	–	–	–	–	–
Sporting and Other Bodies		–	–	–	–	–	–	–	–	–	–
Staff Loans/Recoveries		–	–	–	–	–	–	–	–	–	–
Subsidiaries		–	–	–	–	–	–	–	–	–	–
Total Current Portion of Non-current Receivables		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Inventory											
Agricultural		–	–	–	–	–	–	–	–	–	–
Consumables		153 245	157 334	155 846	273 845	231 904	231 904	153 894	311 464	394 443	480 907
Finished Goods		2	2	2	2	2	2	2	2	2	2
Housing Stock		–	–	–	–	–	–	–	–	–	–
Land		5 262	5 262	5 262	5 262	5 262	5 262	5 262	5 262	5 262	5 262
Materials and Supplies		(64 968)	(50 386)	(54 659)	(127 735)	(23 028)	(23 028)	(55 159)	13 018	50 613	89 787
Water		455	597	800	(11 780)	(21 435)	(21 435)	100 463	(42 230)	(63 919)	(86 519)
Work-in-progress		–	–	–	–	–	–	–	–	–	–
Total Inventory		**93 995**	**112 808**	**107 250**	**139 595**	**192 706**	**192 706**	**204 462**	**287 515**	**386 401**	**489 438**
VAT Receivable											
Input Tax Capital		(13 768)	(13 768)	(13 743)	(13 768)	(13 743)	(13 743)	(11 227)	(13 743)	(13 743)	(13 743)
Input Tax General		105 990	62 954	85 813	300 089	263 810	263 810	45 077	0	–	–
VAT Control (Receivable)		26 949	(4 413)	(1 722)	194 326	280 920	280 920	(2 386)	458 917	458 917	458 917
Total VAT Receivable		**119 170**	**44 773**	**70 349**	**480 648**	**530 988**	**530 988**	**31 465**	**445 175**	**445 175**	**445 175**
Other current assets											
Construction Contracts and Receivables		(0)	–	–	15 074	–	–	–	–	–	–
Control, Clearing and Interface Accounts		2 317	1 896	1 893	(27 728)	10 906	10 906	7 381	17 578	24 563	31 894
Deposits		975	1 107	1 165	975	1 165	1 165	1 244	1 165	1 165	1 165
Fair Value Adjustments		–	–	–	–	–	–	–	–	–	–
Income Tax Receivable		–	–	–	–	–	–	–	–	–	–
Operating Lease - Straight Lining		103 362	117 834	123 902	37 683	123 902	123 902	123 902	123 902	123 902	123 902
Intercompany/Parent-subsidiary Transactions		–	–	–	–	–	–	–	–	–	–
Total Other current assets		**106 654**	**120 838**	**126 959**	**26 004**	**135 973**	**135 973**	**132 527**	**142 645**	**149 630**	**156 961**
Total Current Assets		**1 545 991**	**1 673 218**	**2 272 128**	**2 285 457**	**3 360 169**	**3 360 169**	**2 995 449**	**3 024 569**	**4 116 403**	**5 234 524**
Non-current Assets											
Investments											
Bank Repurchase Agreements		–	–	–	–	–	–	–	–	–	–
Bankers Acceptance Certificate		–	–	–	–	–	–	–	–	–	–
Deposit Taking Institutions		–	–	–	–	–	–	–	–	–	–
Derivative Financial Assets		–	–	–	–	–	–	–	–	–	–

Guaranteed Endowment Policies (Sinking)		–	–	–	–	–	–	–	–	–	–
Interest Rate Swaps		–	–	–	–	–	–	–	–	–	–
Listed/Unlisted Bonds and Stocks		–	–	–	–	–	–	–	–	–	–
Municipal Bonds		–	–	–	–	–	–	–	–	–	–
National Government Securities		–	–	–	–	–	–	–	–	–	–
Negotiable Certificate of Deposits		–	–	–	–	–	–	–	–	–	–
Unamortised Debt Expense		–	–	–	–	–	–	–	–	–	–
Unamortised Preference Share Expense		–	–	–	–	–	–	–	–	–	–
Total Investments		-	-	-	-	-	-	-	-	-	-
Investment Property											
Investment Property at Cost / Fair Value		997 033	976 961	1 051 151	999 131	1 054 901	1 054 901	1 051 151	1 059 249	1 064 292	1 064 292
Less: Accumulated Depreciation		–	–	–	–	–	–	–	–	–	–
Less: Accumulated Impairment		–	–	–	–	–	–	–	–	–	–
Total Investment Property		**997 033**	**976 961**	**1 051 151**	**999 131**	**1 054 901**	**1 054 901**	**1 051 151**	**1 059 249**	**1 064 292**	**1 064 292**
Property, Plant and Equipment											
Property, Plant and Equipment at Cost / Revaluation		34 170 587	35 033 469	35 928 911	34 203 834	36 062 999	36 062 999	35 993 568	36 200 719	36 336 413	36 478 345
Leases recognised as Property, Plant and Equipment	3	33 598	8 523	9 508	33 598	9 508	9 508	9 508	9 508	9 508	9 508
Less: Accumulated Depreciation		(21 597 409)	(22 690 017)	(23 473 300)	(22 382 890)	(23 908 341)	(23 908 341)	(24 113 394)	(24 365 635)	(24 842 592)	(25 339 583)
Less: Accumulated Impairment		(98 891)	(134 897)	(153 195)	(96 642)	(183 292)	(183 292)	(153 195)	(183 292)	(183 292)	(183 292)
Total Property, Plant and Equipment	**2**	**12 507 884**	**12 217 079**	**12 311 924**	**11 757 899**	**11 980 874**	**11 980 874**	**11 736 488**	**11 661 300**	**11 320 036**	**10 964 978**
Construction Work-in-progress											
Acquisitions		548 658	817 381	653 473	611 452	845 877	845 877	443 618	1 165 789	1 345 810	1 076 221
Opening Balance		2 059 186	2 301 507	2 380 229	3 003 374	2 155 635	2 155 635	2 155 635	2 978 325	4 144 114	5 489 924
Prior period corrections		–	–	–	–	–	–	–	–	–	–
Transfer to Heritage asset		–	–	–	–	–	–	–	–	–	–
Transfer to Intangible Assets		–	–	–	–	–	–	–	–	–	–
Transfer to Investment property		–	–	–	–	–	–	–	–	–	–
Transfer to PPE		(306 336)	(738 660)	(878 067)	–	–	–	–	–	–	–
Less: Accumulated Impairment		–	–	–	–	–	–	–	–	–	–
Total Construction Work-in-progress	**2**	**2 301 507**	**2 380 229**	**2 155 635**	**3 614 825**	**3 001 512**	**3 001 512**	**2 599 253**	**4 144 114**	**5 489 924**	**6 566 145**
Biological Assets											
Biological Assets at Cost / Fair Value		84 239	78 941	88 978	81 987	88 978	88 978	88 978	16 870	16 870	16 870
Less: Accumulated Depreciation		(23 090)	(24 960)	(27 366)	(24 417)	(28 643)	(28 643)	(28 967)	–	–	–
Less: Accumulated Impairment		(1 781)	(2 689)	(2 689)	(1 781)	(2 689)	(2 689)	(2 689)	–	–	–
Total Biological Assets		**59 367**	**51 293**	**58 923**	**55 789**	**57 646**	**57 646**	**57 321**	**16 870**	**16 870**	**16 870**
Living resources											
Living resources at Cost / Revaluation		–	11 632	13 249	10 055	13 249	13 249	13 249	13 249	13 249	13 249
Less: Accumulated Depreciation		–	(279)	(501)	–	(501)	(501)	(501)	(501)	(501)	(501)
Less: Accumulated Impairment		–	–	–	–	–	–	–	–	–	–
Total Living resources		-	**11 353**	**12 748**	**10 055**	**12 748**	**12 748**	**12 748**	**12 748**	**12 748**	**12 748**
Heritage Assets											
Heritage Assets at Cost / Revaluation		21 868	21 868	22 004	22 005	22 004	22 004	22 004	22 036	22 036	22 036
Less: Accumulated Impairment		–	–	–	–	–	–	–	(32)	(32)	(32)
Total Heritage Assets		**21 868**	**21 868**	**22 004**	**22 005**	**22 004**	**22 004**	**22 004**	**22 004**	**22 004**	**22 004**
Intangible Assets											
Heritage Assets at Cost / Revaluation		–	–	–	–	–	–	–	81 673	92 977	102 716
Less: Accumulated Amortisation		–	–	–	–	–	–	–	(29 843)	(31 094)	(32 397)
Less: Accumulated Impairment		–	–	–	–	–	–	–	(2 689)	(2 689)	(2 689)
Total Intangible Assets		-	-	-	-	-	-	-	**49 141**	**59 195**	**67 630**
Trade and other receivables from exchange transactions											
Electricity		–	–	–	–	–	–	–	–	–	–
Property Rental Debtors		–	–	–	–	–	–	–	–	–	–
Service Charges		–	–	–	–	–	–	–	–	–	–
Waste Management		–	–	–	–	–	–	–	–	–	–
Waste Water Management		–	–	–	–	–	–	–	–	–	–
Water		–	–	–	–	–	–	–	–	–	–
Total Trade and other Receivables from Exchange Transactions		-	-	-	-	-	-	-	-	-	-
Non-current Receivables from Non-exchange Transactions											
Associates		–	–	–	–	–	–	–	–	–	–
Bursary Obligations		–	–	–	–	–	–	–	–	–	–
Car		–	–	–	–	–	–	–	–	–	–
Computer and Electronic Equipment		–	–	–	–	–	–	–	–	–	–
Employee Benefits		–	–	–	–	–	–	–	–	–	–
Finance Lease Receivable		–	–	–	–	–	–	–	–	–	–
Housing Land Sales		–	–	–	–	–	–	–	–	–	–
Housing Loans		–	–	–	–	–	–	–	–	–	–
Housing Selling Schemes		–	–	–	–	–	–	–	–	–	–
Intercompany/Parent-subsidiary Transactions		–	–	–	–	–	–	–	–	–	–
Joint Ventures		–	–	–	–	–	–	–	–	–	–
Operating Lease		–	–	–	–	–	–	–	–	–	–
Property Rates		–	–	–	–	–	–	–	–	–	–
Public Organisation		–	–	–	–	–	–	–	–	–	–
Sporting and Other Bodies		–	–	–	–	–	–	–	–	–	–
Staff Loans/Recoveries		–	–	–	–	–	–	–	–	–	–
Subsidiaries		–	–	–	–	–	–	–	–	–	–
Total Non-current Receivables from Non-exchange Transactions		-	-	-	-	-	-	-	-	-	-
Other non-current assets											
Deferred Tax Assets		–	–	–	–	–	–	–	–	–	–
Defined Benefit Asset		–	–	–	–	–	–	–	–	–	–
Intercompany/Parent-subsidiary Transactions		–	–	–	–	–	–	–	–	–	–
Investment in Associate		1	1	1	1	1	1	1	1	1	1
Investment in Joint Venture		–	–	–	–	–	–	–	–	–	–
Investment in Subsidiary		–	–	–	–	–	–	–	–	–	–
Operating Lease Receivable		–	–	–	–	–	–	–	–	–	–
Deposits		–	–	–	–	–	–	–	–	–	–
Total Other non-current assets		**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**	**1**
Total Non Current Assets		**15 887 660**	**15 658 783**	**15 612 386**	**16 459 706**	**16 129 685**	**16 129 685**	**15 478 965**	**16 965 426**	**17 985 070**	**18 714 669**
TOTAL ASSETS		**17 433 651**	**17 332 001**	**17 884 514**	**18 745 162**	**19 489 853**	**19 489 853**	**18 474 415**	**19 989 995**	**22 101 473**	**23 949 193**
Liabilities											
Current Liabilities											
Bank Overdraft											
ABSA		–	–	–	–	–	–	–	–	–	–
First National Bank		–	–	–	–	–	–	–	–	–	–
Nedbank		–	–	–	–	–	–	–	–	–	–
Rand Merchant Bank		–	–	–	–	–	–	–	–	–	–
Standard Bank		–	–	–	–	–	–	–	–	–	–
Unspecified		–	–	–	–	–	–	–	–	–	–
Total Bank Overdraft		-	-	-	-	-	-	-	-	-	-
Financial Liabilities											

Concessionary Loan		–	–	–	–	–	–	–	–	–	–
Short-term Borrowings		–	–	–	–	–	–	–	–	–	–
Current portion of Finance Lease Liabilities		21 053	10 611	6 950	35 181	11 663	(11 663)	(6 950)	11 663	11 663	11 663
Current portion of Non-current Borrowings		25 088	27 778	31 087	896	52 737	(52 737)	33 846	18 201	(19 967)	(62 476)
Current portion of Operating Lease Liabilities		–	–	–	–	–	–	–	–	–	–
Unamortised Premium on Long-term Debts		–	–	–	–	–	–	–	–	–	–
Total Financial Liabilities		**46 141**	**38 389**	**38 037**	**36 078**	**64 400**	**(64 400)**	**26 895**	**29 864**	**(8 304)**	**(50 813)**
Consumer Deposits											
Building Plans		–	–	–	–	–	–	–	–	–	–
Buying Card		–	–	–	–	–	–	–	–	–	–
Electricity		45 154	43 545	44 205	45 154	44 205	(44 205)	(43 613)	44 205	44 205	44 205
Hiring of Decorative Items		–	–	–	–	–	–	–	–	–	–
Library Books		–	–	–	–	–	–	–	–	–	–
Posters		–	–	–	–	–	–	–	–	–	–
Refuse		–	–	–	–	–	–	–	–	–	–
Rental Properties		9 778	9 902	10 131	9 778	10 131	(10 131)	(10 090)	10 131	10 131	10 131
Sewer		–	–	–	–	–	–	–	–	–	–
Street Closure		–	–	–	–	–	–	–	–	–	–
Valuation Appeal		0	0	(0)	(0)	(0)	0	161	(0)	0	(0)
Water		11 861	12 849	45 898	11 861	45 898	(45 898)	(40 084)	45 898	45 898	45 898
Wayleave		–	–	–	–	–	–	–	–	–	–
Total Consumer Deposits		**66 794**	**66 296**	**100 233**	**66 794**	**100 233**	**(100 233)**	**(93 627)**	**100 233**	**100 233**	**100 233**
Trade and Other Payable Exchange Transactions											
Accrued Interest		–	15 633	14 289	(7 327)	10 454	(10 454)	–	12 607	14 605	16 415
Advance Payments		86 631	81 491	102 090	86 631	102 090	(102 090)	(116 307)	102 090	102 090	102 090
Affiliates, Related Parties and Associated Companies		3 311	3 311	3 311	3 311	3 311	(3 311)	(3 311)	3 311	3 311	3 311
Agency Fees Payable		(0)	625	439	(0)	439	(439)	8 528	439	439	439
Auditor-General of South Africa		167	0	0	1 899	944	(944)	(1 241)	2 080	3 265	4 500
Bonus		21 293	22 135	24 467	21 293	24 467	(24 467)	(24 467)	24 467	24 467	24 467
Compensation Commission (COID)		–	–	–	678	428	(428)	–	428	428	428
Control, Clearing and Interface Accounts		17 086	15 105	12 859	160 070	80 192	(80 192)	(12 365)	450 816	530 796	614 152
Deferred Revenue		–	–	–	–	–	–	–	–	–	–
Dividends Declared		–	–	–	–	–	–	–	–	–	–
Electricity Bulk Purchase		105 920	131 559	153 130	244 591	226 618	(226 618)	(114 126)	318 397	414 122	513 868
Fair Value Adjustment		–	–	–	–	–	–	–	–	–	–
Intercompany/Parent-subsidiary Transactions		–	–	–	–	–	–	–	–	–	–
Leave Accrual		(0)	(0)	(0)	(0)	(0)	0	0	(0)	(0)	(0)
Long Service Award		–	–	–	–	–	–	–	–	–	–
Municipal Debt Relief		–	–	–	–	–	–	–	–	–	–
Overtime		–	–	–	–	–	–	–	–	–	–
Payables and Accruals		214 404	276 407	394 138	694 784	988 598	(988 598)	(29 517)	(242 200)	(59 438)	121 235
PAYE Deductions		–	(0)	–	–	–	–	–	–	–	–
Pension and Retirement Contributions		–	–	–	–	–	–	–	–	–	–
Retentions		141 871	130 069	147 247	(168 547)	57 973	(57 973)	(139 252)	65 415	74 027	81 088
Standby		–	–	–	–	–	–	–	–	–	–
Tender documentation		–	–	–	–	–	–	–	–	–	–
Unallocated Deposits		21 078	18 404	13 115	21 078	13 115	(13 115)	(8 365)	13 115	13 115	13 115
Water Inventory Bulk Purchases		21 552	31 756	31 079	(210 904)	(286 877)	286 877	(0)	(319 219)	(352 951)	(388 100)
VAT Payables Output Tax Accrual		–	–	–	–	–	–	–	96	196	301
VAT Payables Output Tax Provision for Doubtful Debt Impairment		–	–	–	–	–	–	–	–	–	–
Total Trade and Other Payable Exchange Transactions	2, 5	**633 312**	**726 494**	**896 164**	**847 556**	**1 221 750**	**(1 221 750)**	**(440 422)**	**431 840**	**768 472**	**1 107 307**
Trade and Other Payable Non-exchange Transactions											
Transfers and Subsidies Payable											
Capital		–	–	–	–	–	–	–	–	–	–
Operational		58	–	–	3 548	3 358	(3 358)	–	4 282	5 206	6 130
Total Transfers and Subsidies Payable		**58**	**-**	**-**	**3 548**	**3 358**	**(3 358)**	**-**	**4 282**	**5 206**	**6 130**
Transfers and Subsidies Unspent											
Capital		10 101	(2 811)	6 805	5 803	6 805	(6 805)	(213 455)	6 805	6 805	6 805
Operational		15 613	19 546	(2 585)	19 969	(2 585)	2 585	(51 342)	(2 585)	(2 585)	(2 585)
Total Transfers and Subsidies Unspent		**25 714**	**16 736**	**4 220**	**25 772**	**4 220**	**(4 220)**	**(264 797)**	**4 220**	**4 220**	**4 220**
VAT Payables Output Tax Accrual		104 507	100 717	95 814	476 834	557 022	(557 022)	(103 948)	557 022	557 022	557 022
VAT Payables Output Tax Provision for Doubtful Debt Impairment		–	–	–	–	–	–	–	–	–	–
Total Trade and Other Payable Non-exchange Transactions	2	**130 279**	**117 452**	**100 033**	**506 154**	**564 600**	**(564 600)**	**(368 746)**	**565 524**	**566 448**	**567 372**
Provision											
Alien Vegetation		–	–	–	–	–	–	–	–	–	–
Bonus		–	–	–	–	–	–	–	–	–	–
Decommissioning, Restoration and Similar Liabilities		–	3 657	–	271	128	(128)	–	128	128	128
Ex-gratia Pension		–	1 593	2 693	(0)	2 693	(2 693)	(2 693)	2 693	2 693	2 693
Insurance Claims		–	–	–	–	–	–	–	–	–	–
Leave		9 117	9 897	9 188	19 816	9 188	(9 188)	(9 188)	9 188	9 188	9 188
Litigation		–	–	–	(0)	–	–	1 825	–	–	–
Pension Fund Investment Return Shortfall		–	8 280	8 340	–	8 340	(8 340)	(8 340)	–	–	–
Staff Parity		–	7 645	17 428	–	17 428	(17 428)	(17 428)	–	–	–
Impairment		–	–	–	–	–	–	–	–	–	–
Total Provision		**9 117**	**31 071**	**37 649**	**20 086**	**37 777**	**(37 777)**	**(35 823)**	**12 009**	**12 009**	**12 009**
VAT Payable											
VAT Payable: Output Tax		–	–	–	–	–	–	–	–	–	–
VAT Payable: VAT Control		–	–	–	–	–	–	–	–	–	–
Total VAT Payable		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other current liabilities											
Employee Benefits											
Post-employment Benefits		–	–	–	–	–	–	–	8 340	8 340	8 340
Other Long-Term Benefits		–	–	–	–	–	–	–	17 428	17 428	17 428
Termination Benefits		–	–	–	–	–	–	–	–	–	–
Total Employee Benefits		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**25 768**	**25 768**	**25 768**
Deferred Tax Liabilities		–	–	–	–	–	–	–	–	–	–
Income Tax Payable		–	–	–	–	–	–	–	–	–	–
Intercompany/Parent-subsidiary Transactions		–	–	–	–	–	–	–	–	–	–
Total Other current liabilities		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**25 768**	**25 768**	**25 768**
Total Current Liabilities		**885 643**	**979 703**	**1 172 117**	**1 476 668**	**1 988 761**	**(1 988 761)**	**(911 723)**	**1 165 239**	**1 464 627**	**1 761 876**
Non-current Liabilities											
Financial Liabilities											
Borrowings											
Annuity and Bullet Loans		347 688	319 910	288 819	258 178	236 091	(236 091)	(322 665)	236 091	236 091	236 091
Bankers Acceptance Certificate		–	–	–	–	–	–	–	–	–	–
Concessionary Loan		–	–	–	–	–	–	–	–	–	–
Derivative Financial Liability		–	–	–	–	–	–	–	–	–	–
Finance Lease Liability		4 577	12 356	6 515	9 577	6 515	(6 515)	(6 515)	6 515	6 515	6 515
Government Loans		–	–	–	–	–	–	–	–	–	–

Intercompany/Parent-subsidiary Transactions		–	–	–	–	–	–	–	–	–	–
Local Registered Stock		–	–	–	–	–	–	–	–	–	–
Marketable Bonds		–	–	–	–	–	–	–	–	–	–
Non-annuity Loans		–	–	–	–	–	–	–	–	–	–
Non-marketable Bonds		–	–	–	–	–	–	–	–	–	–
PPP Liabilities		–	–	–	–	–	–	–	–	–	–
Securities		–	–	–	–	–	–	–	–	–	–
Interest Rate Swaps		–	–	–	–	–	–	–	–	–	–
Total Borrowings	4	**352 265**	**332 266**	**295 334**	**267 754**	**242 606**	**(242 606)**	**(329 180)**	**242 606**	**242 606**	**242 606**
Operating Lease Liability		–	–	–	–	–	–	–	–	–	–
Total Financial Liabilities		**352 265**	**332 266**	**295 334**	**267 754**	**242 606**	**(242 606)**	**(329 180)**	**242 606**	**242 606**	**242 606**
Provisions											
Alien Vegetation		–	117 489	114 822	–	114 822	(114 822)	(114 822)	114 822	114 822	114 822
Bonus		–	–	–	–	–	–	–	–	–	–
Decommissioning, Restoration and Similar Liabilities		131 625	125 696	139 607	59 564	140 785	(140 785)	(139 607)	140 785	140 785	140 785
Ex-gratia Pension		–	13 110	14 934	13 583	14 934	(14 934)	(14 934)	14 934	14 934	14 934
Impairment		–	–	–	–	–	–	–	–	–	–
Insurance Claims		–	–	–	–	–	–	–	–	–	–
Leave		–	–	–	–	–	–	–	–	–	–
Litigation		–	–	–	–	–	–	–	–	–	–
Pension Fund Investment Return Shortfall		59 927	56 684	64 851	60 699	64 851	(64 851)	(64 851)	–	–	–
Staff Parity		–	–	–	–	–	–	–	–	–	–
Total Provisions		**191 552**	**312 979**	**334 215**	**133 846**	**335 393**	**(335 393)**	**(334 215)**	**270 542**	**270 542**	**270 542**
Long term Trade and other Payables											
Bulk Water		–	–	–	–	–	–	–	–	–	–
Electricity Bulk Purchase		–	–	–	–	–	–	–	–	–	–
Municipal Debt Relief		–	–	–	–	–	–	–	–	–	–
Payables and Accruals		–	–	–	–	–	–	–	–	–	–
Total Long term Trade and other Payables		-	-	-	-	-	-	-	-	-	-
Other non-current liabilities											
Employee Benefits											
Post-employment Benefits		214 847	223 958	242 777	393 958	242 777	(242 777)	(242 777)	242 777	242 777	242 777
Other Long-Term Benefits		–	–	–	–	–	–	–	64 851	64 851	64 851
Termination Benefits		–	–	–	–	–	–	–	–	–	–
Total Employee Benefits		**214 847**	**223 958**	**242 777**	**393 958**	**242 777**	**(242 777)**	**(242 777)**	**307 628**	**307 628**	**307 628**
Deferred Tax Liabilities		–	–	–	–	–	–	–	–	–	–
Intercompany/Parent-subsidiary Transactions		–	–	–	–	–	–	–	–	–	–
Total Other non-current liabilities		**214 847**	**223 958**	**242 777**	**393 958**	**242 777**	**(242 777)**	**(242 777)**	**307 628**	**307 628**	**307 628**
Total non current liabilities		**758 664**	**869 203**	**872 326**	**795 558**	**820 776**	**(820 776)**	**(906 172)**	**820 776**	**820 776**	**820 776**
TOTAL LIABILITIES		**1 644 307**	**1 848 906**	**2 044 443**	**2 272 226**	**2 809 537**	**(2 809 537)**	**(1 817 894)**	**1 986 015**	**2 285 403**	**2 582 653**
CHANGES IN NET ASSETS		**15 789 345**	**15 483 095**	**15 840 071**	**16 472 937**	**16 680 316**	**22 299 390**	**20 292 309**	**18 003 980**	**19 816 070**	**21 366 540**
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)											
Changes in Accounting Policy		–	–	–	–	–	–	–	–	–	–
Correction of Prior Period Error		58 567	(44 398)	–	–	–	–	–	–	–	–
Depreciation Offsets		–	–	–	–	–	–	–	–	–	–
Opening Balance		5 710 203	5 408 131	5 225 175	5 508 393	5 582 152	(5 582 152)	(5 582 156)	6 422 397	7 746 061	9 558 151
Transfers to/from operating revenue and expenditure		(345 360)	(138 558)	356 977	722 190	840 245	(840 245)	(566 812)	1 323 664	1 812 090	1 550 470
Transfers to/from Reserves		–	–	–	–	–	–	–	–	–	–
Total Accumulated Surplus/(Deficit)	1	**5 423 410**	**5 225 175**	**5 582 152**	**6 230 583**	**6 422 397**	**(6 422 397)**	**(6 148 968)**	**7 746 061**	**9 558 151**	**11 108 620**
Reserves and Funds											
Capital Replacement Reserve		–	–	–	–	–	–	–	–	–	–
Capitalisation Reserve		–	–	–	–	–	–	–	–	–	–
Compensation for Occupational Injuries and Diseases		–	–	–	–	–	–	–	–	–	–
Employee Benefit Reserve		–	–	–	–	–	–	–	–	–	–
Housing Development Fund		–	–	–	–	–	–	–	–	–	–
Investment in associate account		–	–	–	–	–	–	–	–	–	–
Non-current Provisions Reserve		–	–	–	–	–	–	–	–	–	–
Revaluation Reserve		10 257 919	10 257 919	10 257 919	10 242 354	10 257 919	(10 257 919)	(10 257 919)	10 257 919	10 257 919	10 257 919
Self Insurance Reserve		–	–	–	–	–	–	–	–	–	–
Valuation Reserve		–	–	–	–	–	–	–	–	–	–
Total Reserves and Funds	2	**10 257 919**	**10 257 919**	**10 257 919**	**10 242 354**	**10 257 919**	**(10 257 919)**	**(10 257 919)**	**10 257 919**	**10 257 919**	**10 257 919**
Other											
Equity											
Capital Contributed by Other Government Units		–	–	–	–	–	–	–	–	–	–
Ordinary Shares		–	–	–	–	–	–	–	–	–	–
Preference Shares		–	–	–	–	–	–	–	–	–	–
Share Premium		–	–	–	–	–	–	–	–	–	–
Total Equity		-	-	-	-	-	-	-	-	-	-
Non-controlling Interest											
Opening Balance		–	–	–	–	–	–	–	–	–	–
Movement during the year		–	–	–	–	–	–	–	–	–	–
Total Non-controlling Interest		-	-	-	-	-	-	-	-	-	-
Intercompany/Parent-subsidiary Transactions		–	–	–	–	–	–	–	–	–	–
Total Other	2	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	2	**15 681 329**	**15 483 095**	**15 840 071**	**16 472 937**	**16 680 316**	**(16 680 316)**	**(16 406 887)**	**18 003 980**	**19 816 070**	**21 366 540**

References

1. Must reconcile with Table A4 Budgeted Financial Performance (revenue and expenditure)

2. Must reconcile with Table A6 Budgeted Financial Position

3. Leases treated as assets to be depreciated as the same as purchased/constructed assets. Includes PPP asset element accounted for as finance leases

4. Borrowing must reconcile to Table A17

5. Trade Payable should only include Trade Payables from Exchance Transactions ("True Creditors")

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

Strategic Objective	MTDP Service Outcome	IUDF	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand				Audited	Audited	Audited	Original Budget	Adjusted	Full Year	Budget Year	Budget Year +1	Budget Year +2
To ensure efficiency and effectiveness of Municipal administration				4 866 458	5 525 432	12 022 962	6 446 554	6 568 439	6 568 439	7 471 725	7 981 701	8 096 110
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	**4 866 458**	**5 525 432**	**12 022 962**	**6 446 554**	**6 568 439**	**6 568 439**	**7 471 725**	**7 981 701**	**8 096 110**

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	MTDP Service Outcome	IUDF	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand				Audited	Audited	Audited	Original Budget	Adjusted	Full Year	Budget Year	Budget Year +1	Budget Year +2
Promotion of economic growth job creation and sustainable human settlements				31 411	76 399	314 958	338 382	432 390	432 390	236 335	160 576	211 348
Promotion of economic growth; job creation and sustainable human settlements												
To ensure efficiency and effectiveness of municipal				4 147 650	4 422 204		4 118 171	4 049 251	4 049 251			
To ensure efficiency and effectiveness of municipal administration				15 217	15 551	611 812	584 608	616 617	616 617	5 345 683	5 463 336	5 753 164
To ensure Promotion of economic growth job creation and sustainable human settlements												
To ensure provision of basic and environmental services in a sustainable way				13 770	59 364	4 185 696	682 961	629 694	629 694	565 790	545 456	580 854
To ensure social protection and education outcomes				2	192	151	242	242	242	253	243	275
To ensure the provision of basic and environmental services in a sustainable way to our communities												
Allocations to other priorities												
Total Expenditure			1	**4 208 050**	**4 573 710**	**5 112 617**	**5 724 364**	**5 728 194**	**5 728 194**	**6 148 061**	**6 169 611**	**6 545 640**

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

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

Strategic Objective	MTDP Service Outcome	IUDF	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand				Audited	Audited	Audited	Original Budget	Adjusted	Full Year	Budget Year	Budget Year +1	Budget Year +2
Increased access to municipal services to all households		02 Inclusion and access		6 251	8 538	2 599	1 100	5 840	5 840	2 783	5 217	4 144
Promotion of economic growth job creation and sustainable human settlements		03 Growth		283 707	287 119	248 135	109 725	260 715	260 715	118 116	124 170	102 922
To ensure community confidence in the system of local government		04 Governance		5 506	4 445	20 522	4 382	7 329	7 329	3 043	3 087	6 354
To ensure efficiency and effectiveness of municipal administration		4 Governance			4 420		1 794	2 694	2 694	11 130	12 000	6 087
To ensure provision of basic and environmental services in a sustainable way		02 Inclusion and access		374 235	593 149	173 019	191 274	224 974	224 974	187 134	169 770	176 987
To ensure social protection and education outcomes		02 Inclusion and access		3 579	11 089	136	500	1 500	1 500	870	870	870
To ensure the provision of basic and environmental services in a sustainable way to our communities		02 Inclusion and access		51 816	40 518	313 856	407 286	452 158	452 158	971 159	1 182 739	930 499
Allocations to other priorities			3									
Total Capital Expenditure			1	–	–	758 266	716 061	955 210	955 210	1 294 235	1 497 852	1 227 862

References

1. Total capital expenditure must reconcile to Budgeted Capital Expenditure

2. IUDF code must be used on Table SA36

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

LIM354 Polokwane - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Vote 1 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Vote 2 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Vote 3 - vote name										
Function 1 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
Function 2 - (name)										
Sub-function 1 - (name)										
Insert measure/s description										
Sub-function 2 - (name)										
Insert measure/s description										
Sub-function 3 - (name)										
Insert measure/s description										
And so on for the rest of the Votes										

1. Include a measurable performance objective for each revenue source (within a relevant function) and each vote (MFMA s17(3)(b))

2. Include all Basic Services performance targets from 'Basic Service Delivery' to ensure Table SA7 represents all strategic responsibilities

3. Only include prior year comparative information for individual measures where relevant activity occurred in that year/s

LIM354 Polokwane - Entities measureable performance objectives

Description	Unit of measurement	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Entity 1 - (name of entity)										
Insert measure/s description										
Entity 2 - (name of entity)										
Insert measure/s description										
Entity 3 - (name of entity)										
Insert measure/s description										
And so on for the rest of the Entities										

1. Include a measurable performance objective as agreed with the parent municipality (MFMA s87(5)(d))

2. 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	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Borrowing Management											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.8%	1.1%	0.8%	1.2%	1.3%	1.3%	-0.3%	1.3%	1.3%	1.2%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	1.1%	1.3%	1.1%	1.2%	1.2%	1.2%	0.3%	1.2%	1.2%	1.1%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Liquidity											
Current Ratio	Current assets/current liabilities	1.7	1.7	1.9	1.5	1.7	(1.7)	(3.3)	2.6	2.8	3.0
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	1.7	1.7	1.9	1.5	1.7	(1.7)	(3.3)	2.6	2.8	3.0
Liquidity Ratio	Monetary Assets/Current Liabilities	1.0	1.1	1.3	0.8	1.0	(1.0)	(2.4)	1.5	1.8	2.1
Revenue Management											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing	0.0%	148.6%	131.8%	139.7%	107.0%	109.4%	109.4%	199.3%	128.3%	127.6%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		148.6%	131.8%	139.7%	107.0%	109.4%	109.4%	199.3%	128.3%	127.6%	126.8%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	38.5%	32.8%	32.8%	34.7%	38.0%	38.0%	43.7%	35.8%	35.6%	34.7%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old										
Creditors Management											
Creditors System Efficiency	% of Creditors Paid Within Terms (within`MFMA's 65(e))										
Creditors to Cash and Investments		23.3%	102.5%	92.2%	325.4%	264.8%	-264.8%	-95.5%	-267.0%	115.5%	73.3%
Other Indicators											
	Total Volume Losses (kW) technical	61524449	73244186	76711022	72875470.9	69231697.36	65770112.49	62481606.86	59357526.52	56389650.19	53570167.68
	Total Volume Losses (kW) non technical				0	0	0	0	0	0	0
Electricity Distribution Losses (2)	Total Cost of Losses (Rand '000)	89 292	124 401	146 318	139 002	132 052	125 450	119 177	113 218	107 557	102 179
	% Volume (units purchased and generated less units sold)/units purchased and generated	0	0	0	0	0	0	0	0	0	0
	Bulk Purchase										
Water Volumes :System input	Water treatment works										
	Natural sources										
	Total Volume Losses (kℓ)	10 797	7 469	10 421	9 900	9 405	8 935	8 488	8 063	7 660	7 277
	Total Cost of Losses (Rand '000)	87443128	68506298	112821386	107180316.7	101821300.9	96730235.82	91893724.03	87299037.83	82934085.94	78787381.64
Water Distribution Losses (2)	% Volume (units purchased and generated less units sold)/units purchased and generated	0	24.0%	33.0%	31.4%	29.8%	28.3%	26.9%	25.5%	24.3%	23.0%
Employee costs	Employee costs/(Total Revenue - capital revenue)	26.5%	25.1%	22.0%	23.5%	20.8%	20.8%	-19.2%	23.4%	23.2%	22.7%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	27.4%	26.1%	23.7%	24.6%	22.0%	22.0%	37.9%	24.5%	24.4%	23.8%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	18.8%	17.1%	16.0%	15.0%	13.8%	13.8%	19.8%	12.8%	11.8%	12.0%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	19.3%	27.0%	18.8%	7.7%	7.6%	7.6%	-15.6%	8.0%	7.9%	7.6%
IDP regulation financial viability indicators											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	55.6	37.2	26.5	25.1	25.3	25.3	16.6	24.4	24.2	25.8
ii.O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	31.3%	23.7%	25.6%	34.0%	40.9%	40.9%	44.9%	35.6%	35.3%	34.9%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure	–	–	–	–	–	–	–	–	–	–

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											
Monthly fixed operational expenditure	–	–	–	–	–	–	–	–	–	–	–
Fixed operational expenditure % assumption	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%	40.0%
Own capex	107 860	236 568	254 403	193 169	373 751	373 751	(357 905)	239 024	263 609	280 890	
Borrowing	–	–	–	–	–	–	–	–	–	–	

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

Description of economic indicator	Ref.	Basis of calculation	2001 Census	2007 Survey	2011 Census	2022/23	2023/24	2024/25	Current Year 2025/26	2026/27 Medium Term Revenue & Expenditure Framework		
						Outcome	Outcome	Outcome	Original Budget	Outcome	Outcome	Outcome
Demographics												
Population		Stats SA Estimates	508 277	561 772	728 633	880 000	895 000	909 141	923 505	938 097	952 919	967 975
Females aged 5 - 14		Stats SA Estimates	47 270		67 763	81 840	83 235	84 550	85 886	87 243	88 621	90 022
Males aged 5 - 14		Stats SA Estimates	48 286		69 220	83 600	85 025	86 368	87 733	89 119	90 527	91 958
Females aged 15 - 34		Stats SA Estimates	99 622		142 812	172 480	175 420	178 192	181 007	183 867	186 772	189 723
Males aged 15 - 34		Stats SA Estimates	99 622		142 812	172 480	175 420	178 192	181 007	183 867	186 772	189 723
Unemployment		Stats SA Estimates	210 935	0	73 881	185 680	186 160	189 101	192 089	195 124	198 207	201 339
Monthly household income (no. of households)	1, 12											
No income		Stats SA	17 247		24 564	35 156	35 905	36 670	37 451	38 249	39 063	39 895
R1 - R1 600		Stats SA	5 999		8 544	12 228	12 489	12 755	13 026	13 304	13 587	13 877
R1 601 - R3 200		Stats SA	10 623		15 130	21 654	22 116	22 587	23 068	23 559	24 061	24 573
R3 201 - R6 400		Stats SA	24 121		34 354	49 168	50 215	51 285	52 377	53 493	54 632	55 796
R6 401 - R12 800		Stats SA	24 621		35 066	50 187	51 256	52 348	53 463	54 601	55 764	56 952
R12 801 - R25 600		Stats SA	14 622		20 826	29 806	30 441	31 090	31 752	32 428	33 119	33 824
R25 601 - R51 200		Stats SA	10 123		14 418	20 635	21 075	21 524	21 982	22 450	22 929	23 417
R52 201 - R102 400		Stats SA	8 998		12 816	18 342	18 733	19 132	19 540	19 956	20 381	20 815
R102 401 - R204 800		Stats SA	5 749		8 188	11 719	11 968	12 223	12 484	12 750	13 021	13 298
R204 801 - R409 600		Stats SA	2 000		2 848	4 076	4 163	4 252	4 342	4 435	4 529	4 626
R409 601 - R819 200		Stats SA	500		712	1 019	1 041	1 063	1 086	1 109	1 132	1 156
> R819 200		Stats SA	375		534	764	781	797	814	831	849	867
Poverty profiles (no. of households)												
< R2 060 per household per month	13											
Insert description	2											
Household/demographics (000)												
Number of people in municipal area			508 277		728 633	880 000	895 000	909 141	923 505	938 097	952 919	967 975
Number of poor people in municipal area			-	-	22 147	28 863	39 294	44 690	45 373	46 339	47 326	48 335
Number of households in municipal area			124 978		178 001	254 756	260 182	265 724	271 384	277 165	283 068	289 098
Number of poor households in municipal area			-	-	6 152	8 489	11 557	13 144	13 345	13 629	13 920	14 216
Definition of poor household (R per month)			-	-	-	4 700	5 200	5 200	5 691	5 947	6 215	6 494
Housing statistics	3											
Formal			99 107		110 285	242 018	247 173	252 438	257 815	263 307	268 915	274 643
Informal			25 871		20 076	12 738	13 009	13 286	13 569	13 858	14 153	14 455
Total number of households			124 978	-	130 361	254 756	260 182	265 724	271 384	277 165	283 068	289 098
Dwellings provided by municipality	4											
Dwellings provided by province/s												
Dwellings provided by private sector	5											
Total new housing dwellings			-	-	-	-	-	-	-	-	-	-
Economic	6											
Inflation/inflation outlook (CPIX)												
Interest rate - borrowing												
Interest rate - investment												
Remuneration increases												
Consumption growth (electricity)												
Consumption growth (water)												
Collection rates	7											

Property tax/service charges												
Rental of facilities & equipment												
Interest - external investments												
Interest - debtors												
Revenue from agency services												

Detail on the provision of municipal services for A10

Total municipal services	Ref.		2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
		Household service targets (000)									
		Water:									
		Piped water inside dwelling	103 269	105 469	107 716	112 353	112 353	112 353	114 746	117 190	119 686
		Piped water inside yard (but not in dwelling)	93 541	95 534	97 568	101 769	101 769	101 769	103 937	106 151	108 412
	8	Using public tap (at least min.service level)	25 693	26 240	26 799	27 953	27 953	27 953	28 548	29 156	29 777
	10	Other water supply (at least min.service level)	–	–	–	–	–	–	–	–	–
		Minimum Service Level and Above sub-total	222 503	227 242	232 083	242 075	242 075	242 075	247 231	252 497	257 875
	9	Using public tap (< min.service level)	–	–	–	–	–	–	–	–	–
	10	Other water supply (< min.service level)	–	–	–	–	–	–	–	–	–
		No water supply	32 253	32 940	33 642	29 309	29 310	29 311	29 934	30 571	31 223
		Below Minimum Service Level sub-total	32 253	32 940	33 642	29 309	29 310	29 311	29 934	30 571	31 223
		Total number of households	**254 756**	**260 182**	**265 724**	**271 384**	**271 385**	**271 386**	**277 165**	**283 068**	**289 098**
		Sanitation/sewerage:									
		Flush toilet (connected to sewerage)	120 481	123 047	125 668	131 079	131 079	131 079	133 871	136 722	139 634
		Flush toilet (with septic tank)	8 473	11 286	11 526	5 267	5 268	5 269	6 375	6 511	6 649
		Chemical toilet	2 245	2 293	2 342	2 442	2 442	2 442	2 494	2 548	2 602
		Pit toilet (ventilated)	123 557	123 557	126 188	131 621	131 621	131 621	134 425	137 288	140 212
		Other toilet provisions (> min.service level)	–	–	–	–	–	–	–	–	–
		Minimum Service Level and Above sub-total	254 756	260 182	265 724	270 409	270 410	270 411	277 165	283 068	289 098
		Bucket toilet	–	–	–	582	582	582	–	–	–
		Other toilet provisions (< min.service level)	–	–	–	–	–	–	–	–	–
		No toilet provisions	–	–	–	393	393	393	–	–	–
		Below Minimum Service Level sub-total	–	–	–	975	975	975	–	–	–
		Total number of households	**254 756**	**260 182**	**265 724**	**271 384**	**271 385**	**271 386**	**277 165**	**283 068**	**289 098**
		Energy:									
		Electricity (at least min.service level)	242 018	247 173	252 438	257 815	257 816	257 817	263 307	268 915	274 643
		Electricity - prepaid (min.service level)	–	–	–	–	–	–	–	–	–
		Minimum Service Level and Above sub-total	242 018	247 173	252 438	257 815	257 816	257 817	263 307	268 915	274 643
		Electricity (< min.service level)	–	–	–	–	–	–	–	–	–
		Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–
		Other energy sources	12 738	13 009	13 286	13 569	13 569	13 569	13 858	14 153	14 455
		Below Minimum Service Level sub-total	12 738	13 009	13 286	13 569	13 569	13 569	13 858	14 153	14 455
		Total number of households	**254 756**	**260 182**	**265 724**	**271 384**	**271 385**	**271 386**	**277 165**	**283 068**	**289 098**
		Refuse:									
		Removed at least once a week	115 991	118 462	120 985	123 562	126 194	126 194	128 882	131 627	134 430
		Minimum Service Level and Above sub-total	115 991	118 462	120 985	123 562	126 194	126 194	128 882	131 627	134 430
		Removed less frequently than once a week	2 494	2 548	2 602	2 657	2 714	2 714	2 772	2 831	2 891
		Using communal refuse dump	4 490	4 586	4 683	4 783	4 885	4 885	4 989	5 095	5 204
		Using own refuse dump	107 759	110 055	112 399	114 793	117 238	117 238	119 735	122 286	124 890
		Other rubbish disposal	14 792	15 107	15 429	15 757	10 314	10 315	10 532	10 757	10 986
		No rubbish disposal	9 229	9 426	9 627	9 832	10 041	10 041	10 255	10 474	10 697
		Below Minimum Service Level sub-total	138 765	141 721	144 739	147 822	145 192	145 193	148 283	151 442	154 667
		Total number of households	**254 756**	**260 182**	**265 724**	**271 384**	**271 385**	**271 386**	**277 165**	**283 068**	**289 098**

Municipal in-house services			2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		

Municipal in-house services	Ref.		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
		Household service targets (000)									
		Water:									
		Piped water inside dwelling	103 269	105 469	107 716	112 353	112 353	112 353	114 746	117 190	119 686
		Piped water inside yard (but not in dwelling)	93 541	95 534	97 568	101 769	101 769	101 769	103 937	106 151	108 412
	8	Using public tap (at least min.service level)	25 693	26 240	26 799	27 953	27 953	27 953	28 548	29 156	29 777
	10	Other water supply (at least min.service level)									
		Minimum Service Level and Above sub-total	222 503	227 242	232 083	242 075	242 075	242 075	247 231	252 497	257 875
	9	Using public tap (< min.service level)									
	10	Other water supply (< min.service level)									
		No water supply	32 253	32 940	33 642	29 309	29 310	29 311	29 934	30 571	31 223
		Below Minimum Service Level sub-total	32 253	32 940	33 642	29 309	29 310	29 311	29 934	30 571	31 223
		Total number of households	**254 756**	**260 182**	**265 724**	**271 384**	**271 385**	**271 386**	**277 165**	**283 068**	**289 098**
		Sanitation/sewerage:									
		Flush toilet (connected to sewerage)	120 481	123 047	125 668	131 079	131 079	131 079	133 871	136 722	139 634
		Flush toilet (with septic tank)	8 473	11 286	11 526	5 267	5 268	5 269	6 375	6 511	6 649
		Chemical toilet	2 245	2 293	2 342	2 442	2 442	2 442	2 494	2 548	2 602
		Pit toilet (ventilated)	123 557	123 557	126 188	131 621	131 621	131 621	134 425	137 288	140 212
		Other toilet provisions (> min.service level)	–	–	–	–	–	–	–	–	–
		Minimum Service Level and Above sub-total	254 756	260 182	265 724	270 409	270 410	270 411	277 165	283 068	289 098
		Bucket toilet				582	582	582			
		Other toilet provisions (< min.service level)	–	–	–	–	–	–	–	–	–
		No toilet provisions				393	393	393			
		Below Minimum Service Level sub-total	–	–	–	975	975	975	–	–	–
		Total number of households	**254 756**	**260 182**	**265 724**	**271 384**	**271 385**	**271 386**	**277 165**	**283 068**	**289 098**
		Energy:									
		Electricity (at least min.service level)	242 018	247 173	252 438	257 815	257 816	257 817	263 307	268 915	274 643
		Electricity - prepaid (min.service level)	–	–	–	–	–	–	–	–	–
		Minimum Service Level and Above sub-total	242 018	247 173	252 438	257 815	257 816	257 817	263 307	268 915	274 643
		Electricity (< min.service level)	–	–	–	–	–	–	–	–	–
		Electricity - prepaid (< min. service level)	–	–	–	–	–	–	–	–	–
		Other energy sources	12 738	13 009	13 286	13 569	13 569	13 569	13 858	14 153	14 455
		Below Minimum Service Level sub-total	12 738	13 009	13 286	13 569	13 569	13 569	13 858	14 153	14 455
		Total number of households	**254 756**	**260 182**	**265 724**	**271 384**	**271 385**	**271 386**	**277 165**	**283 068**	**289 098**
		Refuse:									
		Removed at least once a week	115 991	118 462	120 985	123 562	126 194	126 194	128 882	131 627	134 430
		Minimum Service Level and Above sub-total	115 991	118 462	120 985	123 562	126 194	126 194	128 882	131 627	134 430
		Removed less frequently than once a week	2 494	2 548	2 602	2 657	2 714	2 714	2 772	2 831	2 891
		Using communal refuse dump	4 490	4 586	4 683	4 783	4 885	4 885	4 989	5 095	5 204
		Using own refuse dump	107 759	110 055	112 399	114 793	117 238	117 238	119 735	122 286	124 890
		Other rubbish disposal	14 792	15 107	15 429	15 757	10 314	10 315	10 532	10 757	10 986
		No rubbish disposal	9 229	9 426	9 627	9 832	10 041	10 041	10 255	10 474	10 697
		Below Minimum Service Level sub-total	138 765	141 721	144 739	147 822	145 192	145 193	148 283	151 442	154 667
		Total number of households	**254 756**	**260 182**	**265 724**	**271 384**	**271 385**	**271 386**	**277 165**	**283 068**	**289 098**

Municipal entity services	Ref.		2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
		Household service targets (000)									
Name of municipal entity		***Water:***									
		Piped water inside dwelling									
		Piped water inside yard (but not in dwelling)									
	8	Using public tap (at least min.service level)									
	10	Other water supply (at least min.service level)									
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
	9	Using public tap (< min.service level)									
	10	Other water supply (< min.service level)									
		No water supply									
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	–	–	–	–	–	–	–	–	–
Name of municipal entity		***Sanitation/sewerage:***									
		Flush toilet (connected to sewerage)									
		Flush toilet (with septic tank)									
		Chemical toilet									
		Pit toilet (ventilated)									
		Other toilet provisions (> min.service level)									
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
		Bucket toilet									
		Other toilet provisions (< min.service level)									
		No toilet provisions									
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	–	–	–	–	–	–	–	–	–
Name of municipal entity		***Energy:***									
		Electricity (at least min.service level)									
		Electricity - prepaid (min.service level)									
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
		Electricity (< min.service level)									
		Electricity - prepaid (< min. service level)									
		Other energy sources									
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	–	–	–	–	–	–	–	–	–
Name of municipal entity		***Refuse:***									
		Removed at least once a week									
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
		Removed less frequently than once a week									
		Using communal refuse dump									
		Using own refuse dump									
		Other rubbish disposal									
		No rubbish disposal									
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	–	–	–	–	–	–	–	–	–

Services provided by 'external mechanisms'	Ref.		2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Names of service providers		**Household service targets (000)**									
		Water:									
		Piped water inside dwelling									
		Piped water inside yard (but not in dwelling)									
	8	Using public tap (at least min.service level)									
	10	Other water supply (at least min.service level)									

		Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
	9	Using public tap (< min.service level)									
	10	Other water supply (< min.service level)									
		No water supply									
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	–	–	–	–	–	–	–	–	–
Names of service providers		***Sanitation/sewerage:***									
		Flush toilet (connected to sewerage)									
		Flush toilet (with septic tank)									
		Chemical toilet									
		Pit toilet (ventilated)									
		Other toilet provisions (> min.service level)									
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
		Bucket toilet									
		Other toilet provisions (< min.service level)									
		No toilet provisions									
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	–	–	–	–	–	–	–	–	–
Names of service providers		***Energy:***									
		Electricity (at least min.service level)									
		Electricity - prepaid (min.service level)									
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
		Electricity (< min.service level)									
		Electricity - prepaid (< min. service level)									
		Other energy sources									
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	–	–	–	–	–	–	–	–	–
Names of service providers		***Refuse:***									
		Removed at least once a week									
		Minimum Service Level and Above sub-total	–	–	–	–	–	–	–	–	–
		Removed less frequently than once a week									
		Using communal refuse dump									
		Using own refuse dump									
		Other rubbish disposal									
		No rubbish disposal									
		Below Minimum Service Level sub-total	–	–	–	–	–	–	–	–	–
		Total number of households	–	–	–	–	–	–	–	–	–

Detail of Free Basic Services (FBS) provided			2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
			Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Electricity	Ref.	***Location of households for each type of FBS***									
List type of FBS service		**per month Rands)**	57 044 665	65 752 296	71 328 031	80 420 755	80 420 755	80 420 755	89 896 418	89 896 418	89 896 418
		Number of HH receiving this type of FBS									
		Informal settlements (Rands)									
		Number of HH receiving this type of FBS									
		Informal settlements targeted for upgrading (Rands)									
		Number of HH receiving this type of FBS									
		Living in informal backyard rental agreement (Rands)									
		Number of HH receiving this type of FBS									
		Other (Rands)									
		Number of HH receiving this type of FBS									
		Total cost of FBS - Electricity for informal settlements	–	–	–	–	–	–	–	–	–
Water	Ref.	***Location of households for each type of FBS***									

List type of FBS service		**Formal settlements - (6 kilolitre per indigent household per month Rands)**	30 276 304	51 440 232	56 069 853	62 187 074	62 187 074	62 187 074	21 006 236	21 006 236	21 006 236
		Number of HH receiving this type of FBS	18 077	19 704	21 478	23 821	23 821	23 821	24 940	26 113	27 340
		Informal settlements (Rands)									
		Number of HH receiving this type of FBS									
		Informal settlements targeted for upgrading (Rands)									
		Number of HH receiving this type of FBS									
		Living in informal backyard rental agreement (Rands)									
		Number of HH receiving this type of FBS									
		Other (Rands)									
		Number of HH receiving this type of FBS									
		Total cost of FBS - Water for informal settlements	–	–	–	–	–	–	–	–	–
Sanitation	Ref.	***Location of households for each type of FBS***									
List type of FBS service		**households)**	19 212 211	20 366 244	21 588 372	22 883 674	22 883 674	22 883 674	23 936 294	23 936 294	23 936 294
		Number of HH receiving this type of FBS	18 840	19 970	21 169	22 439	22 439	22 439	23 493	24 597	25 754
		Informal settlements (Rands)	17 072 262	20 366 244	21 588 372	22 883 674	22 883 674	22 883 674	26 358 166	26 358 166	26 358 166
		Number of HH receiving this type of FBS	18 840	19 970	21 169	22 439	22 439	22 439	23 493	24 597	25 754
		Informal settlements targeted for upgrading (Rands)									
		Number of HH receiving this type of FBS									
		Living in informal backyard rental agreement (Rands)									
		Number of HH receiving this type of FBS									
		Other (Rands)									
		Number of HH receiving this type of FBS									
		Total cost of FBS - Sanitation for informal settlements	17 072 262	20 366 244	21 588 372	22 883 674	22 883 674	22 883 674	26 358 166	26 358 166	26 358 166
Refuse Removal	Ref.	***Location of households for each type of FBS***									
List type of FBS service		**households)**	16 105 908	17 074 308	18 098 766	19 184 692	19 184 692	19 184 692	20 067 142	21 010 300	22 050 285
		Number of HH receiving this type of FBS	18 840	19 970	21 169	22 439	22 439	22 439	23 493	24 597	25 754
		Informal settlements (Rands)	15 238 546	17 074 308	18 098 766	19 184 692	19 184 692	19 184 692	22 079 577	23 117 316	24 261 606
		Number of HH receiving this type of FBS	18 840	19 970	21 169	22 439	22 439	22 439	23 493	24 597	25 754
		Informal settlements targeted for upgrading (Rands)									
		Number of HH receiving this type of FBS									
		Living in informal backyard rental agreement (Rands)									
		Number of HH receiving this type of FBS									
		Other (Rands)									
		Number of HH receiving this type of FBS									
		Total cost of FBS - Refuse Removal for informal settlements	15 238 546	17 074 308	18 098 766	19 184 692	19 184 692	19 184 692	22 079 577	23 117 316	24 261 606

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	###	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
			Audited	Audited	Audited	Original	Adjusted	Full Year	Pre-audit	Budget Year	Budget Year +1	Budget Year +2
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	2 718 346	708 798	971 896	260 478	461 341	461 341	461 341	(161 747)	665 607	1 510 830
Cash + investments at the yr end less applications - R'000	18(1)b	2	2 963 264	436 627	631 731	4 071	68 235	2 520 175	2 222 795	1 328 169	1 508 631	1 670 451
Cash year end/monthly employee/supplier payments	18(1)b	3	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(439 356)	(100 877)	(636 870)	722 190	870 343	870 343	8 055 066	1 323 664	1 812 090	1 550 470
Service charge rev % change - macro CPIX target exclusive	18(1)a,(2)	5	N.A.	4.9%	8.3%	18.6%	(8.1%)	(6.0%)	(48.4%)	6.1%	1.6%	1.9%
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	86.2%	53.1%	49.5%	45.9%	44.0%	44.0%	69.6%	106.2%	106.2%	106.2%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	13.6%	13.6%	3.0%	7.7%	4.2%	4.2%	0.0%	3.9%	3.8%	3.7%
Capital payments % of capital expenditure	18(1)c;19	8	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	(11.0%)	(11.0%)	(10.9%)
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	0.9%	19.7%	9.5%	47.9%	0.0%	(33.3%)	32.1%	(19.2%)	(25.8%)
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	5.6%	5.8%	5.9%	6.8%	6.1%	6.1%	6.3%	6.2%	6.9%	0.0%
Asset renewal % of capital budget	20(1)(vi)	14	6.5%	1.9%	19.9%	8.5%	12.7%	12.7%	0.0%	7.6%	5.9%	6.0%

References

1. Positive cash balances indicative of minimum compliance - subject to 2
2. Deduct cash and investment applications (defined) 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 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
6. Realistic average cash collection forecasts as % of annual billed 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/Province allocations included in budget
11. Indicative of realistic current arrear debtor collection targets (prior to 2003/04 revenue not available for high capacity municipalities and later for other capacity classifications)
12. Indicative of realistic long term arrear debtor collection targets (prior to 2003/04 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

Supporting indicators												
% incr *total service charges (incl prop rates)*	18(1)a		0.0%	10.9%	14.3%	24.6%	(2.1%)	0.0%	(42.4%)	12.1%	7.6%	7.9%
% incr Property Tax	18(1)a		0.0%	3.6%	19.7%	(5.7%)	9.0%	0.0%	(32.1%)	0.7%	4.7%	4.9%
% incr Service charges - Electricity	18(1)a		0.0%	15.6%	14.0%	43.3%	(3.8%)	0.0%	(47.1%)	15.9%	8.8%	9.1%
% incr Service charges - Water	18(1)a		0.0%	11.0%	6.2%	36.2%	(14.2%)	0.0%	(48.5%)	16.4%	8.3%	8.5%
% incr Service charges - Waste Water Management	18(1)a		0.0%	11.7%	11.8%	(12.2%)	4.2%	0.0%	(27.3%)	1.1%	4.7%	4.9%
% incr Service charges - Waste Management	18(1)a		0.0%	0.3%	14.2%	(1.5%)	0.0%	0.0%	(28.0%)	14.1%	4.7%	4.9%
% incr 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		2 308 294	2 559 806	2 925 861	3 645 311	3 567 216	3 567 216	2 056 160	3 997 168	4 302 666	4 643 651
Service charges			2 308 294	2 559 806	2 925 861	3 645 311	3 567 216	3 567 216	2 056 160	3 997 168	4 302 666	4 643 651
Property rates			572 644	593 067	710 102	669 774	729 978	729 978	495 535	734 789	769 324	807 406
Service charges - electricity revenue			1 179 656	1 363 550	1 554 279	2 226 730	2 141 629	2 141 629	1 133 421	2 482 891	2 702 037	2 947 315
Service charges - water revenue			264 125	293 107	311 369	424 132	363 929	363 929	187 250	423 579	458 668	497 848
Service charges - sanitation revenue			150 940	168 664	188 546	165 527	172 533	172 533	125 394	174 366	182 561	191 597
Service charges - refuse removal			140 930	141 418	161 565	159 147	159 147	159 147	114 559	181 544	190 076	199 485
Agency services			23 554	26 227	23 404	35 475	38 841	38 841	18 861	40 628	42 537	44 643
Capital expenditure excluding capital grant funding			107 860	236 568	254 403	193 169	373 751	373 751	121 865	239 024	263 609	280 890
Cash receipts from ratepayers	18(1)a		5 008 607	3 155 597	3 426 699	3 482 930	3 436 056	3 436 056	3 436 056	4 415 863	4 746 996	5 116 454
Ratepayer & Other revenue	18(1)a		5 808 090	5 945 758	6 921 717	7 583 825	7 814 059	7 814 059	4 933 499	4 157 282	4 470 306	4 819 589
Change in consumer debtors (current and non-current)			N/A	9 720	207 573	119 638	660 430	–	(678 124)	437 348	(345 877)	(374 742)
Operating and Capital Grant Revenue	18(1)a		2 015 562	2 308 850	2 294 040	2 458 490	2 580 375	2 580 375	2 117 501	3 034 349	3 218 138	2 968 747
Capital expenditure - total	20(1)(vi)		625 278	870 919	791 402	711 061	951 460	951 460	479 771	1 289 887	1 492 809	1 227 892
Capital expenditure - renewal	20(1)(vi)		40 640	16 315	157 315	60 609	120 756	120 756		98 006	87 469	73 326
Supporting benchmarks												
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%
DoRA operating grants total MFY												
DoRA capital grants total MFY												
Provincial operating grants												
Provincial capital grants												
District Municipality grants												
Total gazetted/advised national, provincial and district grants										–	–	–
Average annual collection rate (arrears inclusive)												
DoRA operating												
List operating grants												
										–	–	–
DoRA capital												
List capital grants												
										–	–	–
Trend												
Change in consumer debtors (current and non-current)			N/A	9 720	207 573	119 638	660 430	–	(678 124)	437 348	(345 877)	(374 742)
Total Operating Revenue			4 043 103	4 437 170	4 968 094	5 850 979	5 904 676	5 904 676	4 045 152	6 263 231	6 568 121	7 007 058

Total Operating Expenditure		5 095 048	5 313 356	6 234 130	5 724 364	5 698 097	5 698 097	(3 619 339)	6 148 061	6 169 611	6 545 640
Operating Performance Surplus/(Deficit)		(1 051 945)	(876 186)	(1 266 037)	126 616	206 580	206 580	7 664 491	115 171	398 510	461 418
Cash and Cash Equivalents (30 June 2012)									(161 747)		
Revenue											
% Increase in Total Operating Revenue			9.7%	12.0%	17.8%	0.9%	0.0%	(31.5%)	6.1%	4.9%	6.7%
% Increase in Property Rates Revenue			3.6%	19.7%	(5.7%)	9.0%	0.0%	(32.1%)	48.3%	4.7%	4.9%
% Increase in Electricity Revenue			15.6%	14.0%	43.3%	(3.8%)	0.0%	(47.1%)	15.9%	8.8%	9.1%
% Increase in Property Rates & Services Charges			10.9%	14.3%	24.6%	(2.1%)	0.0%	(42.4%)	12.1%	7.6%	7.9%
Expenditure											
% Increase in Total Operating Expenditure		0.0%	4.3%	17.3%	(8.2%)	(0.5%)	0.0%	(163.5%)	7.9%	0.4%	6.1%
% Increase in Employee Costs		0.0%	4.0%	(1.8%)	25.5%	(10.5%)	0.0%	(163.0%)	19.0%	4.3%	4.2%
% Increase in Electricity Bulk Purchases		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Average Cost Per Budgeted Employee Position (Remuneration)		0	582307.1985	1379049.178	1325589.848	1595143.024	204975878.6	-747748.7922	1412599.334	1856689.952	113614347.6
Average Cost Per Councillor (Remuneration)		0	0	930123.5981	738654.4573	0	746363.1423	-494886.691	782108.8587	0	850000.592
R&M % of PPE		5.6%	5.8%	5.9%	6.8%	6.1%	6.1%	6.3%	6.3%	6.2%	6.9%
Asset Renewal and R&M as a % of PPE		6.6%	6.9%	7.7%	8.1%	8.5%	8.5%	12.2%	12.2%	13.7%	12.2%
Debt Impairment % of Total Billable Revenue		13.6%	13.6%	3.0%	7.7%	4.2%	4.2%	0.0%	3.9%	3.8%	3.7%
Capital Revenue											
Internally Funded & Other (R'000)		103 833	236 568	254 403	193 169	373 751	373 751	121 865	239 024	263 609	280 890
Borrowing (R'000)		–	–	–	–	–	–	–	–	–	–
Grant Funding and Other (R'000)		517 418	634 351	536 998	517 891	577 710	577 710	357 905	1 050 864	1 229 200	947 002
Internally Generated funds % of Non Grant Funding		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Borrowing % of Non Grant Funding		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grant Funding % of Total Funding		83.3%	72.8%	67.9%	72.8%	60.7%	60.7%	74.6%	81.5%	82.3%	77.1%
Capital Expenditure											
Total Capital Programme (R'000)		625 278	870 919	791 402	711 061	951 460	951 460	479 771	1 289 887	1 492 809	1 227 892
Asset Renewal		146 152	134 565	245 257	164 326	311 784	311 784	–	751 820	925 416	633 465
Asset Renewal % of Total Capital Expenditure		23.5%	15.5%	31.0%	23.1%	32.8%	32.8%	0.0%	58.3%	62.0%	51.6%
Cash											
Cash Receipts % of Rate Payer & Other		86.2%	53.1%	49.5%	45.9%	44.0%	44.0%	69.6%	106.2%	106.2%	106.2%
Cash Coverage Ratio		–	–	–	–	–	–	–	–	–	–
Borrowing											
Most recent Credit Rating									0		
Capital Charges to Operating		0.8%	1.1%	0.8%	1.2%	1.3%	1.3%	(0.3%)	1.3%	1.3%	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%
Reserves											
Uncommitted reserves after application of cash and investments		2 963 264	436 627	631 731	4 071	68 235	2 520 175	2 222 795	1 328 169	1 508 631	1 670 451
Free Services											
Free Basic 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%
Free Services as a % of Operating Revenue		4.0%	1.3%	(0.0%)	(3.1%)	(3.1%)	(3.1%)	2.3%	1.2%	(3.8%)	(3.9%)
High Level Outcome of Funding Compliance											
Total Operating Revenue		4 043 103	4 437 170	4 968 094	5 850 979	5 904 676	5 904 676	4 045 152	6 263 231	6 568 121	7 007 058
Total Operating Expenditure		5 095 048	5 313 356	6 234 130	5 724 364	5 698 097	5 698 097	(3 619 339)	6 148 061	6 169 611	6 545 640
Surplus/(Deficit) Budgeted Operating Statement		(1 051 945)	(876 186)	(1 266 037)	126 616	206 580	206 580	7 664 491	115 171	398 510	461 418
Surplus/(Deficit) Considering Reserves and Cash Backing		2 963 264	436 627	631 731	4 071	68 235	2 520 175	2 222 795	1 328 169	1 508 631	1 670 451
MTREF Funded (1) / Unfunded (0)	15	1	1	1	1	1	1	1	1	1	1
MTREF Funded ✓ / Unfunded ✗	15	ü	ü	ü	ü	ü	ü	ü	ü	ü	ü

References

15. Subject to figures provided in Schedule.

LIM354 Polokwane - Supporting Table SA11 Property rates summary

Description	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Valuation:	1									
Date of valuation:		80170	79805	81633	81633	0	0	0	0	0
Financial year valuation used		2022	2023	2024	2025	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	1	1	2	1	1	1
No. of data collectors (FTE)	3	14	14	14	1	1	1	1	1	1
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	1
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)		365	365	365	365	0	0	365	0	0
No. of properties	5	70583	70583	71806	70583	73641	73641	74128	74128	74128
No. of sectional title values	5	6039	6039	6039	6544	6544	6544	6982	6982	6982
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	1	1	1	1	1	1
No. of objections by rate payers		601	3	1	1020	1020	1020	1020	1020	1020
No. of appeals by rate payers		37	37	37	23	23	23	23	23	23
No. of successful objections	8	45	45	45	416	416	416	416	416	416
No. of successful objections > 10%	8	18	18	18	122	122	122	122	122	122
Supplementary valuation		1	1	1	1	1	1	1	1	1
Public service infrastructure value (Rm)	5	74.08	74.08	74.08	74.08	74.08	74.08	149.11	149.11	149.11
Municipality owned property value (Rm)		7902.9	7902.9	7902.9	7902.9	7902.9	7902.9	6014.63	6014.63	6014.63
Valuation reductions:										
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)		805.73	805.73	805.73	811.65	811.65	811.65	811.65	811.65	811.65
Valuation reductions-public worship (Rm)		0	0	0	0	0	0	0	0	0
Valuation reductions-other (Rm)		10549.5	10549.5	10549.5	10350.35	10350.35	10350.35	10350.35	10350.35	10350.35
Total valuation reductions:		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total value used for rating (Rm)	5	83933.79	83933.79	83933.79	95660.48	95660.48	96316.42	96316.42	96316.42	96316.42
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	83933.79	83933.79	83933.79	95660.48	95660.48	96316.42	96316.42	96316.42	0
Rating:										
Residential rate used to determine rate for other categories? (Y/N)		1	1	1	1	0	0	1	0	0
Differential rates used? (Y/N)	5	1	1	1	1	0	0	1	0	0
Limit on annual rate increase (s20)? (Y/N)		2	2	2	2	2	2	2	2	2
Special rating area used? (Y/N)		1	1	1	1	0	0	1	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
Rate revenue:										
Rate revenue budget (R '000)	6	503.87	526.16	547.23	641.12	641.12	641.12	669.77	701.25	735.62
Rate revenue expected to collect (R'000)	6	443.41	463.02	481.56	744	744	744	778.22	778.97	780.46
Expected cash collection rate (%)		0.87	0.86	0.87	0.88	0.88	0.88	0.88	0.88	0.88
Special rating areas (R'000)	7	0	0	0	0	0	0	0	0	0
Rebates, exemptions - indigent (R'000)		1.52	1.52	1.52	1.7	1.7	1.7	1.7	1.7	1.7
Rebates, exemptions - pensioners (R'000)		0.02	0.02	0.02	0.03	0.03	0.03	0.03	0.03	0.03
Rebates, exemptions - bona fide farm. (R'000)		0	0	0	0	0	0	0	0	0
Rebates, exemptions - other (R'000)		0.34	0.35	0.37	0.39	0.39	0.39	0.39	0.39	0.39
Phase-in reductions/discounts (R'000)		0	0	0	0	0	0	0	0	0

Total rebates,exemptns,reductns,discs (R'000)		**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**

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)
Current Year 2025/26												
Valuation:												
No. of properties		–	–	–	–	–	–	–	–	–	–	–
No. of sectional title property values		–	–	–	–	–	–	–	–	–	–	–
No. of unreasonably difficult properties s7(2)		–	–	–	–	–	–	–	–	–	–	–
No. of supplementary valuations		–	–	–	–	–	–	–	–	–	–	–
Supplementary valuation (Rm)		–	–	–	–	–	–	–	–	–	–	–
No. of valuation roll amendments		–	–	–	–	–	–	–	–	–	–	–
No. of objections by rate-payers		–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers		–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers finalised		–	–	–	–	–	–	–	–	–	–	–
No. of successful objections	5	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections > 10%	5	–	–	–	–	–	–	–	–	–	–	–
Estimated no. of properties not valued		–	–	–	–	–	–	–	–	–	–	–
Years since last valuation **(select)**		3	3	–	3	3	–	–	3	–	–	–
Frequency of valuation **(select)**		3	3	–	3	3	–	–	3	–	–	–
Method of valuation used **(select)**		–	–	–	–	–	–	–	–	–	–	–
Base of valuation **(select)**		–	–	–	–	–	–	–	–	–	–	–
Phasing-in properties s21 (number)		–	–	–	–	–	–	–	–	–	–	–
Combination of rating types used? (Y/N)		1	1	–	1	1	–	–	1	–	–	–
Flat rate used? (Y/N)		2	2	–	2	2	–	–	2	–	–	–
Is balance rated by uniform rate/variable rate?		2	2	–	2	2	–	–	2	–	–	–
Valuation reductions:												
Valuation reductions-public infrastructure (Rm)		–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-nature reserves/park (Rm)		–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-mineral rights (Rm)		–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)		–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-public worship (Rm)		–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-other (Rm)	2	–	–	–	–	–	–	–	–	–	–	–
Total valuation reductions:		–	–	–	–	–	–	–	–	–	–	–
Total value used for rating (Rm)	6											
Total land value (Rm)	6											
Total value of improvements (Rm)	6											
Total market value (Rm)	6											
Rating:												
Average rate	3	–	–	–	–	–	–	–	–	–	–	–
Rate revenue budget (R '000)		–	–	–	–	–	–	–	–	–	–	–
Rate revenue expected to collect (R'000)		–	–	–	–	–	–	–	–	–	–	–
Expected cash collection rate (%)	4	–	–	–	–	–	–	–	–	–	–	–
Special rating areas (R'000)		–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - indigent (R'000)		–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - pensioners (R'000)		–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - bona fide farm. (R'000)		–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - other (R'000)		–	–	–	–	–	–	–	–	–	–	–
Phase-in reductions/discounts (R'000)		–	–	–	–	–	–	–	–	–	–	–
Total rebates,exemptns,reductns,discs (R'000)		–	–	–	–	–	–	–	–	–	–	–

References

1. Land & Assistance Act, Restitution of Land Rights, Communual 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)
Budget Year 2026/27												
Valuation:												
No. of properties		–	–	–	–	–	–	–	–	–	–	–
No. of sectional title property values		–	–	–	–	–	–	–	–	–	–	–
No. of unreasonably difficult properties s7(2)		–	–	–	–	–	–	–	–	–	–	–
No. of supplementary valuations		–	–	–	–	–	–	–	–	–	–	–
Supplementary valuation (Rm)		–	–	–	–	–	–	–	–	–	–	–
No. of valuation roll amendments		–	–	–	–	–	–	–	–	–	–	–
No. of objections by rate-payers		–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers		–	–	–	–	–	–	–	–	–	–	–
No. of appeals by rate-payers finalised		–	–	–	–	–	–	–	–	–	–	–
No. of successful objections	5	–	–	–	–	–	–	–	–	–	–	–
No. of successful objections > 10%	5	–	–	–	–	–	–	–	–	–	–	–
Estimated no. of properties not valued		–	–	–	–	–	–	–	–	–	–	–
Years since last valuation **(select)**		6	6	–	6	6	–	–	6	–	–	–
Frequency of valuation **(select)**		3	3	–	3	3	–	–	3	–	–	–
Method of valuation used **(select)**		–	–	–	–	–	–	–	–	–	–	–
Base of valuation **(select)**		–	–	–	–	–	–	–	–	–	–	–
Phasing-in properties s21 (number)		–	–	–	–	–	–	–	–	–	–	–
Combination of rating types used? (Y/N)		1	1	–	1	1	–	–	1	–	–	–
Flat rate used? (Y/N)		2	2	–	2	2	–	–	2	–	–	–
Is balance rated by uniform rate/variable rate?		2	2	–	2	2	–	–	2	–	–	–
Valuation reductions:												
Valuation reductions-public infrastructure (Rm)		–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-nature reserves/park (Rm)		–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-mineral rights (Rm)		–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-R15,000 threshold (Rm)		–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-public worship (Rm)		–	–	–	–	–	–	–	–	–	–	–
Valuation reductions-other (Rm)	2	–	–	–	–	–	–	–	–	–	–	–
Total valuation reductions:		–	–	–	–	–	–	–	–	–	–	–
Total value used for rating (Rm)	6	–	–	–	–	–	–	–	–	–	–	–
Total land value (Rm)	6	–	–	–	–	–	–	–	–	–	–	–
Total value of improvements (Rm)	6	–	–	–	–	–	–	–	–	–	–	–
Total market value (Rm)	**6**	–	–	–	–	–	–	–	–	–	–	–
Rating:												
Average rate	3	–	–	–	–	–	–	–	–	–	–	–
Rate revenue budget (R '000)		–	–	–	–	–	–	–	–	–	–	–
Rate revenue expected to collect (R'000)		–	–	–	–	–	–	–	–	–	–	–
Expected cash collection rate (%)	4	–	–	–	–	–	–	–	–	–	–	–
Special rating areas (R'000)		–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - indigent (R'000)		–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - pensioners (R'000)		–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - bona fide farm. (R'000)		–	–	–	–	–	–	–	–	–	–	–
Rebates, exemptions - other (R'000)		–	–	–	–	–	–	–	–	–	–	–
Phase-in reductions/discounts (R'000)		–	–	–	–	–	–	–	–	–	–	–
Total rebates,exemptns,reductns,discs (R'000)		–	–	–	–	–	–	–	–	–	–	–

References

1. Land & Assistance Act, Restitution of Land Rights, Communual 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	2022/23	2023/24	2024/25	Current Year 2025/26	2026/27 Medium Term Revenue & Expenditure Framework		
							Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Property rates *(rate in the Rand)*	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			-	-	-	-	-	-	-
Property rates by usage			-	-	-	-	-	-	-
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)			-	-	-	-	-	-	-
Exemptions, reductions and rebates *(Rands)*									
Residential properties									
R15 000 threshhold 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
Other rebates or exemptions	2		0	0	0	0	0	0	0
Water tariffs									
Domestic									
Basic charge/fixed 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/kl)*			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/kl)		(fill in thresholds)	9.68	12.34	14.44	13.06	14.16	15.37	16.72
Water usage - Block 2 (c/kl)		(fill in thresholds)	15.22	19.41	22.71	21.72	23.55	25.56	27.8
Water usage - Block 3 (c/kl)		(fill in thresholds)	16.61	21.18	24.78	25.39	27.53	29.88	32.51
Water usage - Block 4 (c/kl)		(fill in thresholds)	22.15	28.24	33.05	33.87	36.72	39.86	43.35
Water usage - Block 5 (c/kl)		(fill in thresholds)	26.31	33.56	39.26	40.24	43.63	47.35	51.51
Water usage - Block 6 (c/kl)		(fill in thresholds)	31.85	40.62	47.53	48.71	52.82	57.32	62.36
Other	2		0	0	0	0	0	0	0
Waste water tariffs									

Domestic									
Basic charge/fixed 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)	109.39	135.66	142.44	153.41	160.47	168.01	176.25
Volumetric charge - Block 2 (c/kl)		(fill in structure)	17.88	22.17	23.28	24.86	26	27.22	28.56
Volumetric charge - Block 3 (c/kl)		(fill in structure)	14.51	18	18.9	20.18	21.1	22.1	23.18

Volumetric charge - Block 4 (c/kl)		(fill in structure)	20.09	24.92	26.16	27.95	29.24	30.61	32.11
Other	2		0	0	0	0	0	0	0
Electricity tariffs									
Domestic									
Basic charge/fixed fee *(Rands/month)*			120.32	151.29	158.86	186.76	203.12	221.12	241.26
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)	0	0	0	0	0	0	0
Life-line tariff - prepaid		(describe structure)	0	0	0	0	0	0	0
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)	117.82	148.15	155.55	182.88	198.9	216.52	236.25
Meter - IBT Block 2 (c/kwh)		(fill in thresholds)	153.81	193.39	203.06	238.74	259.65	282.66	308.41
Meter - IBT Block 3 (c/kwh)		(fill in thresholds)	227.07	285.52	299.79	352.45	383.32	417.29	455.3
Meter - IBT Block 4 (c/kwh)		(fill in thresholds)	267	336.69	353.53	414.42	450.72	490.66	535.36
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)	117.82	148.15	155.55	182.88	198.9	216.52	236.25
Prepaid - IBT Block 2 (c/kwh)		(fill in thresholds)	153.81	193.39	203.06	238.74	259.65	282.66	308.41
Prepaid - IBT Block 3 (c/kwh)		(fill in thresholds)	227.07	285.52	299.79	352.45	383.32	417.29	455.3
Prepaid - IBT Block 4 (c/kwh)		(fill in thresholds)	267	336.69	353.53	414.42	450.72	490.66	535.36
Prepaid - IBT Block 5 (c/kwh)		(fill in thresholds)	0	0	0	0	0	0	0
Other	2		0	0	0	0	0	0	0
Waste management tariffs									
Domestic									
Street cleaning charge			0	0	0	0	0	0	0
Basic charge/fixed fee			65.21	69.12	73.27	77.67	81.24	85.06	89.22
80l bin - once a week			0	0	0	0	0	0	0
250l bin - once a week			0	0	0	0	0	0	0

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

Description	####	Provide description of tariff structure where appropriate	2022/23	2023/24	2024/25	Current Year 2025/26	2026/27 Medium Term Revenue & Expenditure Framework		
							Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Exemptions, reductions and rebates *(Rands)*									
[Insert lines as applicable]			57 044 665	65 752 296	71 328 031	80 420 755	89 896 418	89 896 418	89 896 418
Water tariffs									
[Insert blocks as applicable]		(fill in thresholds)	30 276 304	51 440 232	56 069 853	62 187 074	21 006 236	21 006 236	21 006 236
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
Waste water tariffs									
[Insert blocks as applicable]		(fill in structure)	36 284 474	40 732 488	43 176 744	45 767 349	50 294 460	50 294 460	50 294 460
		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
		(fill in structure)							
Electricity tariffs									
[Insert blocks as applicable]		(fill in thresholds)	57 044 665	65 752 296	71 328 031	80 420 755	89 896 418	89 896 418	89 896 418
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							
		(fill in thresholds)							

LIM354 Polokwane - Supporting Table SA14 Household bills

Description	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework			
Rand/cent		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27 % incr.	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		299.00	315.00	333.90	353.93	353.93	353.93	4.60%	370.21	387.62	406.80
Electricity: Basic levy		100.94	107.20	125.42	141.40	141.40	141.40	8.80%	153.79	403.02	439.73
Electricity: Consumption		1 724.86	1 831.81	2 143.21	2 416.25	2 416.25	2 416.25	8.80%	2 627.92	403.02	439.73
Water: Basic levy		–	–	–	–	–	–	0.00%	–	-	-
Water: Consumption		390.67	411.76	481.76	534.32	534.32	534.32	8.40%	579.36	628.78	683.99
Sanitation		71.12	74.96	79.46	84.23	84.23	84.23	4.60%	88.10	92.24	96.81
Refuse removal		118.72	125.13	132.63	140.59	140.59	140.59	4.60%	147.05	153.97	161.59
Other		123.60	130.27	138.09	146.38	146.38	146.38	4.60%	153.11	160.30	168.24
sub-total		**2 828.91**	**2 996.13**	**3 434.47**	**3 817.10**	**3 817.10**	**3 817.10**	**7.9%**	**4 119.54**	**2 228.95**	**2 396.89**
VAT on Services		424.34	449.42	515.17	572.56	572.56	572.56	7.90%	617.93	334.34	359.53
Total large household bill:		**3 253.25**	**3 445.55**	**3 949.64**	**4 389.66**	**4 389.66**	**4 389.66**	**7.9%**	**4 737.47**	**2 563.29**	**2 756.42**
% increase/-decrease		**–**	**5.9%**	**14.6%**	**11.1%**	**–**	**–**	**(100.0%)**	**7.9%**	**(45.9%)**	**7.5%**
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		199.33	210.00	216.30	222.60	222.60	222.60	4.60%	232.84	243.78	255.85
Electricity: Basic levy		100.94	107.20	125.42	125.42	125.42	141.40	22.60%	153.79	403.02	439.73
Electricity: Consumption		727.00	772.07	903.32	903.32	903.32	1 018.40	22.60%	1 107.62	403.02	439.73
Water: Basic levy		–	–	–	–	–	–	0.00%	–	-	-
Water: Consumption		319.16	336.39	346.48	393.58	393.58	436.52	20.30%	473.32	513.69	558.79
Sanitation		71.12	74.96	79.46	79.46	79.46	84.23	10.90%	88.10	92.24	96.81
Refuse removal		118.72	125.13	132.63	132.63	132.63	140.59	10.90%	147.05	153.97	161.59
Other		61.80	65.14	69.04	69.04	69.04	73.18	10.90%	76.55	80.15	84.11
sub-total		**1 598.07**	**1 690.89**	**1 872.65**	**1 926.05**	**1 926.05**	**2 116.92**	**18.3%**	**2 279.27**	**1 889.87**	**2 036.61**
VAT on Services		239.71	253.63	280.90	288.91	288.91	317.54	18.30%	341.89	283.48	305.49
Total small household bill:		**1 837.78**	**1 944.52**	**2 153.55**	**2 214.96**	**2 214.96**	**2 434.46**	**18.3%**	**2 621.16**	**2 173.35**	**2 342.10**
% increase/-decrease		**–**	**5.8%**	**10.7%**	**2.9%**	**–**	**9.9%**	**(100.0%)**	**7.7%**	**(17.1%)**	**7.8%**
				0.85	-0.73	-1.00	-				
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates		102.62	108.16	114.65	121.53	121.53	121.53	4.60%	127.12	133.09	139.68
Electricity: Basic levy		100.94	107.20	125.42	141.40	141.40	141.40	8.80%	153.79	403.02	439.73
Electricity: Consumption		414.16	439.84	514.61	580.17	580.17	580.17	8.80%	630.99	403.02	439.73
Water: Basic levy		–	–	–	–	–	–	0.00%	–	-	-
Water: Consumption		190.65	200.94	235.10	260.75	260.75	260.75	8.40%	282.73	306.85	333.79
Sanitation		–	–	–	–	–	–	0.00%	–	-	-
Refuse removal		44.35	46.74	49.55	52.52	52.52	52.52	4.60%	54.94	57.52	60.37
Other		–	–	–	–	–	–	0.00%	–	-	-
sub-total		**852.72**	**902.88**	**1 039.33**	**1 156.37**	**1 156.37**	**1 156.37**	**8.1%**	**1 249.57**	**1 303.50**	**1 413.30**
VAT on Services		127.91	135.43	155.90	173.46	173.46	173.46	8.10%	187.44	195.52	212.00
Total small household bill:		**980.63**	**1 038.31**	**1 195.23**	**1 329.83**	**1 329.83**	**1 329.83**	**8.1%**	**1 437.01**	**1 499.02**	**1 625.30**
% increase/-decrease		**–**	**5.9%**	**15.1%**	**11.3%**	**–**	**–**	**(100.0%)**	**8.1%**	**4.3%**	**8.4%**

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	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Investments										
Bank Repurchase Agreements										
Specify 1		–	–	–	–	–	–	–	–	–
Specify 2		–	–	–	–	–	–	–	–	–
Specify 3		–	–	–	–	–	–	–	–	–
Specify 4		–	–	–	–	–	–	–	–	–
Specify 5		–	–	–	–	–	–	–	–	–
Specify 6		–	–	–	–	–	–	–	–	–
Specify 7		–	–	–	–	–	–	–	–	–
Specify 8		–	–	–	–	–	–	–	–	–
Specify 9		–	–	–	–	–	–	–	–	–
Specify 10		–	–	–	–	–	–	–	–	–
Specify 11		–	–	–	–	–	–	–	–	–
Total Bank Repurchase Agreements		-	-	-	-	-	-	-	-	-
Bankers Acceptance Certificate										
Specify 1		–	–	–	–	–	–	–	–	–
Specify 2		–	–	–	–	–	–	–	–	–
Specify 3		–	–	–	–	–	–	–	–	–
Specify 4		–	–	–	–	–	–	–	–	–
Specify 5		–	–	–	–	–	–	–	–	–
Specify 6		–	–	–	–	–	–	–	–	–
Specify 7		–	–	–	–	–	–	–	–	–
Specify 8		–	–	–	–	–	–	–	–	–
Specify 9		–	–	–	–	–	–	–	–	–
Specify 10		–	–	–	–	–	–	–	–	–
Specify 11		–	–	–	–	–	–	–	–	–
Total Bankers Acceptance Certificate		-	-	-	-	-	-	-	-	-
Deposit Taking Institutions										
Specify 1		–	–	–	–	–	–	–	–	–
Specify 2		–	–	–	–	–	–	–	–	–
Specify 3		–	–	–	–	–	–	–	–	–
Specify 4		–	–	–	–	–	–	–	–	–
Specify 5		–	–	–	–	–	–	–	–	–
Specify 6		–	–	–	–	–	–	–	–	–
Specify 7		–	–	–	–	–	–	–	–	–
Specify 8		–	–	–	–	–	–	–	–	–
Specify 9		–	–	–	–	–	–	–	–	–
Specify 10		–	–	–	–	–	–	–	–	–
Specify 11		–	–	–	–	–	–	–	–	–
Total Deposit Taking Institutions		-	-	-	-	-	-	-	-	-
Derivative Financial Assets										
Specify 1		–	–	–	–	–	–	–	–	–
Specify 2		–	–	–	–	–	–	–	–	–
Specify 3		–	–	–	–	–	–	–	–	–
Specify 4		–	–	–	–	–	–	–	–	–
Specify 5		–	–	–	–	–	–	–	–	–
Specify 6		–	–	–	–	–	–	–	–	–
Specify 7		–	–	–	–	–	–	–	–	–
Specify 8		–	–	–	–	–	–	–	–	–
Specify 9		–	–	–	–	–	–	–	–	–
Specify 10		–	–	–	–	–	–	–	–	–
Specify 11		–	–	–	–	–	–	–	–	–
Total Derivative Financial Assets		-	-	-	-	-	-	-	-	-
Guaranteed Endowment Policies (Sinking)										
Specify 1		–	–	–	–	–	–	–	–	–
Specify 2		–	–	–	–	–	–	–	–	–
Specify 3		–	–	–	–	–	–	–	–	–
Specify 4		–	–	–	–	–	–	–	–	–
Specify 5		–	–	–	–	–	–	–	–	–
Specify 6		–	–	–	–	–	–	–	–	–
Specify 7		–	–	–	–	–	–	–	–	–
Specify 8		–	–	–	–	–	–	–	–	–
Specify 9		–	–	–	–	–	–	–	–	–
Specify 10		–	–	–	–	–	–	–	–	–
Specify 11		–	–	–	–	–	–	–	–	–
Total Guaranteed Endowment Policies (Sinking)		-	-	-	-	-	-	-	-	-
Interest Rate Swaps										
Specify 1		–	–	–	–	–	–	–	–	–
Specify 2		–	–	–	–	–	–	–	–	–
Specify 3		–	–	–	–	–	–	–	–	–
Specify 4		–	–	–	–	–	–	–	–	–
Specify 5		–	–	–	–	–	–	–	–	–
Specify 6		–	–	–	–	–	–	–	–	–
Specify 7		–	–	–	–	–	–	–	–	–
Specify 8		–	–	–	–	–	–	–	–	–
Specify 9		–	–	–	–	–	–	–	–	–
Specify 10		–	–	–	–	–	–	–	–	–
Specify 11		–	–	–	–	–	–	–	–	–
Total Interest Rate Swaps		-	-	-	-	-	-	-	-	-
Listed/Unlisted Bonds and Stocks										
Specify 1		–	–	–	–	–	–	–	–	–
Specify 2		–	–	–	–	–	–	–	–	–
Specify 3		–	–	–	–	–	–	–	–	–
Specify 4		–	–	–	–	–	–	–	–	–
Specify 5		–	–	–	–	–	–	–	–	–
Specify 6		–	–	–	–	–	–	–	–	–
Specify 7		–	–	–	–	–	–	–	–	–
Specify 8		–	–	–	–	–	–	–	–	–
Specify 9		–	–	–	–	–	–	–	–	–
Specify 10		–	–	–	–	–	–	–	–	–
Specify 11		–	–	–	–	–	–	–	–	–
Total Listed/Unlisted Bonds and Stocks		-	-	-	-	-	-	-	-	-
Municipal Bonds										
Specify 1		–	–	–	–	–	–	–	–	–
Specify 2		–	–	–	–	–	–	–	–	–
Specify 3		–	–	–	–	–	–	–	–	–
Specify 4		–	–	–	–	–	–	–	–	–
Specify 5		–	–	–	–	–	–	–	–	–
Specify 6		–	–	–	–	–	–	–	–	–
Specify 7		–	–	–	–	–	–	–	–	–
Specify 8		–	–	–	–	–	–	–	–	–
Specify 9		–	–	–	–	–	–	–	–	–
Specify 10		–	–	–	–	–	–	–	–	–
Specify 11		–	–	–	–	–	–	–	–	–
Total Municipal Bonds		-	-	-	-	-	-	-	-	-
National Government Securities										

Specify 1	–	–	–	–	–	–	–	–	–
Specify 2	–	–	–	–	–	–	–	–	–
Specify 3	–	–	–	–	–	–	–	–	–
Specify 4	–	–	–	–	–	–	–	–	–
Specify 5	–	–	–	–	–	–	–	–	–
Specify 6	–	–	–	–	–	–	–	–	–
Specify 7	–	–	–	–	–	–	–	–	–
Specify 8	–	–	–	–	–	–	–	–	–
Specify 9	–	–	–	–	–	–	–	–	–
Specify 10	–	–	–	–	–	–	–	–	–
Specify 11	–	–	–	–	–	–	–	–	–
Total National Government Securities	-	-	-	-	-	-	-	-	-
Negotiable Certificate of Deposits									
Specify 1	–	–	–	–	–	–	–	–	–
Specify 2	–	–	–	–	–	–	–	–	–
Specify 3	–	–	–	–	–	–	–	–	–
Specify 4	–	–	–	–	–	–	–	–	–
Specify 5	–	–	–	–	–	–	–	–	–
Specify 6	–	–	–	–	–	–	–	–	–
Specify 7	–	–	–	–	–	–	–	–	–
Specify 8	–	–	–	–	–	–	–	–	–
Specify 9	–	–	–	–	–	–	–	–	–
Specify 10	–	–	–	–	–	–	–	–	–
Specify 11	–	–	–	–	–	–	–	–	–
Total Negotiable Certificate of Deposits	-	-	-	-	-	-	-	-	-
Unamortised Debt Expense									
Specify 1	–	–	–	–	–	–	–	–	–
Specify 2	–	–	–	–	–	–	–	–	–
Specify 3	–	–	–	–	–	–	–	–	–
Specify 4	–	–	–	–	–	–	–	–	–
Specify 5	–	–	–	–	–	–	–	–	–
Specify 6	–	–	–	–	–	–	–	–	–
Specify 7	–	–	–	–	–	–	–	–	–
Specify 8	–	–	–	–	–	–	–	–	–
Specify 9	–	–	–	–	–	–	–	–	–
Specify 10	–	–	–	–	–	–	–	–	–
Specify 11	–	–	–	–	–	–	–	–	–
Total Unamortised Debt Expense	-	-	-	-	-	-	-	-	-
Unamortised Preference Share Expense									
Specify 1	–	–	–	–	–	–	–	–	–
Specify 2	–	–	–	–	–	–	–	–	–
Specify 3	–	–	–	–	–	–	–	–	–
Specify 4	–	–	–	–	–	–	–	–	–
Specify 5	–	–	–	–	–	–	–	–	–
Specify 6	–	–	–	–	–	–	–	–	–
Specify 7	–	–	–	–	–	–	–	–	–
Specify 8	–	–	–	–	–	–	–	–	–
Specify 9	–	–	–	–	–	–	–	–	–
Specify 10	–	–	–	–	–	–	–	–	–
Specify 11	–	–	–	–	–	–	–	–	–
Total Unamortised Preference Share Expense	-	-	-	-	-	-	-	-	-
Total Investments	-	-	-	-	-	-	-	-	-

LIM354 Polokwane - Supporting Table SA16 Investment particulars by maturity

Investments by Maturity Name of institution & investment ID	### 1	Period of Investment Yrs/Months	Type of Investment	Capital Guarantee (Yes/ No)	Variable or Fixed interest rate	Interest Rate ³	Commission Paid (Rands)	Commission Recipient	Expiry date of investment	Opening balance	Interest to be realised	Partial / Premature Withdrawal (4)	Investment Top Up	Closing Balance
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	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Borrowings										
Annuity and Bullet Loans										
Banks		347 688	319 910	270 508	258 178	270 508	270 508	270 508	270 508	270 508
Development Bank of South Africa		–	–	18 311	–	(34 417)	(34 417)	(34 417)	(34 417)	(34 417)
Foreign Government and International Organisations		–	–	–	–	–	–	–	–	–
General Public		–	–	–	–	–	–	–	–	–
Infrastructure Finance Corporation		–	–	–	–	–	–	–	–	–
Insurance Companies and Private Pension Funds		–	–	–	–	–	–	–	–	–
Municipal Pension Funds		–	–	–	–	–	–	–	–	–
Other Public Pension Funds		–	–	–	–	–	–	–	–	–
Private Enterprises		–	–	–	–	–	–	–	–	–
Public Corporations		–	–	–	–	–	–	–	–	–
Public Investments Commissioners		–	–	–	–	–	–	–	–	–
Total Annuity and Bullet Loans		**347 688**	**319 910**	**288 819**	**258 178**	**236 091**	**236 091**	**236 091**	**236 091**	**236 091**
Bankers Acceptance Certificate										
Banks		–	–	–	–	–	–	–	–	–
Development Bank of South Africa		–	–	–	–	–	–	–	–	–
Foreign Government and International Organisations		–	–	–	–	–	–	–	–	–
General Public		–	–	–	–	–	–	–	–	–
Infrastructure Finance Corporation		–	–	–	–	–	–	–	–	–
Insurance Companies and Private Pension Funds		–	–	–	–	–	–	–	–	–
Municipal Pension Funds		–	–	–	–	–	–	–	–	–
Other Public Pension Funds		–	–	–	–	–	–	–	–	–
Private Enterprises		–	–	–	–	–	–	–	–	–
Public Corporations		–	–	–	–	–	–	–	–	–
Public Investments Commissioners		–	–	–	–	–	–	–	–	–
Total Bankers Acceptance Certificate		-	-	-	-	-	-	-	-	-
Concessionary Loan		–	–	–	–	–	–	–	–	–
Derivative Financial Liability										
Banks		–	–	–	–	–	–	–	–	–
Development Bank of South Africa		–	–	–	–	–	–	–	–	–
Foreign Government and International Organisations		–	–	–	–	–	–	–	–	–
General Public		–	–	–	–	–	–	–	–	–
Infrastructure Finance Corporation		–	–	–	–	–	–	–	–	–
Insurance Companies and Private Pension Funds		–	–	–	–	–	–	–	–	–
Municipal Pension Funds		–	–	–	–	–	–	–	–	–
Other Public Pension Funds		–	–	–	–	–	–	–	–	–
Private Enterprises		–	–	–	–	–	–	–	–	–
Public Corporations		–	–	–	–	–	–	–	–	–
Public Investments Commissioners		–	–	–	–	–	–	–	–	–
Total Derivative Financial Liability		-	-	-	-	-	-	-	-	-
Finance Lease Liability										
Banks		(20 013)	(27 564)	(29 571)	(15 013)	(29 571)	(29 571)	(29 571)	(29 571)	(29 571)
Development Bank of South Africa		–	–	–	–	–	–	–	–	–
Foreign Government and International Organisations		–	–	–	–	–	–	–	–	–
General Public		22 337	22 337	22 337	22 337	22 337	22 337	22 337	22 337	22 337
Infrastructure Finance Corporation		–	–	–	–	–	–	–	–	–
Insurance Companies and Private Pension Funds		–	–	–	–	–	–	–	–	–
Municipal Pension Funds		–	–	–	–	–	–	–	–	–
Other Public Pension Funds		–	–	–	–	–	–	–	–	–
Private Enterprises		2 252	17 583	13 749	2 252	13 749	13 749	13 749	13 749	13 749
Public Corporations		–	–	–	–	–	–	–	–	–
Public Investments Commissioners		–	–	–	–	–	–	–	–	–
Total Finance Lease Liability		**4 577**	**12 356**	**6 515**	**9 577**	**6 515**	**6 515**	**6 515**	**6 515**	**6 515**
Government Loans		–	–	–	–	–	–	–	–	–
Intercompany/Parent-subsidiary Transactions		–	–	–	–	–	–	–	–	–
Local Registered Stock										
Banks		–	–	–	–	–	–	–	–	–
Development Bank of South Africa		–	–	–	–	–	–	–	–	–
Foreign Government and International Organisations		–	–	–	–	–	–	–	–	–
General Public		–	–	–	–	–	–	–	–	–
Infrastructure Finance Corporation		–	–	–	–	–	–	–	–	–
Insurance Companies and Private Pension Funds		–	–	–	–	–	–	–	–	–
Municipal Pension Funds		–	–	–	–	–	–	–	–	–
Other Public Pension Funds		–	–	–	–	–	–	–	–	–
Private Enterprises		–	–	–	–	–	–	–	–	–
Public Corporations		–	–	–	–	–	–	–	–	–
Public Investments Commissioners		–	–	–	–	–	–	–	–	–
Total Registered Stock		-	-	-	-	-	-	-	-	-
Marketable Bonds										
Banks		–	–	–	–	–	–	–	–	–
Development Bank of South Africa		–	–	–	–	–	–	–	–	–
Foreign Government and International Organisations		–	–	–	–	–	–	–	–	–
General Public		–	–	–	–	–	–	–	–	–
Infrastructure Finance Corporation		–	–	–	–	–	–	–	–	–
Insurance Companies and Private Pension Funds		–	–	–	–	–	–	–	–	–
Municipal Pension Funds		–	–	–	–	–	–	–	–	–
Other Public Pension Funds		–	–	–	–	–	–	–	–	–
Private Enterprises		–	–	–	–	–	–	–	–	–
Public Corporations		–	–	–	–	–	–	–	–	–
Public Investments Commissioners		–	–	–	–	–	–	–	–	–
Total Marketable Bonds		-	-	-	-	-	-	-	-	-
Non-annuity Loans										
Banks		–	–	–	–	–	–	–	–	–
Development Bank of South Africa		–	–	–	–	–	–	–	–	–
Foreign Government and International Organisations		–	–	–	–	–	–	–	–	–
General Public		–	–	–	–	–	–	–	–	–
Infrastructure Finance Corporation		–	–	–	–	–	–	–	–	–
Insurance Companies and Private Pension Funds		–	–	–	–	–	–	–	–	–
Municipal Pension Funds		–	–	–	–	–	–	–	–	–
Other Public Pension Funds		–	–	–	–	–	–	–	–	–
Private Enterprises		–	–	–	–	–	–	–	–	–
Public Corporations		–	–	–	–	–	–	–	–	–
Public Investments Commissioners		–	–	–	–	–	–	–	–	–
Total Non-annuity Loans		-	-	-	-	-	-	-	-	-
Non-marketable Bonds										
Banks		–	–	–	–	–	–	–	–	–
Foreign Government and International Organisations		–	–	–	–	–	–	–	–	–
General Public		–	–	–	–	–	–	–	–	–
Municipal Pension Funds		–	–	–	–	–	–	–	–	–
Other Public Pension Funds		–	–	–	–	–	–	–	–	–
Private Enterprises		–	–	–	–	–	–	–	–	–
Public Corporations		–	–	–	–	–	–	–	–	–
Total Non-marketable Bonds		-	-	-	-	-	-	-	-	-
PPP Liabilities										
Banks		–	–	–	–	–	–	–	–	–
Development Bank of South Africa		–	–	–	–	–	–	–	–	–
Foreign Government and International Organisations		–	–	–	–	–	–	–	–	–
General Public		–	–	–	–	–	–	–	–	–
Infrastructure Finance Corporation		–	–	–	–	–	–	–	–	–
Insurance Companies and Private Pension Funds		–	–	–	–	–	–	–	–	–
Municipal Pension Funds		–	–	–	–	–	–	–	–	–
Other Public Pension Funds		–	–	–	–	–	–	–	–	–
Private Enterprises		–	–	–	–	–	–	–	–	–
Public Corporations		–	–	–	–	–	–	–	–	–
Public Investments Commissioners		–	–	–	–	–	–	–	–	–
Total PPP Liabilities		-	-	-	-	-	-	-	-	-
Securities										
Banks		–	–	–	–	–	–	–	–	–
Development Bank of South Africa		–	–	–	–	–	–	–	–	–
Foreign Government and International Organisations		–	–	–	–	–	–	–	–	–
General Public		–	–	–	–	–	–	–	–	–
Infrastructure Finance Corporation		–	–	–	–	–	–	–	–	–
Insurance Companies and Private Pension Funds		–	–	–	–	–	–	–	–	–
Municipal Pension Funds		–	–	–	–	–	–	–	–	–
Other Public Pension Funds		–	–	–	–	–	–	–	–	–
Private Enterprises		–	–	–	–	–	–	–	–	–

									436005000	539442200
0	0	0	0	0	0	0	0	0	1834701353	1241876995
									839041298	440387617
									976543638	782372961
									19116417	19116417
									2273706363	1781319195
									180259232	140356729
									125005000	100442200
									40341797	38954529
									14912436	1000000

Public Corporations		–	–	–	–	–	–	–	–	–
Public Investments Commissioners		–	–	–	–	–	–	–	–	–
Total Securities		-	-	-	-	-	-	-	-	-
Interest Rate Swaps		–	–	–	–	–	–	–	–	–
Total Borrowings	1	332 265	332 266	295 314	267 754	242 606	242 606	242 606	242 606	242 606

References

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

Description	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		1 383 744	1 542 057	1 656 281	1 810 330	1 771 516	1 730 980	1 778 244	1 804 558	1 879 695
Expanded Public Works Programme Integrated Grant		11 570	11 135	6 117	7 466	6 531	6 531	5 254	–	–
Integrated National Electrification Programme Grant		3 600	–	–	–	–	–	5 000	10 000	14 000
Infrastructure Skills Development Grant		6 000	5 869	8 000	7 500	7 909	7 909	17 500	17 500	15 500
Local Government Financial Management Grant		2 055	2 400	2 400	2 400	2 400	2 400	2 500	2 600	2 700
Integrated Urban Development Grant		77 874	115 195	133 949	156 633	142 833	142 833	113 799	79 757	115 712
Energy Efficiency and Demand Side Management Grant		–	–	–	2 617	3 000	2 000	–	–	–
Public Transport Network Grant		86 096	88 837	98 006	146 784	127 662	88 125	92 952	88 531	78 866
Neighbourhood Development Partnership Grant		–	–	–	5 750	0	–	–	–	–
Equitable Share		1 196 550	1 318 621	1 407 809	1 481 181	1 481 181	1 481 181	1 541 239	1 606 170	1 652 917
Provincial Government:		**–**	**44**	**(256)**	**47 585**	**134 004**	**49 374**	**47 612**	**–**	**–**
Specify (Add grant description)		–	44	444	–	–	59	–	–	–
Specify (Add grant description)		–	–	(700)	47 585	134 004	49 314	47 612	–	–
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Other grant providers:		**–**	**–**	**–**	**5 000**	**11 092**	**–**	**–**	**–**	**–**
Mayor's Charity Fund		–	–	–	5 000	11 092	–	–	–	–
Total Operating Transfers and Grants	5	**1 383 744**	**1 542 101**	**1 656 025**	**1 862 915**	**1 916 612**	**1 780 353**	**1 825 856**	**1 804 558**	**1 879 695**
Capital Transfers and Grants										
National Government:		636 621	759 743	628 666	595 575	663 763	597 399	1 208 493	1 413 580	1 089 052
Infrastructure Skills Development Grant		–	–	–	500	91	91	500	500	500
Municipal Disaster Relief Grant		4 500	14 280	–	–	–	–	–	–	–
Energy Efficiency and Demand Side Management Grant		1 000	4 000	–	–	–	–	–	–	–
Neighbourhood Development Partnership Grant		25 088	22 168	44 984	38 570	44 320	18 150	18 857	12 000	6 000
Integrated Urban Development Grant		298 170	320 754	280 117	276 854	290 654	290 654	359 793	390 310	368 964
Integrated National Electrification Programme Grant		29 400	17 161	7 544	11 755	11 755	7 641	–	6 542	4 109
Regional Bulk Infrastructure Grant		134 584	238 539	126 013	155 509	155 509	155 509	688 100	869 600	560 800
Water Services Infrastructure Grant		63 124	67 700	96 000	65 000	65 000	65 000	100 022	95 396	99 679
Municipal Disaster Recovery Grant		–	–	4 765	4 765	34 765	34 765	–	–	–
Public Transport Network Grant		80 410	75 141	69 243	42 622	61 669	25 589	41 221	39 232	49 000
Local Government Financial Management Grant		345	–	–	–	–	–	–	–	–
Provincial Government:		–	–	700	–	–	–	–	–	–
Specify (Add grant description)		–	–	700	–	–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		–	–	–	–	–	–	–	–	–
Total Capital Transfers and Grants	5	**636 621**	**759 743**	**629 366**	**595 575**	**663 763**	**597 399**	**1 208 493**	**1 413 580**	**1 089 052**
TOTAL RECEIPTS OF TRANSFERS & GRANTS	5	2 020 366	2 301 844	2 285 390	2 458 490	2 580 375	2 377 752	3 034 349	3 218 138	2 968 747

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

Description	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
EXPENDITURE:	1									
Operating expenditure of Transfers and Grants										
National Government:		**1 393 189**	**1 538 225**	**1 678 154**	**1 810 330**	**1 771 516**	**1 680 151**	**1 778 244**	**1 804 558**	**1 879 695**
Expanded Public Works Programme Integrated Grant		11 570	11 135	6 117	7 466	6 531	3 615	5 254	–	–
Integrated National Electrification Programme Grant		4 189	–	–	–	–	–	5 000	10 000	14 000
Infrastructure Skills Development Grant		6 000	2 759	10 515	7 500	7 909	6 578	17 500	17 500	15 500
Local Government Financial Management Grant		2 055	2 024	2 242	2 400	2 400	1 823	2 500	2 600	2 700
Integrated Urban Development Grant		91 852	115 195	141 373	156 633	142 833	101 077	113 799	79 757	115 712
Regional Bulk Infrastructure Grant		–	–	11 433	–	–	–	–	–	–
Energy Efficiency and Demand Side Management Grant		–	–	–	2 617	3 000	1 518	–	–	–
Public Transport Network Grant		69 463	88 491	98 664	146 784	127 662	84 359	92 952	88 531	78 866
Neighbourhood Development Partnership Grant		–	–	–	5 750	(0)	–	–	–	–
Water Services Infrastructure Grant		11 511	–	–	–	–	–	–	–	–
Equitable Share		1 196 550	1 318 621	1 407 809	1 481 181	1 481 181	1 481 181	1 541 239	1 606 170	1 652 917
Provincial Government:		**–**	**–**	**–**	**47 585**	**134 004**	**46 275**	**47 612**	**–**	**–**
Specify (Add grant description)		–	–	–	47 585	134 004	46 275	47 612	–	–
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Other grant providers:		**–**	**–**	**–**	**5 000**	**11 092**	**–**	**–**	**–**	**–**
Mayor's Charity Fund		–	–	–	5 000	11 092	–	–	–	–
Total operating expenditure of Transfers and Grants:		**1 393 189**	**1 538 225**	**1 678 154**	**1 862 915**	**1 916 612**	**1 726 426**	**1 825 856**	**1 804 558**	**1 879 695**
Capital expenditure of Transfers and Grants										
National Government:		**621 111**	**755 410**	**615 386**	**595 575**	**663 763**	**390 575**	**1 208 493**	**1 413 580**	**1 089 052**
Infrastructure Skills Development Grant		–	592	–	500	91	91	500	500	500
Municipal Disaster Relief Grant		–	12 529	0	–	–	–	–	–	–
Energy Efficiency and Demand Side Management Grant		1 000	3 994	–	–	–	–	–	–	–
Neighbourhood Development Partnership Grant		26 137	22 168	44 842	38 570	44 320	13 813	18 857	12 000	6 000
Integrated Urban Development Grant		294 317	320 754	272 693	276 854	290 654	201 780	359 793	390 310	368 964
Integrated National Electrification Programme Grant		28 344	17 623	7 544	11 755	11 755	8 694	–	6 542	4 109
Regional Bulk Infrastructure Grant		134 584	238 539	114 580	155 509	155 509	95 524	688 100	869 600	560 800
Water Services Infrastructure Grant		51 613	67 700	96 000	65 000	65 000	30 250	100 022	95 396	99 679
Municipal Disaster Recovery Grant		–	–	10 985	4 765	34 765	3 177	–	–	–
Local Government Financial Management Grant		345	376	158	–	–	–	–	–	–
Public Transport Network Grant		84 772	71 135	68 585	42 622	61 669	37 247	41 221	39 232	49 000
Provincial Government:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
District Municipality:		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Other grant providers:		–	–	–	–	–	–	–	–	–
Total capital expenditure of Transfers and Grants		**621 111**	**755 410**	**615 386**	**595 575**	**663 763**	**390 575**	**1 208 493**	**1 413 580**	**1 089 052**
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		**2 014 300**	**2 293 635**	**2 293 540**	**2 458 490**	**2 580 375**	**2 117 001**	**3 034 349**	**3 218 138**	**2 968 747**

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

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Operating transfers and grants:	1,3									
National Government										
Balance unspent at beginning of the year		21 556	12 112	15 943	16 410	(5 932)	(5 932)	(5 932)	(5 932)	(5 932)
Current year receipts		1 383 744	1 542 057	1 656 281	1 810 330	1 771 516	1 771 516	1 778 244	1 804 558	1 879 695
Repayment of grants		–	–	3	–	–	–	–	–	–
Conditions met - transferred to revenue		**1 393 189**	**1 538 225**	**1 678 154**	**1 810 330**	**1 771 516**	**1 771 516**	**1 778 244**	**1 804 558**	**1 879 695**
Conditions still to be met - transferred to liabilities		12 112	15 943	(5 932)	16 410	(5 932)	(5 932)	(5 932)	(5 932)	(5 932)
Provincial Government:										
Balance unspent at beginning of the year		3 617	3 541	3 585	3 541	3 329	3 329	3 329	3 329	3 329
Current year receipts		–	44	(256)	47 585	134 004	134 004	47 612	–	–
Repayment of grants		134	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		**–**	**–**	**–**	**47 585**	**134 004**	**134 004**	**47 612**	**–**	**–**
Conditions still to be met - transferred to liabilities		3 484	3 585	3 329	3 541	3 329	3 329	3 329	3 329	3 329
District Municipality:										
Balance unspent at beginning of the year		18	18	18	18	18	18	18	18	18
Current year receipts		–	–	–	–	–	–	–	–	–
Repayment of grants		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
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	11 092	11 092	–	–	–
Repayment of grants		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		**–**	**–**	**–**	**5 000**	**11 092**	**11 092**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities		–	–	–	0	0	0	–	–	–
Total operating transfers and grants revenue		**1 393 189**	**1 538 225**	**1 678 154**	**1 862 915**	**1 916 612**	**1 916 612**	**1 825 856**	**1 804 558**	**1 879 695**
Total operating transfers and grants - CTBM	2	**15 613**	**19 546**	**(2 585)**	**19 969**	**(2 585)**	**(2 585)**	**(2 585)**	**(2 585)**	**(2 585)**
Capital transfers and grants:	1,3									
National Government										
Balance unspent at beginning of the year		130 590	10 101	(2 811)	5 803	6 105	6 105	6 105	6 105	6 105
Current year receipts		636 621	759 743	628 666	595 575	663 763	663 763	1 208 493	1 413 580	1 089 052
Repayment of grants		135 999	17 245	4 364	–	–	–	–	–	–
Conditions met - transferred to revenue		**621 111**	**755 410**	**615 386**	**595 575**	**663 763**	**663 763**	**1 208 493**	**1 413 580**	**1 089 052**
Conditions still to be met - transferred to liabilities		10 101	(2 811)	6 105	5 803	6 105	6 105	6 105	6 105	6 105
Provincial Government:										
Balance unspent at beginning of the year		–	–	–	–	700	700	700	700	700
Current year receipts		–	–	700	–	–	–	–	–	–
Repayment of grants		–	–	–	–	–	–	–	–	–
Conditions met - transferred to revenue		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Conditions still to be met - transferred to liabilities		–	–	700	–	700	700	700	700	700
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		**621 111**	**755 410**	**615 386**	**595 575**	**663 763**	**663 763**	**1 208 493**	**1 413 580**	**1 089 052**
Total capital transfers and grants - CTBM	2	**10 101**	**(2 811)**	**6 805**	**5 803**	**6 805**	**6 805**	**6 805**	**6 805**	**6 805**
TOTAL TRANSFERS AND GRANTS REVENUE		**2 014 300**	**2 293 635**	**2 293 540**	**2 458 490**	**2 580 375**	**2 580 375**	**3 034 349**	**3 218 138**	**2 968 747**
TOTAL TRANSFERS AND GRANTS - CTBM		**25 714**	**16 736**	**4 220**	**25 772**	**4 220**	**4 220**	**4 220**	**4 220**	**4 220**

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	###	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 Medium Term Revenue & Expenditure Framework		
R thousand		Audited	Audited	Audited	Original Budget	Adjusted	Full Year	Pre-audit	Budget Year	Budget Year +1	Budget Year +2
Monetary Transfers to other municipalities											
District Municipalities	1										
Total Monetary Transfers To Municipalities:		–	–	–	–	–	–	–	–	–	–
Monetary Transfers to Entities/Other External Mechanisms											
Polokwane Housong Association	2	9 191	15 000	16 000	10 000	17 000	17 000	17 000	18 000	18 000	18 000
Total Monetary Transfers To Entities/Ems'		**9 191**	**15 000**	**16 000**	**10 000**	**17 000**	**17 000**	**17 000**	**18 000**	**18 000**	**18 000**
Monetary Transfers to other Organs of State											
Departmental Agencies and Accounts	3										
Provincial Government											
Total Monetary Transfers To Other Organs Of State:		–	–	–	–	–	–	–	–	–	–
Monetary Transfers to Organisations											
Foreign Government and International Organisations											
Higher Educational Institutions											
Non-Profit Institutions											
Private Enterprises		480	480	480	480	480	480	480	480	480	480
Public Corporations											
Total Monetary Transfers To Organisations		**480**	**480**	**480**	**480**	**480**	**480**	**480**	**480**	**480**	**480**
Monetary Transfers to Groups of Individuals											
Taxi Industry Compensation		–	–	–	50 000	49 687	49 687	49 687	24 820	31 025	24 820
Total Monetary Transfers To Groups Of Individuals:		–	–	–	**50 000**	**49 687**	**49 687**	**49 687**	**24 820**	**31 025**	**24 820**
TOTAL Monetary TRANSFERS AND GRANTS	6	**9 671**	**15 480**	**16 480**	**60 480**	**67 167**	**67 167**	**67 167**	**43 300**	**49 505**	**43 300**
In-Kind Transfers to other municipalities											
District Municipalities	1										
Total In-Kind Transfers To Municipalities:		–	–	–	–	–	–	–	–	–	–
In-Kind Transfers to Entities/Other External Mechanisms											
Municipal Entities	2										
Total In-Kind Transfers To Entities/Ems'		–	–	–	–	–	–	–	–	–	–
In-Kind Transfers to other Organs of State											
Departmental Agencies and Accounts	3										
Provincial Government											
Total In-Kind Transfers To Other Organs Of State:		–	–	–	–	–	–	–	–	–	–
In-Kind Grants to Organisations											
Foreign Government and International Organisations	4										
Higher Educational Institutions											
Non-Profit Institutions											
Private Enterprises											
Public Corporations											
Total In-Kind Grants To Organisations		–	–	–	–	–	–	–	–	–	–
Groups of Individuals											
Households	5										
Total In-Kind Grants To Groups Of Individuals:		–	–	–	–	–	–	–	–	–	–
TOTAL In-Kind TRANSFERS AND GRANTS		–	–	–	–	–	–	–	–	–	–
TOTAL TRANSFERS AND GRANTS	6	**9 671**	**15 480**	**16 480**	**60 480**	**67 167**	**67 167**	**67 167**	**43 300**	**49 505**	**43 300**

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	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
		A	B	C	D	E	F	G	H	I
Councillors (Political Office Bearers plus Other)										
Allowances and Service Related Benefits										
Basic Salary		26 581	27 888	56 034	41 617	43 644	43 644	45 756	47 723	49 728
Cell phone Allowance		3 821	4 246	4 049	3 845	4 041	4 041	4 231	4 413	4 598
Housing Allowance		–	–	–	–	–	–	–	–	–
In-kind Benefits		667	357	341	342	341	341	357	372	388
Market Related Non-pensionable Allowance		–	–	–	–	–	–	–	–	–
Motor Vehicle Allowance		6 278	7 179	15 065	14 171	12 513	12 513	13 101	13 664	14 238
Office-bearer Allowance		–	–	–	–	–	–	–	–	–
Out of pocket Expenses		–	–	–	–	–	–	–	–	–
Travelling Allowance		1	0	–	–	–	–	–	–	–
Use of Personal Facilities		–	–	–	–	–	–	–	–	–
Total Allowances and Service Related Benefits		**37 348**	**39 670**	**75 487**	**59 975**	**60 539**	**60 539**	**63 444**	**66 172**	**68 951**
Social Contributions										
Medial Aid Benefits		321	333	428	562	496	496	520	542	565
Pension Fund Contributions		3 714	3 874	7 796	5 941	6 138	6 138	6 426	6 702	6 984
Total Social Contributions		**4 035**	**4 207**	**8 224**	**6 504**	**6 634**	**6 634**	**6 946**	**7 244**	**7 549**
Total Councillors		**41 384**	**43 877**	**83 711**	**66 479**	**67 173**	**67 173**	**70 390**	**73 417**	**76 500**
% increase	4		**6.0%**	**90.8%**	**(20.6%)**	**1.0%**	**–**	**4.8%**	**4.3%**	**4.2%**
Senior Managers of the Municipality	2									
Salaries and Allowances										
Basic Salary		7 696	8 500	10 967	15 082	14 198	14 198	16 754	17 475	18 209
Bonuses		–	–	–	–	–	–	–	–	–
Allowance										
Accommodation, Travel and Incidental		–	–	–	–	–	–	–	–	–
Cellular and Telephone	3	–	–	–	–	–	–	–	–	–
Housing Benefits	3	1 623	1 025	1 261	1 503	1 318	1 318	1 556	1 622	1 691
Non-pensionable		297	136	2	5	3	3	3	4	4
Travel or Motor Vehicle	3	1 611	1 935	2 573	3 939	3 377	3 377	3 984	4 156	4 330
Voluntary Work		–	–	–	–	–	–	–	–	–
Total Allowance		**3 532**	**3 096**	**3 837**	**5 448**	**4 698**	**4 698**	**5 543**	**5 782**	**6 024**
Service Related Benefits										
Acting	3	91	163	38	163	45	45	54	56	58
Bonus	3	–	–	–	–	–	–	–	–	–
Danger Allowance	3	–	–	–	–	–	–	–	–	–
Entertainment	3	–	–	–	–	–	–	–	–	–
Fire Brigade		–	–	–	–	–	–	–	–	–
In-kind Benefits	3	–	–	–	–	–	–	–	–	–
Leave Pay	3	1 131	289	298	–	–	–	–	–	–
Lifeguard/Duty Squads		–	–	–	–	–	–	–	–	–
Long Service Award		–	–	–	–	–	–	–	–	–
Overtime		–	–	–	–	–	–	–	–	–
Scarcity	3	–	–	–	–	–	–	–	–	–
Standby Allowance	3	–	–	–	–	–	–	–	–	–
Tools Allowance	3	–	–	–	–	–	–	–	–	–
Uniform/Special/Protective Clothing	3	–	–	–	–	–	–	–	–	–
Leave gratuity		–	–	–	–	–	–	–	–	–
Long Term Service Award		–	–	–	–	–	–	–	–	–
Total Service Related Benefits		**1 222**	**451**	**336**	**163**	**45**	**45**	**54**	**56**	**58**
Total Salaries and Allowances		**12 450**	**12 047**	**15 139**	**20 693**	**18 941**	**18 941**	**22 351**	**23 312**	**24 291**
Social Contributions										
Bargaining Council		–	–	–	0	0	0	0	1	1
Group Life Insurance		–	–	–	–	–	–	–	–	–
Medical		139	247	375	784	668	668	788	822	857
Pension		1 003	1 466	1 925	2 889	2 972	2 972	3 507	3 658	3 812
Unemployment Insurance		14	14	18	29	29	29	34	36	37
Total Social Contributions		**1 156**	**1 727**	**2 318**	**3 702**	**3 670**	**3 670**	**4 330**	**4 517**	**4 706**
Post-retirement Benefit	6									
Medical		–	–	–	–	–	–	–	–	–
Other Benefits		–	–	–	–	–	–	–	–	–
Pension		–	–	–	–	–	–	–	–	–
Total Post-retirement Benefit		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Costs Capitalised to PPE		–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Municipality		**13 605**	**13 774**	**17 457**	**24 396**	**22 611**	**22 611**	**26 681**	**27 829**	**28 998**
% increase	4		**1.2%**	**26.7%**	**39.7%**	**(7.3%)**	**–**	**18.0%**	**4.3%**	**4.2%**
Other Municipal Staff										
Salaries and Allowances										
Basic Salary		561 290	585 142	623 604	804 719	680 716	680 716	807 323	841 849	877 508
Bonuses		–	–	–	21 275	100	100	23 128	24 123	25 136
Allowance										
Accommodation, Travel and Incidental		–	–	–	–	–	–	–	–	–
Cellular and Telephone	3	96	33	33	152	152	152	179	187	194
Housing Benefits	3	6 363	5 971	5 718	10 275	10 355	10 355	12 303	12 832	13 371
Non-pensionable		–	–	–	–	–	–	–	–	–

Travel or Motor Vehicle	3	58 645	59 181	69 006	80 631	74 463	74 463	87 674	91 444	95 284
Voluntary Work		–	–	–	–	–	–	–	–	–
Total Allowance		**65 104**	**65 185**	**74 756**	**91 058**	**84 970**	**84 970**	**100 156**	**104 463**	**108 850**
Service Related Benefits										
Acting	3	5 477	7 488	6 047	10 390	11 046	11 046	13 219	13 787	14 366
Bonus	3	45 606	48 030	51 496	70 212	70 311	70 311	82 823	86 384	90 012
Danger Allowance	3	–	–	–	–	1 923	1 923	2 269	2 366	2 465
Entertainment	3	–	–	–	–	–	–	–	–	–
Fire Brigade		13 516	14 356	8 151	8 766	8 766	8 766	10 344	10 789	11 242
In-kind Benefits	3	–	–	–	–	–	–	–	–	–
Leave Pay	3	22 738	41 711	33 097	35 144	40 793	40 793	47 578	49 624	51 708
Lifeguard/Duty Squads		–	–	–	–	–	–	–	–	–
Long Service Award		–	–	–	22 893	20 783	20 783	24 525	25 579	26 653
Overtime		120 437	106 554	68 124	41 256	53 191	53 191	47 391	49 427	51 502
Scarcity	3	–	–	–	–	–	–	–	–	–
Standby Allowance	3	13 550	12 314	10 073	15 965	15 565	15 565	18 367	19 157	19 962
Tools Allowance	3	199	207	198	366	366	366	432	450	469
Uniform/Special/Protective Clothing	3	–	–	80	69	84	84	99	103	107
Leave gratuity		–	–	–	–	–	–	–	–	–
Long Term Service Award		–	–	–	–	–	–	–	–	–
Total Service Related Benefits		**221 523**	**230 660**	**177 267**	**205 061**	**222 828**	**222 828**	**247 046**	**257 667**	**268 487**
Total Salaries and Allowances		**847 917**	**880 987**	**875 627**	**1 122 114**	**988 614**	**988 614**	**1 177 653**	**1 228 101**	**1 279 981**
Social Contributions										
Bargaining Council		250	259	280	742	747	747	881	919	958
Group Life Insurance		–	–	–	3 761	3 761	3 761	4 430	4 621	4 815
Medical		45 069	49 335	52 788	58 908	57 135	57 135	67 965	70 887	73 865
Pension		108 229	113 796	121 038	152 549	142 155	142 155	168 373	175 613	182 989
Unemployment Insurance		4 632	4 783	4 824	5 309	5 319	5 319	6 245	6 521	6 797
Total Social Contributions		**158 179**	**168 173**	**178 929**	**221 270**	**209 117**	**209 117**	**247 894**	**258 561**	**269 423**
Post-retirement Benefit	6									
Medical		32 363	37 257	39 156	6 857	9 513	9 513	11 225	11 708	12 199
Other Benefits		–	–	–	–	–	–	–	–	–
Pension		14 666	14 344	14 717	–	–	–	–	–	–
Total Post-retirement Benefit		**47 029**	**51 601**	**53 873**	**6 857**	**9 513**	**9 513**	**11 225**	**11 708**	**12 199**
Costs Capitalised to PPE		–	–	(30 921)	–	–	–	–	–	–
Sub Total - Other Municipal Staff		**1 053 125**	**1 100 761**	**1 077 508**	**1 350 241**	**1 207 244**	**1 207 244**	**1 436 771**	**1 498 370**	**1 561 603**
% increase	4		**4.5%**	**(2.1%)**	**25.3%**	**(10.6%)**	–	**19.0%**	**4.3%**	**4.2%**
Total Parent Municipality		**1 108 114**	**1 158 413**	**1 176 676**	**1 441 116**	**1 297 028**	**1 297 028**	**1 533 843**	**1 599 616**	**1 667 101**
Board Members of Entities										
Salaries and Allowances										
Basic Salary		–	–	–	–	–	–	–	–	–
Bonuses		–	–	–	–	–	–	–	–	–
Allowance										
Accommodation, Travel and Incidental		–	–	–	–	–	–	–	–	–
Cellular and Telephone	3	–	–	–	–	–	–	–	–	–
Housing Benefits	3	–	–	–	–	–	–	–	–	–
Non-pensionable		–	–	–	–	–	–	–	–	–
Travel or Motor Vehicle	3	–	–	–	–	–	–	–	–	–
Voluntary Work		–	–	–	–	–	–	–	–	–
Total Allowance		-	-	-	-	-	-	-	-	-
Service Related Benefits										
Acting	3	–	–	–	–	–	–	–	–	–
Bonus	3	–	–	–	–	–	–	–	–	–
Danger Allowance	3	–	–	–	–	–	–	–	–	–
Entertainment	3	–	–	–	–	–	–	–	–	–
Fire Brigade		–	–	–	–	–	–	–	–	–
In-kind Benefits	3	–	–	–	–	–	–	–	–	–
Leave Pay	3	–	–	–	–	–	–	–	–	–
Lifeguard/Duty Squads		–	–	–	–	–	–	–	–	–
Long Service Award		–	–	–	–	–	–	–	–	–
Overtime		–	–	–	–	–	–	–	–	–
Scarcity	3	–	–	–	–	–	–	–	–	–
Standby Allowance	3	–	–	–	–	–	–	–	–	–
Tools Allowance	3	–	–	–	–	–	–	–	–	–
Uniform/Special/Protective Clothing	3	–	–	–	–	–	–	–	–	–
Leave gratuity		–	–	–	–	–	–	–	–	–
Long Term Service Award		–	–	–	–	–	–	–	–	–
Total Service Related Benefits		-	-	-	-	-	-	-	-	-
Total Salaries and Allowances		-	-	-	-	-	-	-	-	-
Social Contributions										
Bargaining Council		–	–	–	–	–	–	–	–	–
Group Life Insurance		–	–	–	–	–	–	–	–	–
Medical		–	–	–	–	–	–	–	–	–
Pension		–	–	–	–	–	–	–	–	–
Unemployment Insurance		–	–	–	–	–	–	–	–	–
Total Social Contributions		-	-	-	-	-	-	-	-	-
Post-retirement Benefit	6									
Medical		–	–	–	–	–	–	–	–	–
Other Benefits		–	–	–	–	–	–	–	–	–
Pension		–	–	–	–	–	–	–	–	–
Total Post-retirement Benefit		-	-	-	-	-	-	-	-	-
Costs Capitalised to PPE		–	–	–	–	–	–	–	–	–
Sub Total - Board Members of Entities		-	-	-	-	-	-	-	-	-
% increase	4		–	–	–	–	–	–	–	–
Senior Managers of Entities										
Salaries and Allowances										
Basic Salary		–	–	–	–	–	–	–	–	–
Bonuses		–	–	–	–	–	–	–	–	–
Allowance										
Accommodation, Travel and Incidental		–	–	–	–	–	–	–	–	–
Cellular and Telephone	3	–	–	–	–	–	–	–	–	–
Housing Benefits	3	–	–	–	–	–	–	–	–	–
Non-pensionable		–	–	–	–	–	–	–	–	–
Travel or Motor Vehicle	3	–	–	–	–	–	–	–	–	–
Voluntary Work		–	–	–	–	–	–	–	–	–
Total Allowance		-	-	-	-	-	-	-	-	-
Service Related Benefits										
Acting	3	–	–	–	–	–	–	–	–	–
Bonus	3	–	–	–	–	–	–	–	–	–
Danger Allowance	3	–	–	–	–	–	–	–	–	–
Entertainment	3	–	–	–	–	–	–	–	–	–
Fire Brigade		–	–	–	–	–	–	–	–	–
In-kind Benefits	3	–	–	–	–	–	–	–	–	–
Leave Pay	3	–	–	–	–	–	–	–	–	–
Lifeguard/Duty Squads		–	–	–	–	–	–	–	–	–
Long Service Award		–	–	–	–	–	–	–	–	–
Overtime		–	–	–	–	–	–	–	–	–
Scarcity	3	–	–	–	–	–	–	–	–	–
Standby Allowance	3	–	–	–	–	–	–	–	–	–
Tools Allowance	3	–	–	–	–	–	–	–	–	–
Uniform/Special/Protective Clothing	3	–	–	–	–	–	–	–	–	–
Leave gratuity		–	–	–	–	–	–	–	–	–
Long Term Service Award		–	–	–	–	–	–	–	–	–
Total Service Related Benefits		-	-	-	-	-	-	-	-	-
Total Salaries and Allowances		-	-	-	-	-	-	-	-	-
Social Contributions										
Bargaining Council		–	–	–	–	–	–	–	–	–

Group Life Insurance		–	–	–	–	–	–	–	–	–
Medical		–	–	–	–	–	–	–	–	–
Pension		–	–	–	–	–	–	–	–	–
Unemployment Insurance		–	–	–	–	–	–	–	–	–
Total Social Contributions		-	-	-	-	-	-	-	-	-
Post-retirement Benefit	6									
Medical		–	–	–	–	–	–	–	–	–
Other Benefits		–	–	–	–	–	–	–	–	–
Pension		–	–	–	–	–	–	–	–	–
Total Post-retirement Benefit		-	-	-	-	-	-	-	-	-
Costs Capitalised to PPE		–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Entities		-	-	-	-	-	-	-	-	-
% increase	4		–	–	–	–	–	–	–	–
Other Staff of Entities										
Salaries and Allowances										
Basic Salary		–	–	–	–	–	–	–	–	–
Bonuses		–	–	–	–	–	–	–	–	–
Allowance										
Accommodation, Travel and Incidental		–	–	–	–	–	–	–	–	–
Cellular and Telephone	3	–	–	–	–	–	–	–	–	–
Housing Benefits	3	–	–	–	–	–	–	–	–	–
Non-pensionable		–	–	–	–	–	–	–	–	–
Travel or Motor Vehicle	3	–	–	–	–	–	–	–	–	–
Voluntary Work		–	–	–	–	–	–	–	–	–
Total Allowance		-	-	-	-	-	-	-	-	-
Service Related Benefits										
Acting	3	–	–	–	–	–	–	–	–	–
Bonus	3	–	–	–	–	–	–	–	–	–
Danger Allowance	3	–	–	–	–	–	–	–	–	–
Entertainment	3	–	–	–	–	–	–	–	–	–
Fire Brigade		–	–	–	–	–	–	–	–	–
In-kind Benefits	3	–	–	–	–	–	–	–	–	–
Leave Pay	3	–	–	–	–	–	–	–	–	–
Lifeguard/Duty Squads		–	–	–	–	–	–	–	–	–
Long Service Award		–	–	–	–	–	–	–	–	–
Overtime		–	–	–	–	–	–	–	–	–
Scarcity	3	–	–	–	–	–	–	–	–	–
Standby Allowance	3	–	–	–	–	–	–	–	–	–
Tools Allowance	3	–	–	–	–	–	–	–	–	–
Uniform/Special/Protective Clothing	3	–	–	–	–	–	–	–	–	–
Leave gratuity		–	–	–	–	–	–	–	–	–
Long Term Service Award		–	–	–	–	–	–	–	–	–
Total Service Related Benefits		-	-	-	-	-	-	-	-	-
Total Salaries and Allowances		-	-	-	-	-	-	-	-	-
Social Contributions										
Bargaining Council		–	–	–	–	–	–	–	–	–
Group Life Insurance		–	–	–	–	–	–	–	–	–
Medical		–	–	–	–	–	–	–	–	–
Pension		–	–	–	–	–	–	–	–	–
Unemployment Insurance		–	–	–	–	–	–	–	–	–
Total Social Contributions		-	-	-	-	-	-	-	-	-
Post-retirement Benefit	6									
Medical		–	–	–	–	–	–	–	–	–
Other Benefits		–	–	–	–	–	–	–	–	–
Pension		–	–	–	–	–	–	–	–	–
Total Post-retirement Benefit		-	-	-	-	-	-	-	-	-
Costs Capitalised to PPE		–	–	–	–	–	–	–	–	–
Sub Total - Other Staff of Entities		-	-	-	-	-	-	-	-	-
% increase	4		–	–	–	–	–	–	–	–
Total Municipal Entities		-	-	-	-	-	-	-	-	-
TOTAL SALARY, ALLOWANCES & BENEFITS		**1 108 114**	**1 158 413**	**1 178 676**	**1 441 116**	**1 297 028**	**1 297 028**	**1 533 843**	**1 599 616**	**1 667 101**
% increase	4		**4.5%**	**1.7%**	**22.3%**	**(10.0%)**	**–**	**18.3%**	**4.3%**	**4.2%**
TOTAL MANAGERS AND STAFF	5,7	**1 066 730**	**1 114 536**	**1 094 965**	**1 374 637**	**1 229 855**	**1 229 855**	**1 463 453**	**1 526 199**	**1 590 601**

References

"TOTAL MANAGERS AND STAFF" must agree to the line on Table A4 "Employee related costs"

"Sub Total - Councillors" must agree to the line on Table A4 "Remuneration of councillors"

References

1. Include 'Loans and advances' where applicable if any reportable amounts until phased compliance with s164 of MFMA achieved
2. s57 of the Systems Act
3. In kind benefits (e.g. provision of living quarters) must be shown as the cost (full market value) to the municipality, as part of the relevant allowance
4. B/A, C/B, D/C, E/C, F/C, G/D, H/D, I/D
5. Must agree to the sub-total appearing on Table A1 (Employee costs)
6. Includes pension payments and employer contributions to medical aid
7. Correct as at 30 June

Column Definitions:

A, B and C. Audited actual as per the audited financial statements. If audited amounts are unavailable, unaudited amounts must be provided with a note stating these are unaudited

D. The original budget approved by council for the budget year.

E. The budget for the budget year as adjusted by council resolution in terms of section 28 of the MFMA.

F. An estimate of final actual amounts (pre audit) for the current year at the point in time of preparing the budget for the budget year. This may differ from E.

G. The amount to be appropriated for the budget year.

H and I. The indicative projection

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

Disclosure of Salaries, Allowances & Benefits 1. Rand per annum	###	No.	Salary 1.	Contributions	Allowances	Performance Bonuses	In-kind benefits	Total Package 2.
Councillors	3							
Speaker	4		910 641	136 596	398 292	–	–	1 445 529
Chief Whip			857 813	128 672	378 042	–	–	1 364 528
Executive Mayor			1 427 977	300 961	49 213	–	–	1 778 151
Deputy Executive Mayor			–	–	–	–	–	–
Executive Committee			4 688 838	736 060	1 714 353	–	–	7 139 251
Total for all other councillors			36 625 233	5 396 950	14 552 749	–	–	56 574 932
Section 79 Committee Chairperson			1 245 262	246 473	595 672	–	–	2 087 407
Total Councillors	8	–	**44 510 502**	**6 699 238**	**17 092 650**			**68 302 391**
Senior Managers of the Municipality	5							
Municipal Manager (MM)			2 049 332	398 003	682 952	–	–	3 130 287
Chief Finance Officer			1 434 533	396 735	602 705	–	132	2 434 105
DIRECTOR CHIEF OPERATIONS OFFICE			454 187	151 489	281 791	–	–	887 467
DIRECTOR COMMUNITY SERVICES			1 639 466	429 529	468 819	–	14 626	2 552 440
DIRECTOR CORPORATE AND SHARED SERVICES			1 639 471	249 858	454 095	–	–	2 343 423
DIRECTOR ENERGY SERVICES			454 187	151 987	138 441	–	–	744 615
DIRECTOR PLANNING AND ECONOMIC DEVELOPMENT			1 639 466	401 076	521 541	–	–	2 562 083
DIRECTOR PUBLIC SAFETY			454 187	151 489	138 731	–	–	744 408
DEPUTY CHIEF FINANCIAL OFFICER			1 639 466	396 735	468 747	–	–	2 504 947
DIRECTOR WATER AND SANITATION			990 661	380 641	297 595	–	–	1 668 896
DIRECTOR HUMAN SETTLEMENTS			1 639 466	424 439	470 773	–	–	2 534 678
DIRECTOR TRANSPORT SERVICES			1 639 466	429 529	498 512	–	–	2 567 508
DIRECTOR ROADS SERVICES			1 080 323	368 960	518 517	–	38 769	2 006 568
			–	–	–	–	–	–
			–	–	–	–	–	–
			–	–	–	–	–	–

			–	–	–	–	–	–
			–	–	–	–	–	–
			–	–	–	–	–	–
			–	–	–	–	–	–
			–	–	–	–	–	–
			–	–	–	–	–	–
			–	–	–	–	–	
			–	–	–	–	–	–
			–	–	–	–	–	–
Total for municipal entities	8,10	**–**	**–**	**–**	**–**	**–**		**–**
TOTAL COST OF COUNCILLOR, DIRECTOR and EXECUTIVE REMUNERATION	10	**–**	**61 264 712**	**11 029 709**	**22 635 868**	**–**		**94 983 816**

References

1. Pension and medical aid

2. Total package must equal the total cost to the municipality

3. List each political office bearer by designation. Provide a total for all other councillors

4. Political office bearer is defined in MFMA s 1: speaker, executive mayor, deputy executive mayor, member of executive committee, mayor, deputy mayor, member of mayoral committee, the councillor designated to exercise powers and duties of mayor (MSA s 57)

5. Also list each senior manager reporting to MM by designation and each official with package >= senior manager by designation

6. List each entity where municipality has an interest and state percentage ownership and control

7. List each senior manager reporting to the CEO of an Entity by designation

8. Must reconcile to relevant section of Table SA24

9. Must reconcile to totals shown for the budget year of Table SA22

10. Correct as at 30 June

LIM354 Polokwane - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	####	2024/25			Current Year 2025/26			Budget Year 2026/27		
Number	1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		90	–	90	90	–	90	90	–	90
Board Members of municipal entities	4	–	–	–	–	–	–	–	–	–
Municipal employees	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		–	–	–	–	–	–	–	–	–
TOTAL PERSONNEL NUMBERS	9	**1 126**	**788**	**96**	**1 127**	**771**	**96**	**1 126**	**822**	**104**
% increase					0.1%	(2.2%)	–	(0.1%)	6.6%	8.3%
Total municipal employees headcount	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 fo persons, Not FTE) of managers and staff only (exclude councillors)

7. Managers who provide the direction of a critical technical function

8. Total number of employees working on these functions

LIM354 Polokwane - Supporting Table SA25 Budgeted monthly revenue and expenditure

Description	###	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year	Budget Year +1	Budget Year +2
Revenue																
Exchange Revenue																
Service charges - Electricity		206 908	206 908	206 908	206 908	206 908	206 908	206 908	206 908	206 908	206 908	206 908	206 908	2 482 891	2 702 037	2 947 315
Service charges - Water		35 298	35 298	35 298	35 298	35 298	35 298	35 298	35 298	35 298	35 298	35 298	35 298	423 579	458 668	497 848
Service charges - Waste Water Management		14 530	14 530	14 530	14 530	14 530	14 530	14 530	14 530	14 530	14 530	14 530	14 530	174 366	182 561	191 597
Service charges - Waste Management		15 129	15 129	15 129	15 129	15 129	15 129	15 129	15 129	15 129	15 129	15 129	15 129	181 544	190 076	199 485
Sale of Goods and Rendering of Services		2 219	2 219	2 219	2 219	2 219	2 219	2 219	2 219	2 219	2 219	2 219	2 219	26 626	27 877	29 257
Agency services		3 386	3 386	3 386	3 386	3 386	3 386	3 386	3 386	3 386	3 386	3 386	3 386	40 628	42 537	44 643
Interest		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest earned from Receivables		8 684	8 684	8 684	8 684	8 684	8 684	8 684	8 684	8 684	8 684	8 684	8 684	104 205	109 103	114 504
Interest earned from Current and Non Current Assets		6 018	6 018	6 018	6 018	6 018	6 018	6 018	6 018	6 018	6 018	6 018	6 018	72 214	75 608	79 350
Dividends		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rent on Land		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets		3 617	3 617	3 617	3 617	3 617	3 617	3 617	3 617	3 617	3 617	3 617	3 617	43 404	45 444	47 694
Licence and permits		1 410	1 410	1 410	1 410	1 410	1 410	1 410	1 410	1 410	1 410	1 410	1 410	16 923	17 718	18 596
Special rating levies		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Construction Contract Revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Development Charges		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational Revenue		2 247	2 247	2 247	2 247	2 247	2 247	2 247	2 247	2 247	2 247	2 247	2 247	26 967	28 234	29 632
Non-Exchange Revenue																
Property rates		61 232	61 232	61 232	61 232	61 232	61 232	61 232	61 232	61 232	61 232	61 232	61 232	734 789	769 324	807 406
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		4 081	4 081	4 081	4 081	4 081	4 081	4 081	4 081	4 081	4 081	4 081	4 081	48 970	51 272	53 810
Licences or permits		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfer and subsidies - Operational		152 155	152 155	152 155	152 155	152 155	152 155	152 155	152 155	152 155	152 155	152 155	152 155	1 825 856	1 804 558	1 879 695
Interest		5 022	5 022	5 022	5 022	5 022	5 022	5 022	5 022	5 022	5 022	5 022	5 022	60 270	63 103	66 226
Fuel Levy		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Gains on disposal of Fixed and Intangible Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Gains		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		**521 936**	**521 936**	**521 936**	**521 936**	**521 936**	**521 936**	**521 936**	**521 936**	**521 936**	**521 936**	**521 936**	**521 936**	**6 263 231**	**6 568 121**	**7 007 058**
Expenditure																
Employee related costs		121 954	121 954	121 954	121 954	121 954	121 954	121 954	121 954	121 954	121 954	121 954	121 954	1 463 453	1 526 199	1 590 601
Remuneration of councillors		5 866	5 866	5 866	5 866	5 866	5 866	5 866	5 866	5 866	5 866	5 866	5 866	70 390	73 417	76 500
Bulk purchases - electricity		133 013	133 013	133 013	133 013	133 013	133 013	133 013	133 013	133 013	133 013	133 013	133 013	1 596 152	1 664 787	1 734 708
Inventory consumed		31 234	31 234	31 234	31 234	31 234	31 234	31 234	31 234	31 234	31 234	31 234	31 234	374 807	390 924	407 344
Debt impairment		13 094	13 094	13 094	13 094	13 094	13 094	13 094	13 094	13 094	13 094	13 094	13 094	157 125	163 881	170 764
Depreciation, amortisation and impairment		38 208	38 208	38 208	38 208	38 208	38 208	38 208	38 208	38 208	38 208	38 208	38 208	458 494	478 209	498 294
Interest, Dividends and Rent on Land		3 588	3 588	3 588	3 588	3 588	3 588	3 588	3 588	3 588	3 588	3 588	3 588	43 057	39 969	36 183
Contracted services		113 166	113 166	113 166	113 166	113 166	113 166	113 166	113 166	113 166	113 166	113 166	113 166	1 357 990	1 178 088	1 362 597
Transfers and subsidies		3 608	3 608	3 608	3 608	3 608	3 608	3 608	3 608	3 608	3 608	3 608	3 608	43 300	49 505	43 300
Irrecoverable debts written off		2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	2 500	30 000	31 290	32 604
Operational costs		37 383	37 383	37 383	37 383	37 383	37 383	37 383	37 383	37 383	37 383	37 383	37 383	448 593	464 140	478 956
Disposal of Fixed and Intangible Assets		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other Losses		8 725	8 725	8 725	8 725	8 725	8 725	8 725	8 725	8 725	8 725	8 725	8 725	104 700	109 202	113 789
Total Expenditure		**512 338**	**512 338**	**512 338**	**512 338**	**512 338**	**512 338**	**512 338**	**512 338**	**512 338**	**512 338**	**512 338**	**512 338**	**6 148 061**	**6 169 611**	**6 545 640**
Surplus/(Deficit)		**9 598**	**9 598**	**9 598**	**9 598**	**9 598**	**9 598**	**9 598**	**9 598**	**9 598**	**9 598**	**9 598**	**9 598**	**115 171**	**398 510**	**461 418**
Transfers and subsidies - capital (monetary allocations)		100 708	100 708	100 708	100 708	100 708	100 708	100 708	100 708	100 708	100 708	100 708	100 708	1 208 493	1 413 580	1 089 052
Transfers and subsidies - capital (in-kind)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**110 305**	**110 305**	**110 305**	**110 305**	**110 305**	**110 305**	**110 305**	**110 305**	**110 305**	**110 305**	**110 305**	**110 305**	**1 323 664**	**1 812 090**	**1 550 470**
Income Tax		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax		**110 305**	**110 305**	**110 305**	**110 305**	**110 305**	**110 305**	**110 305**	**110 305**	**110 305**	**110 305**	**110 305**	**110 305**	**1 323 664**	**1 812 090**	**1 550 470**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		**110 305**	**110 305**	**110 305**	**110 305**	**110 305**	**110 305**	**110 305**	**110 305**	**110 305**	**110 305**	**110 305**	**110 305**	**1 323 664**	**1 812 090**	**1 550 470**
Share of Surplus/Deficit attributable to Associate		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	1	**110 305**	**110 305**	**110 305**	**110 305**	**110 305**	**110 305**	**110 305**	**110 305**	**110 305**	**110 305**	**110 305**	**110 305**	**1 323 664**	**1 812 090**	**1 550 470**

References

1. Surplus (Deficit) must reconcile with Budgeted Financial Performance

-0 *0* *0*

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

Description	###	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue by Vote																
Vote 1 - Chief operations office		2 087	2 087	2 087	2 087	2 087	2 087	2 087	2 087	2 087	2 087	2 087	2 087	25 044	28 229	24 238
Vote 2 - Municipal managers office		0	0	0	0	0	0	0	0	0	0	0	0	2	2	2
Vote 3 - Water and sanitation		56 446	56 446	56 446	56 446	56 446	56 446	56 446	56 446	56 446	56 446	56 446	56 446	677 351	713 709	754 651
Vote 4 - Energy services		211 489	211 489	211 489	211 489	211 489	211 489	211 489	211 489	211 489	211 489	211 489	211 489	2 537 868	2 764 510	3 016 425
Vote 5 - Community Services		16 688	16 688	16 688	16 688	16 688	16 688	16 688	16 688	16 688	16 688	16 688	16 688	200 261	208 077	218 397
Vote 6 - Public safety		5 027	5 027	5 027	5 027	5 027	5 027	5 027	5 027	5 027	5 027	5 027	5 027	60 321	61 592	64 640
Vote 7 - Corporate and Shared Services		2 242	2 242	2 242	2 242	2 242	2 242	2 242	2 242	2 242	2 242	2 242	2 242	26 905	26 488	24 631
Vote 8 - Planning and Economic Development		2 434	2 434	2 434	2 434	2 434	2 434	2 434	2 434	2 434	2 434	2 434	2 434	29 207	31 055	32 792
Vote 9 - Budget and Treasury office		203 392	203 392	203 392	203 392	203 392	203 392	203 392	203 392	203 392	203 392	203 392	203 392	2 440 706	2 547 894	2 641 228
Vote 10 - Transport Operations		8 451	8 451	8 451	8 451	8 451	8 451	8 451	8 451	8 451	8 451	8 451	8 451	101 418	97 395	88 169
Vote 11 - Human Settlement		5 703	5 703	5 703	5 703	5 703	5 703	5 703	5 703	5 703	5 703	5 703	5 703	68 435	21 802	22 881
Vote 12 - Roads and stormwater		7 976	7 976	7 976	7 976	7 976	7 976	7 976	7 976	7 976	7 976	7 976	7 976	95 715	67 370	119 003
Vote 13 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Revenue by Vote		**521 936**	**521 936**	**521 936**	**521 936**	**521 936**	**521 936**	**521 936**	**521 936**	**521 936**	**521 936**	**521 936**	**521 936**	**6 263 231**	**6 568 121**	**7 007 058**
Expenditure by Vote to be appropriated																
Vote 1 - Chief operations office		16 848	16 848	16 848	16 848	16 848	16 848	16 848	16 848	16 848	16 848	16 848	16 848	202 177	203 235	216 851
Vote 2 - Municipal managers office		13 493	13 493	13 493	13 493	13 493	13 493	13 493	13 493	13 493	13 493	13 493	13 493	161 910	166 744	174 361
Vote 3 - Water and sanitation		78 645	78 645	78 645	78 645	78 645	78 645	78 645	78 645	78 645	78 645	78 645	78 645	943 741	954 363	1 000 246
Vote 4 - Energy services		158 012	158 012	158 012	158 012	158 012	158 012	158 012	158 012	158 012	158 012	158 012	158 012	1 896 141	1 979 307	2 068 385
Vote 5 - Community Services		51 890	51 890	51 890	51 890	51 890	51 890	51 890	51 890	51 890	51 890	51 890	51 890	622 682	631 811	673 916
Vote 6 - Public safety		44 910	44 910	44 910	44 910	44 910	44 910	44 910	44 910	44 910	44 910	44 910	44 910	538 920	544 109	584 078
Vote 7 - Corporate and Shared Services		35 194	35 194	35 194	35 194	35 194	35 194	35 194	35 194	35 194	35 194	35 194	35 194	422 330	407 450	435 884
Vote 8 - Planning and Economic Development		10 209	10 209	10 209	10 209	10 209	10 209	10 209	10 209	10 209	10 209	10 209	10 209	122 503	127 561	133 853
Vote 9 - Budget and Treasury office		53 450	53 450	53 450	53 450	53 450	53 450	53 450	53 450	53 450	53 450	53 450	53 450	641 403	630 263	670 821
Vote 10 - Transport Operations		14 858	14 858	14 858	14 858	14 858	14 858	14 858	14 858	14 858	14 858	14 858	14 858	178 300	173 946	174 057
Vote 11 - Human Settlement		5 688	5 688	5 688	5 688	5 688	5 688	5 688	5 688	5 688	5 688	5 688	5 688	68 259	21 448	22 439
Vote 12 - Roads and stormwater		29 141	29 141	29 141	29 141	29 141	29 141	29 141	29 141	29 141	29 141	29 141	29 141	349 694	329 374	390 748
Vote 13 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Expenditure by Vote		**512 338**	**512 338**	**512 338**	**512 338**	**512 338**	**512 338**	**512 338**	**512 338**	**512 338**	**512 338**	**512 338**	**512 338**	**6 148 061**	**6 169 611**	**6 545 640**
Surplus/(Deficit) before assoc.		**9 598**	**9 598**	**9 598**	**9 598**	**9 598**	**9 598**	**9 598**	**9 598**	**9 598**	**9 598**	**9 598**	**9 598**	**115 171**	**398 510**	**461 418**
Income Tax		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	1	**9 598**	**9 598**	**9 598**	**9 598**	**9 598**	**9 598**	**9 598**	**9 598**	**9 598**	**9 598**	**9 598**	**9 598**	**115 171**	**398 510**	**461 418**

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

Description	####	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue - Functional																
Governance and administration		**205 673**	**205 673**	**205 673**	**205 673**	**205 673**	**205 673**	**205 673**	**205 673**	**205 673**	**205 673**	**205 673**	**205 673**	**2 468 073**	**2 574 866**	**2 666 366**
Executive and council		0	0	0	0	0	0	0	0	0	0	0	0	**2**	**2**	**2**
Finance and administration		205 673	205 673	205 673	205 673	205 673	205 673	205 673	205 673	205 673	205 673	205 673	205 673	**2 468 070**	**2 574 864**	**2 666 364**
Internal audit		0	0	0	0	0	0	0	0	0	0	0	0	**0**	**0**	**0**
Community and public safety		**6 384**	**6 384**	**6 384**	**6 384**	**6 384**	**6 384**	**6 384**	**6 384**	**6 384**	**6 384**	**6 384**	**6 384**	**76 610**	**28 978**	**30 413**
Community and social services		265	265	265	265	265	265	265	265	265	265	265	265	**3 180**	**2 702**	**2 835**
Sport and recreation		321	321	321	321	321	321	321	321	321	321	321	321	**3 856**	**4 038**	**4 238**
Public safety		94	94	94	94	94	94	94	94	94	94	94	94	**1 134**	**433**	**455**
Housing		5 703	5 703	5 703	5 703	5 703	5 703	5 703	5 703	5 703	5 703	5 703	5 703	**68 435**	**21 802**	**22 881**
Health		0	0	0	0	0	0	0	0	0	0	0	0	**4**	**4**	**4**
Economic and environmental services		**25 876**	**25 876**	**25 876**	**25 876**	**25 876**	**25 876**	**25 876**	**25 876**	**25 876**	**25 876**	**25 876**	**25 876**	**310 506**	**285 218**	**328 422**
Planning and development		4 521	4 521	4 521	4 521	4 521	4 521	4 521	4 521	4 521	4 521	4 521	4 521	**54 248**	**59 281**	**57 028**
Road transport		21 230	21 230	21 230	21 230	21 230	21 230	21 230	21 230	21 230	21 230	21 230	21 230	**254 763**	**225 103**	**270 498**
Environmental protection		125	125	125	125	125	125	125	125	125	125	125	125	**1 496**	**835**	**896**
Trading services		**284 004**	**284 004**	**284 004**	**284 004**	**284 004**	**284 004**	**284 004**	**284 004**	**284 004**	**284 004**	**284 004**	**284 004**	**3 408 043**	**3 679 058**	**3 981 857**
Energy sources		211 489	211 489	211 489	211 489	211 489	211 489	211 489	211 489	211 489	211 489	211 489	211 489	**2 537 868**	**2 764 510**	**3 016 425**
Water management		37 947	37 947	37 947	37 947	37 947	37 947	37 947	37 947	37 947	37 947	37 947	37 947	**455 362**	**491 945**	**532 771**
Waste water management		18 499	18 499	18 499	18 499	18 499	18 499	18 499	18 499	18 499	18 499	18 499	18 499	**221 988**	**221 764**	**221 880**
Waste management		16 069	16 069	16 069	16 069	16 069	16 069	16 069	16 069	16 069	16 069	16 069	16 069	**192 824**	**200 840**	**210 781**
Other		–	–	–	–	–	–	–	–	–	–	–	–	**–**	**–**	**–**
Total Revenue - Functional		**521 936**	**521 936**	**521 936**	**521 936**	**521 936**	**521 936**	**521 936**	**521 936**	**521 936**	**521 936**	**521 936**	**521 936**	**6 263 231**	**6 568 121**	**7 007 058**
Expenditure - Functional																
Governance and administration		**135 900**	**135 900**	**135 900**	**135 900**	**135 900**	**135 900**	**135 900**	**135 900**	**135 900**	**135 900**	**135 900**	**135 900**	**1 630 802**	**1 607 938**	**1 721 395**
Executive and council		15 919	15 919	15 919	15 919	15 919	15 919	15 919	15 919	15 919	15 919	15 919	15 919	**191 027**	**198 038**	**206 005**
Finance and administration		118 447	118 447	118 447	118 447	118 447	118 447	118 447	118 447	118 447	118 447	118 447	118 447	**1 421 364**	**1 391 272**	**1 495 380**
Internal audit		1 534	1 534	1 534	1 534	1 534	1 534	1 534	1 534	1 534	1 534	1 534	1 534	**18 411**	**18 628**	**20 009**
Community and public safety		**48 037**	**48 037**	**48 037**	**48 037**	**48 037**	**48 037**	**48 037**	**48 037**	**48 037**	**48 037**	**48 037**	**48 037**	**576 447**	**542 767**	**571 576**
Community and social services		8 506	8 506	8 506	8 506	8 506	8 506	8 506	8 506	8 506	8 506	8 506	8 506	**102 067**	**103 814**	**108 545**
Sport and recreation		25 949	25 949	25 949	25 949	25 949	25 949	25 949	25 949	25 949	25 949	25 949	25 949	**311 386**	**320 128**	**338 417**
Public safety		7 218	7 218	7 218	7 218	7 218	7 218	7 218	7 218	7 218	7 218	7 218	7 218	**86 622**	**88 947**	**93 359**
Housing		5 688	5 688	5 688	5 688	5 688	5 688	5 688	5 688	5 688	5 688	5 688	5 688	**68 259**	**21 448**	**22 439**
Health		676	676	676	676	676	676	676	676	676	676	676	676	**8 113**	**8 430**	**8 817**
Economic and environmental services		**73 721**	**73 721**	**73 721**	**73 721**	**73 721**	**73 721**	**73 721**	**73 721**	**73 721**	**73 721**	**73 721**	**73 721**	**884 649**	**870 472**	**950 107**
Planning and development		12 794	12 794	12 794	12 794	12 794	12 794	12 794	12 794	12 794	12 794	12 794	12 794	**153 533**	**157 175**	**164 700**
Road transport		58 091	58 091	58 091	58 091	58 091	58 091	58 091	58 091	58 091	58 091	58 091	58 091	**697 087**	**678 816**	**748 577**
Environmental protection		2 836	2 836	2 836	2 836	2 836	2 836	2 836	2 836	2 836	2 836	2 836	2 836	**34 029**	**34 481**	**36 830**
Trading services		**254 680**	**254 680**	**254 680**	**254 680**	**254 680**	**254 680**	**254 680**	**254 680**	**254 680**	**254 680**	**254 680**	**254 680**	**3 056 163**	**3 148 434**	**3 302 562**
Energy sources		158 012	158 012	158 012	158 012	158 012	158 012	158 012	158 012	158 012	158 012	158 012	158 012	**1 896 141**	**1 979 307**	**2 068 385**
Water management		64 639	64 639	64 639	64 639	64 639	64 639	64 639	64 639	64 639	64 639	64 639	64 639	**775 665**	**791 956**	**836 369**
Waste water management		14 006	14 006	14 006	14 006	14 006	14 006	14 006	14 006	14 006	14 006	14 006	14 006	**168 077**	**162 406**	**163 877**
Waste management		18 023	18 023	18 023	18 023	18 023	18 023	18 023	18 023	18 023	18 023	18 023	18 023	**216 280**	**214 765**	**233 930**
Other		–	–	–	–	–	–	–	–	–	–	–	–	**–**	**–**	**–**
Total Expenditure - Functional		**512 338**	**512 338**	**512 338**	**512 338**	**512 338**	**512 338**	**512 338**	**512 338**	**512 338**	**512 338**	**512 338**	**512 338**	**6 148 061**	**6 169 611**	**6 545 640**
Surplus/(Deficit) before assoc.		**9 598**	**9 598**	**9 598**	**9 598**	**9 598**	**9 598**	**9 598**	**9 598**	**9 598**	**9 598**	**9 598**	**9 598**	**115 171**	**398 510**	**461 418**

Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit)	**1**	**9 598**	**9 598**	**9 598**	**9 598**	**9 598**	**9 598**	**9 598**	**9 598**	**9 598**	**9 598**	**9 598**	**9 598**	**115 171**	**398 510**	**461 418**

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

Description	####	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Multi-year expenditure *to be appropriated*	1															
Vote 1 - Chief operations office		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 2 - Municipal managers office		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 3 - Water and sanitation		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 4 - Energy services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 5 - Community Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 6 - Public safety		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 7 - Corporate and Shared Services		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 8 - Planning and Economic Development		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 9 - Budget and Treasury office		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 10 - Transport Operations		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 11 - Human Settlement		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 - Roads and stormwater		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 13 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	2	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Single-year expenditure *to be appropriated*																
Vote 1 - Chief operations office		217	217	217	217	217	217	217	217	217	217	217	217	2 609	2 739	2 876
Vote 2 - Municipal managers office		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 3 - Water and sanitation		69 053	69 053	69 053	69 053	69 053	69 053	69 053	69 053	69 053	69 053	69 053	69 053	828 639	997 541	746 274
Vote 4 - Energy services		5 570	5 570	5 570	5 570	5 570	5 570	5 570	5 570	5 570	5 570	5 570	5 570	66 836	72 948	71 530
Vote 5 - Community Services		10 210	10 210	10 210	10 210	10 210	10 210	10 210	10 210	10 210	10 210	10 210	10 210	122 520	122 722	132 943
Vote 6 - Public safety		1 739	1 739	1 739	1 739	1 739	1 739	1 739	1 739	1 739	1 739	1 739	1 739	20 870	21 913	23 704
Vote 7 - Corporate and Shared Services		5 855	5 855	5 855	5 855	5 855	5 855	5 855	5 855	5 855	5 855	5 855	5 855	70 261	74 130	77 913
Vote 8 - Planning and Economic Development		761	761	761	761	761	761	761	761	761	761	761	761	9 130	9 478	9 791
Vote 9 - Budget and Treasury office		145	145	145	145	145	145	145	145	145	145	145	145	1 739	1 739	1 745
Vote 10 - Transport Operations		2 987	2 987	2 987	2 987	2 987	2 987	2 987	2 987	2 987	2 987	2 987	2 987	35 845	34 115	42 609
Vote 11 - Human Settlement		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 12 - Roads and stormwater		10 953	10 953	10 953	10 953	10 953	10 953	10 953	10 953	10 953	10 953	10 953	10 953	131 439	155 484	118 507
Vote 13 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 14 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Vote 15 -		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total	2	**107 491**	**107 491**	**107 491**	**107 491**	**107 491**	**107 491**	**107 491**	**107 491**	**107 491**	**107 491**	**107 491**	**107 491**	**1 289 887**	**1 492 809**	**1 227 892**
Total Capital Expenditure	2	**107 491**	**107 491**	**107 491**	**107 491**	**107 491**	**107 491**	**107 491**	**107 491**	**107 491**	**107 491**	**107 491**	**107 491**	**1 289 887**	**1 492 809**	**1 227 892**

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

Description	####	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital Expenditure - Functional	1															
Governance and administration		**6 652**	**6 652**	**6 652**	**6 652**	**6 652**	**6 652**	**6 652**	**6 652**	**6 652**	**6 652**	**6 652**	**6 652**	**79 826**	**81 957**	**85 571**
Executive and council		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Finance and administration		6 652	6 652	6 652	6 652	6 652	6 652	6 652	6 652	6 652	6 652	6 652	6 652	79 826	81 957	85 571
Internal audit		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Community and public safety		**7 745**	**7 745**	**7 745**	**7 745**	**7 745**	**7 745**	**7 745**	**7 745**	**7 745**	**7 745**	**7 745**	**7 745**	**92 940**	**71 243**	**104 812**
Community and social services		725	725	725	725	725	725	725	725	725	725	725	725	8 696	9 087	9 969
Sport and recreation		7 020	7 020	7 020	7 020	7 020	7 020	7 020	7 020	7 020	7 020	7 020	7 020	84 245	62 156	94 843
Public safety		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Health		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Economic and environmental services		**15 426**	**15 426**	**15 426**	**15 426**	**15 426**	**15 426**	**15 426**	**15 426**	**15 426**	**15 426**	**15 426**	**15 426**	**185 110**	**210 729**	**183 742**
Planning and development		761	761	761	761	761	761	761	761	761	761	761	761	9 130	9 478	9 791
Road transport		14 665	14 665	14 665	14 665	14 665	14 665	14 665	14 665	14 665	14 665	14 665	14 665	175 979	201 251	173 951
Environmental protection		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Trading services		**77 668**	**77 668**	**77 668**	**77 668**	**77 668**	**77 668**	**77 668**	**77 668**	**77 668**	**77 668**	**77 668**	**77 668**	**932 011**	**1 128 881**	**853 767**
Energy sources		5 570	5 570	5 570	5 570	5 570	5 570	5 570	5 570	5 570	5 570	5 570	5 570	66 836	72 948	71 530
Water management		18 148	18 148	18 148	18 148	18 148	18 148	18 148	18 148	18 148	18 148	18 148	18 148	217 770	232 051	250 709
Waste water management		50 906	50 906	50 906	50 906	50 906	50 906	50 906	50 906	50 906	50 906	50 906	50 906	610 869	765 490	495 565
Waste management		3 045	3 045	3 045	3 045	3 045	3 045	3 045	3 045	3 045	3 045	3 045	3 045	36 536	58 393	35 963
Other		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Capital Expenditure - Functional	2	**107 491**	**107 491**	**107 491**	**107 491**	**107 491**	**107 491**	**107 491**	**107 491**	**107 491**	**107 491**	**107 491**	**107 491**	**1 289 887**	**1 492 809**	**1 227 892**
Funded by:																
National Government		87 572	87 572	87 572	87 572	87 572	87 572	87 572	87 572	87 572	87 572	87 572	87 572	1 050 864	1 229 200	947 002
Provincial Government		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
District Municipality		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (Nat / Prov Departm Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educ Institutions)		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital		**87 572**	**87 572**	**87 572**	**87 572**	**87 572**	**87 572**	**87 572**	**87 572**	**87 572**	**87 572**	**87 572**	**87 572**	**1 050 864**	**1 229 200**	**947 002**
Borrowing		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Internally generated funds		19 919	19 919	19 919	19 919	19 919	19 919	19 919	19 919	19 919	19 919	19 919	19 919	239 024	263 609	280 890
Total Capital Funding		**107 491**	**107 491**	**107 491**	**107 491**	**107 491**	**107 491**	**107 491**	**107 491**	**107 491**	**107 491**	107 491	107 491	1 289 887	1 492 809	1 227 892

LIM354 Polokwane - Supporting Table SA30 Budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2026/27												Medium Term Revenue and Expenditure Framework		
R thousand	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Cash Receipts By Source													1		
Property rates	59 865	59 865	59 865	59 865	59 865	59 865	59 865	59 865	59 865	59 865	59 865	59 865	718 382	752 146	789 377
Service charges - electricity revenue	214 894	214 894	214 894	214 894	214 894	214 894	214 894	214 894	214 894	214 894	214 894	214 894	2 578 733	2 806 360	3 061 132
Service charges - water revenue	39 631	39 631	39 631	39 631	39 631	39 631	39 631	39 631	39 631	39 631	39 631	39 631	475 577	515 090	559 211
Service charges - sanitation revenue	18 492	18 492	18 492	18 492	18 492	18 492	18 492	18 492	18 492	18 492	18 492	18 492	221 908	232 337	243 838
Service charges - refuse revenue	18 863	18 863	18 863	18 863	18 863	18 863	18 863	18 863	18 863	18 863	18 863	18 863	226 358	236 997	248 728
Rental of facilities and equipment	3 769	3 769	3 769	3 769	3 769	3 769	3 769	3 769	3 769	3 769	3 769	3 769	45 224	47 350	49 693
Interest earned - external investments	5 462	5 462	5 462	5 462	5 462	5 462	5 462	5 462	5 462	5 462	5 462	5 462	65 542	68 623	72 019
Interest earned - outstanding debtors	11 933	11 933	11 933	11 933	11 933	11 933	11 933	11 933	11 933	11 933	11 933	11 933	143 200	149 931	157 352
Dividends received	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits	4 302	4 302	4 302	4 302	4 302	4 302	4 302	4 302	4 302	4 302	4 302	4 302	51 623	54 050	56 725
Licences and permits	1 470	1 470	1 470	1 470	1 470	1 470	1 470	1 470	1 470	1 470	1 470	1 470	17 643	18 472	19 387
Agency services	3 183	3 183	3 183	3 183	3 183	3 183	3 183	3 183	3 183	3 183	3 183	3 183	38 202	39 997	41 977
Transfers and Subsidies - Operational	152 155	152 155	152 155	152 155	152 155	152 155	152 155	152 155	152 155	152 155	152 155	152 155	1 825 856	1 804 558	1 879 695
Other revenue	3 518	3 518	3 518	3 518	3 518	3 518	3 518	3 518	3 518	3 518	3 518	3 518	42 214	44 198	46 387
Cash Receipts by Source	**537 538**	**537 538**	**537 538**	**537 538**	**537 538**	**537 538**	**537 538**	**537 538**	**537 538**	**537 538**	**537 538**	**537 538**	**6 450 462**	**6 770 107**	**7 225 521**
Other Cash Flows by Source															
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)	100 708	100 708	100 708	100 708	100 708	100 708	100 708	100 708	100 708	100 708	100 708	100 708	1 208 493	1 413 580	1 089 052
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	19	19	19	19	19	19	19	19	19	19	19	19	230	241	253
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	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Insurance Refund - Capital	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest on Short Term Investment (Greater then 90 days) and Long Term	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Receipts by Source	**638 265**	**638 265**	**638 265**	**638 265**	**638 265**	**638 265**	**638 265**	**638 265**	**638 265**	**638 265**	**638 265**	**638 265**	**7 659 185**	**8 183 929**	**8 314 826**
Cash Payments by Type															
Employee related costs	115 857	115 857	115 857	115 857	115 857	115 857	115 857	115 857	115 857	115 857	115 857	115 857	1 390 280	1 449 889	1 511 071
Remuneration of councillors	5 573	5 573	5 573	5 573	5 573	5 573	5 573	5 573	5 573	5 573	5 573	5 573	66 870	69 746	72 675
Finance charges	3 409	3 409	3 409	3 409	3 409	3 409	3 409	3 409	3 409	3 409	3 409	3 409	40 904	37 971	34 374
Bulk purchases - Electricity	145 316	145 316	145 316	145 316	145 316	145 316	145 316	145 316	145 316	145 316	145 316	145 316	1 743 796	1 818 779	1 895 168
	52 287	52 287	52 287	52 287	52 287	52 287	52 287	52 287	52 287	52 287	52 287	52 287	627 441	654 421	681 907
Contracted services	122 975	122 975	122 975	122 975	122 975	122 975	122 975	122 975	122 975	122 975	122 975	122 975	1 475 696	1 280 346	1 480 991
Transfers and subsidies - other municipalities	1 425	1 425	1 425	1 425	1 425	1 425	1 425	1 425	1 425	1 425	1 425	1 425	17 100	17 100	17 100
Transfers and subsidies - other	2 106	2 106	2 106	2 106	2 106	2 106	2 106	2 106	2 106	2 106	2 106	2 106	25 276	31 481	25 276
Other expenditure	132 318	132 318	132 318	132 318	132 318	132 318	132 318	132 318	132 318	132 318	132 318	132 318	1 587 816	485 911	501 207
Cash Payments by Type	**581 265**	**581 265**	**581 265**	**581 265**	**581 265**	**581 265**	**581 265**	**581 265**	**581 265**	**581 265**	**581 265**	**581 265**	**6 975 180**	**5 845 643**	**6 219 769**
Other Cash Flows/Payments by Type															
Capital assets	117 829	117 829	117 829	117 829	117 829	117 829	117 829	117 829	117 829	117 829	117 829	117 829	1 413 953	1 636 404	1 341 473
Retention (Capital)	(11 783)	(11 783)	(11 783)	(11 783)	(11 783)	(11 783)	(11 783)	(11 783)	(11 783)	(11 783)	(11 783)	271 007	(141 395)	(163 640)	(134 147)
Repayment of borrowing	(2 878)	(2 878)	(2 878)	(2 878)	(2 878)	(2 878)	(2 878)	(2 878)	(2 878)	(2 878)	(2 878)	66 194	(34 536)	(38 168)	(42 509)
Other Cash Flows/Payments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Total Cash Payments by Type	**684 433**	**684 433**	**684 433**	**684 433**	**684 433**	**684 433**	**684 433**	**684 433**	**684 433**	**684 433**	**684 433**	**1 036 295**	**8 213 201**	**7 280 239**	**7 384 586**
NET INCREASE/(DECREASE) IN CASH HELD	**(46 168)**	**(46 168)**	**(46 168)**	**(46 168)**	**(46 168)**	**(46 168)**	**(46 168)**	**(46 168)**	**(46 168)**	**(46 168)**	**(46 168)**	**(398 030)**	**(554 016)**	**903 690**	**930 241**
Cash/cash equivalents at the month/year begin:	461 341	415 173	369 005	322 837	276 669	230 501	184 333	138 165	91 997	45 829	(339)	(46 507)	461 341	(92 675)	811 015
Cash/cash equivalents at the month/year end:	415 173	369 005	322 837	276 669	230 501	184 333	138 165	91 997	45 829	(339)	(46 507)	(444 537)	(92 675)	811 015	1 741 256

LIM354 Polokwane - NOT REQUIRED - municipality does not have entities

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R million		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Financial Performance										
Property rates		–	–	–	–	–	–	–	–	–
Service charges		–	–	–	–	–	–	–	–	–
Investment revenue		–	–	–	–	–	–	–	–	–
Transfer and subsidies - Operational		–	–	–	–	–	–	–	–	–
Other own revenue		–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)		–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contributions)		–	–	–	–	–	–	–	–	–
Employee costs		–	–	–	–	–	–	–	–	–
Remuneration of Board Members		–	–	–	–	–	–	–	–	–
Depreciation and amortisation		–	–	–	–	–	–	–	–	–
Interest		–	–	–	–	–	–	–	–	–
Inventory consumed and bulk purchases		–	–	–	–	–	–	–	–	–
Transfers and subsidies		–	–	–	–	–	–	–	–	–
Other expenditure		–	–	–	–	–	–	–	–	–
Total Expenditure		–	–	–	–	–	–	–	–	–
Surplus/(Deficit)		–	–	–	–	–	–	–	–	–
Capital expenditure & funds sources		–	–	–	–	–	–	–	–	–
Capital expenditure		–	–	–	–	–	–	–	–	–
Transfers recognised - capital		–	–	–	–	–	–	–	–	–
Borrowing		–	–	–	–	–	–	–	–	–
Internally generated funds		–	–	–	–	–	–	–	–	–
Total sources										
Financial position										
Total current assets		–	–	–	–	–	–	–	–	–
Total non current assets		–	–	–	–	–	–	–	–	–
Total current liabilities		–	–	–	–	–	–	–	–	–
Total non current liabilities		–	–	–	–	–	–	–	–	–
Community wealth/Equity		–	–	–	–	–	–	–	–	–
Cash flows										
Net cash from (used) operating		–	–	–	–	–	–	–	–	–
Net cash from (used) investing		–	–	–	–	–	–	–	–	–
Net cash from (used) financing		–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end		–	–	–	–	–	–	–	–	–

LIM354 Polokwane - Supporting Table SA32 List of external mechanisms

External mechanism Name of organisation	Yrs/ Mths	Period of agreement 1. Number	Service provided	Expiry date of service delivery agreement or contract	Monetary value of agreement 2. 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 2025/26	2026/27 Medium Term Revenue & Expenditure Framework			Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Forecast 2032/33	Forecast 2033/34	Forecast 2034/35	Forecast 2035/36	Total Contract Value
R thousand	1,3	Total	Original Budget	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate	Estimate
Parent Municipality:														
Revenue Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3 etc														–
Total Operating Revenue Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Expenditure Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3 etc														–
Total Operating Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Capital Expenditure Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3 etc														–
Total Capital Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Total Parent Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Entities:														
Revenue Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3 etc														–
Total Operating Revenue Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Expenditure Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3 etc														–
Total Operating Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Capital Expenditure Obligation By Contract	2													
Contract 1														–
Contract 2														–
Contract 3 etc														–
Total Capital Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–
Total Entity Expenditure Implication		–	–	–	–	–	–	–	–	–	–	–	–	–

References

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

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

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

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

Description	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		**391 597**	**603 546**	**425 375**	**411 194**	**484 883**	**484 883**	**347 327**	**390 233**	**388 174**
Roads Infrastructure		33 791	83 919	94 113	34 765	50 961	50 961	38 696	38 393	33 152
Roads		18 957	71 163	72 728	29 400	49 845	49 845	38 696	36 654	32 283
Road Structures		14 834	10 516	21 386	5 365	1 115	1 115	–	–	870
Road Furniture		–	2 240	–	–	–	–	–	1 739	–
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		14 953	9 930	17 696	8 500	10 790	10 790	5 980	13 043	13 043
Drainage Collection		13 158	9 930	17 696	8 500	10 790	10 790	5 980	13 043	13 043
Storm water Conveyance		1 795	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		63 514	43 024	28 096	77 586	54 253	54 253	61 184	69 469	68 486
Power Plants		–	–	–	–	–	–	–	–	–
HV Substations		–	–	–	18 847	(0)	(0)	28 696	33 913	35 652
HV Switching Station		15 864	6 351	–	–	–	–	–	–	–
HV Transmission Conductors		24 829	10 588	6 174	4 087	4 087	4 087	–	–	1 739
MV Substations		–	870	3 478	2 500	6 322	6 322	7 826	8 696	8 391
MV Switching Stations		–	4 420	–	–	–	–	–	–	–
MV Networks		13 112	–	–	4 517	2 070	2 070	5 528	5 085	3 478
LV Networks		8 783	18 970	18 444	47 635	41 775	41 775	19 134	21 776	19 225
Capital Spares		926	1 825	–	–	–	–	–	–	–
Water Supply Infrastructure		166 845	266 741	198 507	247 903	317 537	317 537	200 621	214 145	239 405
Dams and Weirs		–	–	–	–	–	–	–	–	–
Boreholes		–	12 748	8 326	46 447	112 338	112 338	95 662	97 178	109 376
Reservoirs		–	–	4 663	15 635	15 654	15 654	18 556	19 943	20 000
Pump Stations		–	–	–	–	–	–	–	–	–
Water Treatment Works		38 372	–	–	2 000	1 605	1 605	1 304	2 261	4 348
Bulk Mains		72 730	192 939	121 919	138 958	153 796	153 796	51 222	51 859	64 985
Distribution		55 744	61 054	51 137	38 398	28 645	28 645	31 869	33 340	31 130
Distribution Points		–	–	12 461	6 465	5 500	5 500	2 008	9 565	9 565
PRV Stations		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		112 495	196 929	72 569	13 322	25 647	25 647	2 174	2 873	1 739
Pump Station		–	–	–	–	–	–	–	–	–
Reticulation		10 232	–	–	4 430	1 686	1 686	1 739	2 873	1 739
Waste Water Treatment Works		102 263	196 929	60 334	8 891	6 579	6 579	–	–	–
Outfall Sewers		–	–	12 235	–	17 382	17 382	435	–	–
Toilet Facilities		0	0	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	3 003	14 394	25 674	25 694	25 694	29 107	41 874	23 478
Landfill Sites		–	910	4 166	15 652	14 052	14 052	22 631	36 943	17 391
Waste Transfer Stations		–	2 093	10 228	8 522	10 122	10 122	4 737	3 191	4 348
Waste Processing Facilities		–	–	–	–	–	–	–	–	–
Waste Drop-off Points		–	–	–	–	–	–	–	–	–
Waste Separation Facilities		–	–	–	–	–	–	–	–	–
Electricity Generation Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	1 500	1 520	1 520	1 739	1 739	1 739
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	–	–	–	3 443	–	–	9 565	10 435	8 870
Data Centres	–	–	–	3 443	–	–	9 565	10 435	8 870
Core Layers	–	–	–	–	–	–	–	–	–
Distribution Layers	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Community Assets	**43 405**	**60 166**	**44 980**	**71 906**	**70 128**	**70 128**	**78 955**	**46 127**	**77 969**
Community Facilities	31 486	48 623	8 400	18 300	18 340	18 340	21 267	16 476	19 273
Halls	(0)	(0)	–	–	–	–	870	435	–
Centres	1 724	416	3 845	2 000	2 000	2 000	–	–	2 876
Crèches	–	–	–	–	–	–	–	–	–
Clinics/Care Centres	–	–	–	–	–	–	–	–	–
Fire/Ambulance Stations	–	–	–	–	–	–	–	–	–
Testing Stations	–	2 489	3 427	4 000	4 000	4 000	8 696	8 696	7 826
Museums	–	–	(2 855)	–	–	–	–	–	–
Galleries	–	–	–	–	–	–	–	–	–
Theatres	–	–	–	–	–	–	–	–	–
Libraries	(0)	–	–	1 317	1 357	1 357	870	1 304	1 267
Cemeteries/Crematoria	–	–	–	1 200	1 200	1 200	870	–	1 304
Police	374	–	–	–	–	–	–	–	–
Parks	–	–	–	–	–	–	–	–	–
Public Open Space	–	669	(0)	3 478	3 478	3 478	2 911	2 911	4 609
Nature Reserves	–	–	–	–	–	–	–	–	–
Public Ablution Facilities	917	3 166	267	1 304	1 304	1 304	2 703	3 130	1 391
Markets	0	–	–	–	–	–	–	–	–
Stalls	–	–	–	–	–	–	–	–	–
Abattoirs	–	–	–	–	–	–	–	–	–
Airports	–	–	–	–	–	–	–	–	–
Taxi Ranks/Bus Terminals	28 471	41 883	3 716	5 000	5 000	5 000	4 348	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities	11 919	11 543	36 580	53 606	51 789	51 789	57 689	29 650	58 696
Indoor Facilities	–	–	–	–	–	–	–	–	–
Outdoor Facilities	11 919	11 543	36 580	53 606	51 789	51 789	57 689	29 650	58 696
Capital Spares	–	–	–	–	–	–	–	–	–
Heritage assets	–	–	–	–	–	–	–	–	–
Monuments	–	–	–	–	–	–	–	–	–
Historic Buildings	–	–	–	–	–	–	–	–	–
Works of Art	–	–	–	–	–	–	–	–	–
Conservation Areas	–	–	–	–	–	–	–	–	–
Other Heritage	–	–	–	–	–	–	–	–	–
Investment properties	**5 588**	**16 339**	**13 478**	**1 000**	**2 000**	**2 000**	**7 826**	**9 478**	**7 617**
Revenue Generating	1 461	15 345	13 478	1 000	2 000	2 000	870	1 913	2 174
Improved Property	1 461	15 345	13 478	–	–	–	–	–	–

Unimproved Property	(0)	0	–	1 000	2 000	2 000	870	1 913	2 174
Non-revenue Generating	4 127	994	–	–	–	–	6 957	7 565	5 443
Improved Property	–	–	–	–	–	–	–	–	–
Unimproved Property	4 127	994	–	–	–	–	6 957	7 565	5 443
Other assets	**1 017**	**37**	**2 053**	**1 000**	**1 332**	**1 332**	**3 043**	**6 217**	**5 617**
Operational Buildings	1 017	37	2 053	1 000	1 332	1 332	3 043	6 217	5 617
Municipal Offices	384	200	384	500	416	416	3 043	6 217	5 617
Pay/Enquiry Points	–	–	–	–	–	–	–	–	–
Building Plan Offices	163	(163)	–	–	–	–	–	–	–
Workshops	–	–	–	–	–	–	–	–	–
Yards	–	–	–	500	916	916	–	–	–
Stores	470	–	–	–	–	–	–	–	–
Laboratories	–	–	–	–	–	–	–	–	–
Training Centres	–	–	–	–	–	–	–	–	–
Manufacturing Plant	–	–	–	–	–	–	–	–	–
Depots	–	–	1 669	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Housing	–	–	–	–	–	–	–	–	–
Staff Housing	–	–	–	–	–	–	–	–	–
Social Housing	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets	406	–	–	–	–	–	1 512	1 859	–
Biological or Cultivated Assets	406	–	–	–	–	–	1 512	1 859	–
Intangible Assets	94	2 200	7 263	–	–	–	–	–	–
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	94	2 200	7 263	–	–	–	–	–	–
Water Rights	–	–	–	–	–	–	–	–	–
Effluent Licenses	–	–	–	–	–	–	–	–	–
Solid Waste Licenses	–	–	–	–	–	–	–	–	–
Computer Software and Applications	94	2 200	7 263	–	–	–	–	–	–
Load Settlement Software Applications	–	–	–	–	–	–	–	–	–
Unspecified	–	–	–	–	–	–	–	–	–
Computer Equipment	11 697	23 322	7 945	3 882	6 829	6 829	3 043	3 087	3 478
Computer Equipment	11 697	23 322	7 945	3 882	6 829	6 829	3 043	3 087	3 478
Furniture and Office Equipment	1 538	2 746	2 420	2 700	2 324	2 324	3 478	3 478	3 484
Furniture and Office Equipment	1 538	2 746	2 420	2 700	2 324	2 324	3 478	3 478	3 484
Machinery and Equipment	7 368	5 655	9 891	14 900	14 844	14 844	15 217	13 739	16 522
Machinery and Equipment	7 368	5 655	9 891	14 900	14 844	14 844	15 217	13 739	16 522
Transport Assets	16 415	22 345	32 739	40 153	57 335	57 335	77 664	93 175	91 565
Transport Assets	16 415	22 345	32 739	40 153	57 335	57 335	77 664	93 175	91 565
Land	–	–	–	–	–	–	–	–	–
Land	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–
Living resources	-	-	-	-	-	-	-	-	-
Mature	-	-	-	-	-	-	-	-	-
Policing and Protection	–	–	–	–	–	–	–	–	–
Zoological plants and animals	–	–	–	–	–	–	–	–	–
Immature	-	-	-	-	-	-	-	-	-
Policing and Protection	–	–	–	–	–	–	–	–	–
Zoological plants and animals	–	–	–	–	–	–	–	–	–

Total Capital Expenditure on new assets	1	**479 126**	**736 355**	**546 144**	**546 735**	**639 676**	**639 676**	**538 067**	**567 393**	**594 427**

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

Description	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		**32 530**	**8 446**	**140 497**	**54 474**	**110 596**	**110 596**	**78 180**	**80 947**	**57 413**
Roads Infrastructure		24 073	7 205	66 214	33 583	79 855	79 855	57 421	55 298	31 239
Roads		14 253	6 982	66 214	17 328	64 600	64 600	54 899	44 176	27 760
Road Structures		9 820	223	–	13 755	12 755	12 755	–	8 252	–
Road Furniture		–	–	–	2 500	2 500	2 500	2 522	2 870	3 478
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	319	319	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	319	319	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		0	1 241	–	1 500	4 800	4 800	–	–	–
Power Plants		–	–	–	–	–	–	–	–	–
HV Substations		–	–	–	–	–	–	–	–	–
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		–	–	–	–	–	–	–	–	–
LV Networks		–	–	–	1 500	1 300	1 300	–	–	–
Capital Spares		0	1 241	–	–	3 500	3 500	–	–	–
Water Supply Infrastructure		4 516	–	62 715	2 000	5 907	5 907	11 323	11 304	11 304
Dams and Weirs		–	–	–	–	–	–	–	–	–
Boreholes		–	–	–	–	–	–	–	–	–
Reservoirs		–	–	–	–	–	–	–	–	–
Pump Stations		–	–	–	–	–	–	–	–	–
Water Treatment Works		–	–	–	–	–	–	–	–	–
Bulk Mains		–	–	–	–	–	–	–	–	–
Distribution		–	–	3 198	2 000	5 907	5 907	–	1 739	1 739
Distribution Points		–	–	–	–	–	–	–	–	–
PRV Stations		–	–	–	–	–	–	–	–	–
Capital Spares		4 516	–	59 517	–	–	–	11 323	9 565	9 565
Sanitation Infrastructure		3 940	0	11 567	13 043	15 366	15 366	5 050	870	6 174
Pump Station		–	–	–	–	–	–	–	–	–
Reticulation		–	–	–	–	–	–	–	–	–
Waste Water Treatment Works		3 940	0	11 567	13 043	15 366	15 366	4 180	–	5 304
Outfall Sewers		–	–	–	–	–	–	–	–	–
Toilet Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	870	870	870
Solid Waste Infrastructure		–	–	–	4 348	4 348	4 348	4 386	13 475	8 696
Landfill Sites		–	–	–	4 348	4 348	4 348	4 386	13 475	8 696
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	**7 481**	**6 868**	**12 792**	**2 435**	**3 175**	**3 175**	**6 783**	**435**	**7 391**
Community Facilities	1 743	2 057	11 388	2 435	3 175	3 175	5 652	435	7 391
Halls	268	–	–	2 000	2 740	2 740	3 478	435	–
Centres	(0)	–	11 011	–	–	–	–	–	–
Crèches	–	–	–	–	–	–	–	–	–
Clinics/Care Centres	–	–	–	–	–	–	–	–	–
Fire/Ambulance Stations	–	–	–	–	–	–	–	–	5 217
Testing Stations	–	–	–	–	–	–	–	–	–
Museums	–	–	–	–	–	–	–	–	–
Galleries	–	–	–	–	–	–	–	–	–
Theatres	–	–	–	–	–	–	–	–	–
Libraries	241	–	–	–	–	–	870	–	–
Cemeteries/Crematoria	–	–	–	–	–	–	–	–	–
Police	–	–	–	–	–	–	–	–	–
Parks	–	–	–	–	–	–	–	–	–
Public Open Space	–	–	–	–	–	–	–	–	–
Nature Reserves	–	–	–	–	–	–	–	–	–
Public Ablution Facilities	–	–	–	–	–	–	–	–	–
Markets	–	–	–	–	–	–	1 304	–	2 174
Stalls	–	–	–	–	–	–	–	–	–
Abattoirs	–	–	–	–	–	–	–	–	–
Airports	–	–	–	–	–	–	–	–	–
Taxi Ranks/Bus Terminals	1 234	2 057	377	435	435	435	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities	5 738	4 811	1 404	–	–	–	1 130	–	–
Indoor Facilities	–	–	–	–	–	–	–	–	–
Outdoor Facilities	5 738	4 811	1 404	–	–	–	1 130	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Heritage assets	–	–	–	–	–	–	–	–	–
Monuments	–	–	–	–	–	–	–	–	–
Historic Buildings	–	–	–	–	–	–	–	–	–
Works of Art	–	–	–	–	–	–	–	–	–
Conservation Areas	–	–	–	–	–	–	–	–	–
Other Heritage	–	–	–	–	–	–	–	–	–
Investment properties	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating	–	–	–	–	–	–	–	–	–
Improved Property	–	–	–	–	–	–	–	–	–
Unimproved Property	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Improved Property	–	–	–	–	–	–	–	–	–
Unimproved Property	–	–	–	–	–	–	–	–	–
Other assets	**629**	**1 001**	**4 027**	**3 700**	**6 482**	**6 482**	**13 043**	**6 087**	**8 522**
Operational Buildings	629	1 001	4 027	3 700	4 482	4 482	12 609	5 565	8 087
Municipal Offices	629	1 001	4 027	3 700	3 482	3 482	2 348	3 913	6 696
Pay/Enquiry Points	–	–	–	–	–	–	–	–	–
Building Plan Offices	–	–	–	–	–	–	–	–	–
Workshops	–	–	–	–	–	–	4 348	–	–
Yards	–	–	–	–	–	–	5 043	435	870
Stores	–	–	–	–	–	–	–	–	–

Laboratories		–	–	–	–	–	–	–	–	–
Training Centres		–	–	–	–	–	–	–	–	–
Manufacturing Plant		–	–	–	–	–	–	–	–	–
Depots		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	1 000	1 000	870	1 217	522
Housing		–	–	–	–	2 000	2 000	435	522	435
Staff Housing		–	–	–	–	2 000	2 000	435	522	435
Social Housing		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Water Rights		–	–	–	–	–	–	–	–	–
Effluent Licenses		–	–	–	–	–	–	–	–	–
Solid Waste Licenses		–	–	–	–	–	–	–	–	–
Computer Software and Applications		–	–	–	–	–	–	–	–	–
Load Settlement Software Applications		–	–	–	–	–	–	–	–	–
Unspecified		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	503	503	–	–	–
Machinery and Equipment		–	–	–	–	503	503	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Living resources		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Policing and Protection		–	–	–	–	–	–	–	–	–
Zoological plants and animals		–	–	–	–	–	–	–	–	–
Immature		-	-	-	-	-	-	-	-	-
Policing and Protection		–	–	–	–	–	–	–	–	–
Zoological plants and animals		–	–	–	–	–	–	–	–	–
Total Capital Expenditure on renewal of existing assets	1	**40 640**	**16 315**	**157 315**	**60 609**	**120 756**	**120 756**	**98 006**	**87 469**	**73 326**
Renewal of Existing Assets as % of total capex		*6.5%*	*1.9%*	*19.9%*	*8.5%*	*12.7%*	*12.7%*	*7.6%*	*5.9%*	*6.0%*
Renewal of Existing Assets as % of deprecn"		*5.6%*	*1.4%*	*17.8%*	*14.9%*	*29.6%*	*29.6%*	*21.4%*	*18.3%*	*14.7%*

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

Description	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		**600 585**	**555 626**	**581 606**	**655 090**	**564 241**	**564 241**	**554 368**	**533 008**	**577 225**
Roads Infrastructure		116 581	87 264	77 559	100 475	79 065	79 065	92 461	92 465	100 487
Roads		10 706	2 467	2 720	6 732	67	67	20 640	19 733	22 432
Road Structures		–	–	–	–	–	–	6 790	6 492	7 380
Road Furniture		105 875	84 797	74 838	93 743	78 998	78 998	65 031	66 239	70 676
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	4 102	3 922	4 458
Drainage Collection		–	–	–	–	–	–	4 102	3 922	4 458
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		127 509	126 820	109 294	165 991	133 115	133 115	146 748	151 079	159 487
Power Plants		–	–	–	–	–	–	–	–	–
HV Substations		–	–	–	9 033	4 233	4 233	4 432	4 237	4 817
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		–	–	–	–	–	–	–	–	–
LV Networks		–	2	–	2 000	(0)	(0)	–	–	–
Capital Spares		127 509	126 818	109 294	154 958	128 882	128 882	142 316	146 841	154 670
Water Supply Infrastructure		237 914	233 477	257 133	254 301	212 977	212 977	243 793	238 693	259 746
Dams and Weirs		–	–	–	–	–	–	–	–	–
Boreholes		–	–	–	–	–	–	–	–	–
Reservoirs		–	–	–	–	–	–	–	–	–
Pump Stations		–	–	–	–	–	–	–	–	–
Water Treatment Works		–	–	–	–	–	–	–	–	–
Bulk Mains		–	–	15 091	–	–	–	–	–	–
Distribution		–	–	–	–	–	–	–	–	–
Distribution Points		–	–	–	–	–	–	–	–	–
PRV Stations		–	–	–	–	–	–	–	–	–
Capital Spares		237 914	233 477	242 042	254 301	212 977	212 977	243 793	238 693	259 746
Sanitation Infrastructure		34 353	6 377	39 002	25 022	30 382	30 382	31 810	30 513	34 571
Pump Station		–	–	–	–	–	–	–	–	–
Reticulation		–	–	–	–	–	–	–	–	–
Waste Water Treatment Works		–	–	–	–	–	–	–	–	–
Outfall Sewers		–	–	–	–	–	–	–	–	–
Toilet Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		34 353	6 377	39 002	25 022	30 382	30 382	31 810	30 513	34 571
Solid Waste Infrastructure		84 229	101 688	98 618	108 101	108 101	108 101	17 299	15 667	17 714
Landfill Sites		–	–	–	–	–	–	–	–	–
Waste Transfer Stations		–	–	–	–	–	–	–	–	–
Waste Processing Facilities		–	–	–	–	–	–	–	–	–
Waste Drop-off Points		–	–	–	–	–	–	–	–	–
Waste Separation Facilities		–	–	–	–	–	–	–	–	–
Electricity Generation Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		84 229	101 688	98 618	108 101	108 101	108 101	17 299	15 667	17 714
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	600	600	18 154	669	761
Data Centres	–	–	–	–	–	–	–	–	–
Core Layers	–	–	–	–	–	–	1 526	–	–
Distribution Layers	–	–	–	1 200	600	600	16 627	669	761
Capital Spares	–	–	–	–	–	–	–	–	–
Community Assets	**49 755**	**59 134**	**59 145**	**64 465**	**64 663**	**64 663**	**72 055**	**72 575**	**78 669**
Community Facilities	14 334	23 197	22 819	23 342	26 869	26 869	28 134	27 123	30 936
Halls	–	–	–	–	–	–	–	–	–
Centres	–	–	–	–	–	–	–	–	–
Crèches	–	–	–	–	–	–	–	–	–
Clinics/Care Centres	–	–	–	–	–	–	–	–	–
Fire/Ambulance Stations	–	–	–	–	–	–	–	–	–
Testing Stations	–	–	–	–	–	–	–	–	–
Museums	–	–	–	30	30	30	31	30	34
Galleries	–	–	–	–	–	–	–	–	–
Theatres	–	–	–	–	–	–	–	–	–
Libraries	–	–	–	–	–	–	–	–	–
Cemeteries/Crematoria	–	–	–	–	–	–	1 283	1 226	1 394
Police	–	–	–	–	–	–	–	–	–
Parks	–	–	–	–	–	–	7 027	6 718	7 637
Public Open Space	–	–	–	–	–	–	–	–	–
Nature Reserves	–	–	–	–	–	–	–	–	–
Public Ablution Facilities	–	1 194	1 953	334	334	334	349	334	380
Markets	–	–	–	–	–	–	–	–	–
Stalls	–	–	–	–	–	–	–	–	–
Abattoirs	–	–	–	–	–	–	–	–	–
Airports	–	–	–	–	–	–	–	–	–
Taxi Ranks/Bus Terminals	–	–	–	1 739	1 739	1 739	870	1 043	1 304
Capital Spares	14 334	22 003	20 866	21 239	24 766	24 766	18 574	17 771	20 187
Sport and Recreation Facilities	35 421	35 936	36 326	41 123	37 794	37 794	43 921	45 451	47 733
Indoor Facilities	–	–	–	–	–	–	–	–	–
Outdoor Facilities	–	–	–	–	–	–	–	–	–
Capital Spares	35 421	35 936	36 326	41 123	37 794	37 794	43 921	45 451	47 733
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	**33 482**	**35 220**	**36 691**	**61 788**	**57 755**	**57 755**	**63 914**	**63 781**	**69 462**
Operational Buildings	33 482	35 220	36 691	61 788	57 755	57 755	63 914	63 781	69 462
Municipal Offices	33 482	35 220	36 691	61 788	57 755	57 755	63 914	63 781	69 462
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		7 991	8 238	10 119	10 859	21 159	21 159	6 576	6 287	7 147
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		7 991	8 238	10 119	10 859	21 159	21 159	6 576	6 287	7 147
Water Rights		–	–	–	–	–	–	–	–	–
Effluent Licenses		–	–	–	–	–	–	–	–	–
Solid Waste Licenses		–	–	–	–	–	–	–	–	–
Computer Software and Applications		–	–	–	–	–	–	–	–	–
Load Settlement Software Applications		–	–	–	–	–	–	–	–	–
Unspecified		7 991	8 238	10 119	10 859	21 159	21 159	6 576	6 287	7 147
Computer Equipment		7 048	2 230	3 629	12 841	12 841	12 841	13 444	14 023	14 612
Computer Equipment		7 048	2 230	3 629	12 841	12 841	12 841	13 444	14 023	14 612
Furniture and Office Equipment		9 352	18 549	15 240	–	–	–	–	–	–
Furniture and Office Equipment		9 352	18 549	15 240	–	–	–	–	–	–
Machinery and Equipment		–	445	268	577	577	577	1 220	1 166	1 326
Machinery and Equipment		–	445	268	577	577	577	1 220	1 166	1 326
Transport Assets		49 956	78 927	88 526	74 892	90 888	90 888	90 092	81 208	88 986
Transport Assets		49 956	78 927	88 526	74 892	90 888	90 888	90 092	81 208	88 986
Land		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Living resources		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Policing and Protection		–	–	–	–	–	–	–	–	–
Zoological plants and animals		–	–	–	–	–	–	–	–	–
Immature		-	-	-	-	-	-	-	-	-
Policing and Protection		–	–	–	–	–	–	–	–	–
Zoological plants and animals		–	–	–	–	–	–	–	–	–
Total Repairs and Maintenance Expenditure	1	**758 168**	**758 369**	**795 225**	**880 511**	**812 124**	**812 124**	**801 669**	**772 048**	**837 426**

R&M as a % of PPE & Investment Property		*5.6%*	*5.8%*	*5.9%*	*6.8%*	*6.1%*	*6.1%*	*6.3%*	*6.2%*	*6.9%*
R&M as % Operating Expenditure		*14.9%*	*14.3%*	*12.8%*	*15.4%*	*14.3%*	*14.3%*	*-22.1%*	*12.6%*	*13.6%*

LIM354 Polokwane - Supporting Table SA34d Depreciation by asset class

Description	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Depreciation by Asset Class/Sub-class										
Infrastructure		**479 611**	**861 911**	**604 979**	**279 867**	**279 867**	**279 867**	**327 616**	**341 704**	**356 055**
Roads Infrastructure		255 605	455 305	239 014	119 571	119 571	119 571	147 017	153 339	159 779
Roads		–	–	215 912	110 005	110 005	110 005	135 191	141 004	146 926
Road Structures		255 605	455 305	5 794	1 837	1 837	1 837	2 607	2 719	2 833
Road Furniture		–	–	17 307	7 730	7 730	7 730	9 220	9 616	10 020
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		17 750	49 561	31 014	13 872	13 872	13 872	15 921	16 606	17 303
Drainage Collection		–	–	17 340	8 186	8 186	8 186	9 088	9 479	9 877
Storm water Conveyance		17 750	49 561	13 674	5 685	5 685	5 685	6 833	7 127	7 426
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		36 733	61 794	134 451	57 920	57 920	57 920	66 891	69 768	72 698
Power Plants		–	–	–	–	–	–	–	–	–
HV Substations		–	–	13 452	6 212	6 212	6 212	6 704	6 993	7 286
HV Switching Station		–	–	787	472	472	472	391	408	425
HV Transmission Conductors		–	–	11 993	4 987	4 987	4 987	5 979	6 236	6 498
MV Substations		–	–	1 219	517	517	517	603	629	655
MV Switching Stations		–	–	10 249	5 093	5 093	5 093	4 960	5 174	5 391
MV Networks		–	4	55 126	22 909	22 909	22 909	27 465	28 646	29 850
LV Networks		–	–	41 625	17 668	17 668	17 668	20 694	21 583	22 490
Capital Spares		36 733	61 791	(0)	63	63	63	95	99	104
Water Supply Infrastructure		6 377	14 596	147 414	68 197	68 197	68 197	73 641	76 808	80 033
Dams and Weirs		–	–	2 333	974	974	974	1 125	1 174	1 223
Boreholes		–	51	10 312	5 483	5 483	5 483	7 815	8 151	8 494
Reservoirs		–	–	27 130	11 693	11 693	11 693	13 506	14 086	14 678
Pump Stations		–	–	2 237	969	969	969	1 080	1 127	1 174
Water Treatment Works		–	52	0	3 060	3 060	3 060	3 012	3 142	3 274
Bulk Mains		–	–	18 827	6 497	6 497	6 497	9 274	9 672	10 079
Distribution		6 377	14 493	72 539	33 684	33 684	33 684	30 831	32 157	33 507
Distribution Points		–	–	–	–	–	–	–	–	–
PRV Stations		–	–	42	18	18	18	21	22	23
Capital Spares		–	–	13 994	5 819	5 819	5 819	6 976	7 276	7 582
Sanitation Infrastructure		25 849	45 644	40 599	14 327	14 327	14 327	17 808	18 574	19 354
Pump Station		–	358	0	302	302	302	289	302	314
Reticulation		–	–	12 121	5 042	5 042	5 042	6 026	6 285	6 549
Waste Water Treatment Works		–	33	19 709	7 183	7 183	7 183	9 486	9 894	10 310
Outfall Sewers		–	–	8 769	1 799	1 799	1 799	2 006	2 093	2 181
Toilet Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		25 849	45 254	–	–	–	–	–	–	–
Solid Waste Infrastructure		134 658	230 886	9 167	4 483	4 483	4 483	4 912	5 123	5 338
Landfill Sites		–	–	9 167	4 186	4 186	4 186	4 565	4 762	4 962
Waste Transfer Stations		134 658	230 886	(0)	296	296	296	346	361	377
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	2 639	4 125	3 320	1 497	1 497	1 497	1 425	1 487	1 549
Data Centres	–	–	714	452	452	452	241	252	262
Core Layers	–	–	2 553	1 020	1 020	1 020	1 184	1 235	1 287
Distribution Layers	–	–	53	25	25	25	–	–	–
Capital Spares	2 639	4 125	–	–	–	–	–	–	–
Community Assets	**121 741**	**224 575**	**189 310**	**84 063**	**84 063**	**84 063**	**93 451**	**97 469**	**101 563**
Community Facilities	29 631	69 044	66 196	27 493	27 493	27 493	32 489	33 886	35 309
Halls	–	–	1 980	947	947	947	979	1 021	1 064
Centres	2 743	4 631	29 879	12 198	12 198	12 198	15 188	15 841	16 507
Crèches	–	–	–	–	–	–	–	–	–
Clinics/Care Centres	211	357	166	107	107	107	117	123	128
Fire/Ambulance Stations	2 578	4 352	2 953	1 343	1 343	1 343	1 469	1 532	1 596
Testing Stations	450	760	1 588	668	668	668	827	862	898
Museums	–	–	1 679	1 022	1 022	1 022	837	873	909
Galleries	–	–	–	–	–	–	–	–	–
Theatres	–	–	–	–	–	–	–	–	–
Libraries	–	–	3 699	2 017	2 017	2 017	1 844	1 924	2 004
Cemeteries/Crematoria	912	1 540	563	244	244	244	281	293	305
Police	–	–	–	–	–	–	–	–	–
Parks	–	–	5 053	2 321	2 321	2 321	2 368	2 470	2 574
Public Open Space	4 644	7 841	–	–	–	–	–	–	–
Nature Reserves	–	–	17	–	–	–	2	2	2
Public Ablution Facilities	92	155	88	36	36	36	44	46	47
Markets	–	–	1 051	440	440	440	524	547	570
Stalls	–	–	–	–	–	–	–	–	–
Abattoirs	–	–	–	–	–	–	–	–	–
Airports	–	–	7 391	3 075	3 075	3 075	3 685	3 843	4 005
Taxi Ranks/Bus Terminals	–	–	9 396	2 785	2 785	2 785	3 990	4 161	4 336
Capital Spares	18 001	49 407	692	290	290	290	334	349	363
Sport and Recreation Facilities	92 110	155 531	123 114	56 570	56 570	56 570	60 962	63 584	66 254
Indoor Facilities	–	–	5 345	2 568	2 568	2 568	2 021	2 108	2 196
Outdoor Facilities	5 835	9 852	117 768	54 002	54 002	54 002	58 941	61 476	64 058
Capital Spares	86 276	145 679	0	–	–	–	–	–	–
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	**3 579**	**6 043**	**23 736**	**12 856**	**12 856**	**12 856**	**11 431**	**11 923**	**12 423**
Operational Buildings	3 579	6 043	23 005	12 430	12 430	12 430	10 931	11 402	11 880
Municipal Offices	3 579	6 043	18 635	10 086	10 086	10 086	8 761	9 138	9 522
Pay/Enquiry Points	–	–	821	437	437	437	409	427	445
Building Plan Offices	–	–	–	–	–	–	–	–	–
Workshops	–	–	–	–	–	–	–	–	–
Yards	–	–	2 526	1 323	1 323	1 323	1 254	1 308	1 363
Stores	–	–	1 023	583	583	583	507	529	551
Laboratories	–	–	–	–	–	–	–	–	–
Training Centres	–	–	–	–	–	–	–	–	–

Manufacturing Plant		–	–	–	–	–	–	–	–	–
Depots		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Housing		–	–	731	426	426	426	500	521	543
Staff Housing		–	–	731	307	307	307	364	380	396
Social Housing		–	–	0	119	119	119	135	141	147
Capital Spares		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		3 580	2 436	2 406	1 277	1 277	1 277	1 199	1 251	1 303
Servitudes		–	–	0	1 277	1 277	1 277	1 199	1 251	1 303
Licences and Rights		3 580	2 436	2 406	–	–	–	–	–	–
Water Rights		–	–	–	–	–	–	–	–	–
Effluent Licenses		–	–	–	–	–	–	–	–	–
Solid Waste Licenses		–	–	–	–	–	–	–	–	–
Computer Software and Applications		3 580	2 436	2 406	–	–	–	–	–	–
Load Settlement Software Applications		–	–	–	–	–	–	–	–	–
Unspecified		–	–	–	–	–	–	–	–	–
Computer Equipment		(3 499)	2 145	2 852	1 465	1 465	1 465	1 722	1 796	1 871
Computer Equipment		(3 499)	2 145	2 852	1 465	1 465	1 465	1 722	1 796	1 871
Furniture and Office Equipment		28 997	17 719	16 464	8 218	8 218	8 218	4 309	4 495	4 684
Furniture and Office Equipment		28 997	17 719	16 464	8 218	8 218	8 218	4 309	4 495	4 684
Machinery and Equipment		10 707	3 251	3 291	1 850	1 850	1 850	2 132	2 224	2 317
Machinery and Equipment		10 707	3 251	3 291	1 850	1 850	1 850	2 132	2 224	2 317
Transport Assets		79 691	29 015	38 721	18 218	18 218	18 218	16 633	17 348	18 077
Transport Assets		79 691	29 015	38 721	18 218	18 218	18 218	16 633	17 348	18 077
Land		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Living resources		**-**	**159**	**223**	**-**	**-**	**-**	**-**	**-**	**-**
Mature		-	159	223	-	-	-	-	-	-
Policing and Protection		–	–	–	–	–	–	–	–	–
Zoological plants and animals		–	159	223	–	–	–	–	–	–
Immature		-	-	-	-	-	-	-	-	-
Policing and Protection		–	–	–	–	–	–	–	–	–
Zoological plants and animals		–	–	–	–	–	–	–	–	–
Total Depreciation	1	**724 406**	**1 147 255**	**881 981**	**407 814**	**407 814**	**407 814**	**458 494**	**478 209**	**498 294**

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

Description	###	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		**104 952**	**95 578**	**54 319**	**72 835**	**151 185**	**151 185**	**636 386**	**814 559**	**534 688**
Roads Infrastructure		91 445	55 444	22 015	9 573	73 289	73 289	14 043	21 384	30 000
Roads		91 445	49 700	21 238	9 573	73 289	73 289	14 043	19 130	870
Road Structures		0	5 744	777	–	–	–	–	–	25 217
Road Furniture		–	(0)	–	–	–	–	–	2 253	3 913
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		1 271	4 547	8 849	4 143	13 839	13 839	16 342	31 088	10 377
Drainage Collection		1 271	634	8 849	–	9 696	9 696	15 038	31 088	10 377
Storm water Conveyance		–	3 913	–	4 143	4 143	4 143	1 304	–	–
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	28	12 750	12 968	12 968	3 913	2 174	2 174
Power Plants		–	–	–	–	–	–	–	–	–
HV Substations		–	–	–	2 000	2 000	2 000	–	–	870
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		–	–	–	8 750	8 218	8 218	2 609	870	1 304
LV Networks		–	–	28	2 000	2 750	2 750	1 304	1 304	–
Capital Spares		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		12 235	15 940	–	–	–	–	–	–	–
Dams and Weirs		–	–	–	–	–	–	–	–	–
Boreholes		–	–	–	–	–	–	–	–	–
Reservoirs		–	–	–	–	–	–	–	–	–
Pump Stations		–	–	–	–	–	–	–	–	–
Water Treatment Works		12 235	15 940	–	–	–	–	–	–	–
Bulk Mains		–	–	–	–	–	–	–	–	–
Distribution		–	–	–	–	–	–	–	–	–
Distribution Points		–	–	–	–	–	–	–	–	–
PRV Stations		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	19 647	23 428	44 574	48 396	48 396	598 348	756 174	487 652
Pump Station		–	–	–	–	–	–	–	–	–
Reticulation		–	–	–	–	–	–	–	–	–
Waste Water Treatment Works		–	19 647	23 428	44 574	48 396	48 396	598 348	756 174	487 652
Outfall Sewers		–	–	–	–	–	–	–	–	–
Toilet Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	2 174	2 174	2 920
Landfill Sites		–	–	–	–	–	–	2 174	2 174	2 050
Waste Transfer Stations		–	–	–	–	–	–	–	–	870
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	0	–	–	1 794	2 694	2 694	1 565	1 565	1 565
Data Centres	0	–	–	1 794	2 694	2 694	1 565	1 565	1 565
Core Layers	–	–	–	–	–	–	–	–	–
Distribution Layers	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Community Assets	**–**	**19 575**	**32 086**	**30 882**	**39 743**	**39 743**	**13 951**	**21 648**	**24 756**
Community Facilities	–	8 202	20 345	19 187	28 048	28 048	4 348	3 478	5 304
Halls	–	–	–	–	–	–	–	–	–
Centres	–	–	–	800	557	557	–	–	–
Crèches	–	–	–	–	–	–	–	–	–
Clinics/Care Centres	–	–	–	–	–	–	–	–	–
Fire/Ambulance Stations	–	–	–	–	–	–	–	–	–
Testing Stations	–	4 068	321	1 000	2 000	2 000	–	–	–
Museums	–	–	–	–	–	–	–	–	–
Galleries	–	–	–	–	–	–	–	–	–
Theatres	–	–	–	–	–	–	–	–	–
Libraries	–	–	–	–	–	–	–	–	–
Cemeteries/Crematoria	–	–	–	–	–	–	–	–	–
Police	–	–	–	–	–	–	–	–	–
Parks	–	–	3 563	3 478	3 478	3 478	–	–	–
Public Open Space	–	–	1 260	–	–	–	1 739	1 739	2 261
Nature Reserves	–	4 133	1 075	2 000	1 980	1 980	1 739	1 739	3 043
Public Ablution Facilities	–	–	–	–	–	–	–	–	–
Markets	–	–	–	–	–	–	–	–	–
Stalls	–	–	–	–	–	–	870	–	–
Abattoirs	–	–	–	–	–	–	–	–	–
Airports	–	–	–	–	–	–	–	–	–
Taxi Ranks/Bus Terminals	–	–	14 126	11 908	20 032	20 032	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities	–	11 374	11 741	11 696	11 696	11 696	9 603	18 170	19 451
Indoor Facilities	–	–	–	–	–	–	–	–	–
Outdoor Facilities	–	11 374	11 741	11 696	11 696	11 696	9 603	18 170	19 451
Capital Spares	–	–	–	–	–	–	–	–	–
Heritage assets	–	–	–	–	–	–	–	–	–
Monuments	–	–	–	–	–	–	–	–	–
Historic Buildings	–	–	–	–	–	–	–	–	–
Works of Art	–	–	–	–	–	–	–	–	–
Conservation Areas	–	–	–	–	–	–	–	–	–
Other Heritage	–	–	–	–	–	–	–	–	–
Investment properties	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating	–	–	–	–	–	–	–	–	–
Improved Property	–	–	–	–	–	–	–	–	–
Unimproved Property	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Improved Property	–	–	–	–	–	–	–	–	–
Unimproved Property	–	–	–	–	–	–	–	–	–
Other assets	**560**	**3 097**	**1 537**	**–**	**100**	**100**	**3 478**	**1 739**	**696**
Operational Buildings	560	3 097	1 537	–	100	100	3 478	1 739	696
Municipal Offices	560	3 097	261	–	100	100	3 478	1 739	696
Pay/Enquiry Points	–	–	–	–	–	–	–	–	–
Building Plan Offices	–	–	–	–	–	–	–	–	–
Workshops	–	–	–	–	–	–	–	–	–
Yards	–	–	1 275	–	–	–	–	–	–
Stores	–	–	–	–	–	–	–	–	–
Laboratories	–	–	–	–	–	–	–	–	–
Training Centres	–	–	–	–	–	–	–	–	–
Manufacturing Plant	–	–	–	–	–	–	–	–	–
Depots	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–

Housing		–	–	–	–	–	–	–	–	–
Staff Housing		–	–	–	–	–	–	–	–	–
Social Housing		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Water Rights		–	–	–	–	–	–	–	–	–
Effluent Licenses		–	–	–	–	–	–	–	–	–
Solid Waste Licenses		–	–	–	–	–	–	–	–	–
Computer Software and Applications		–	–	–	–	–	–	–	–	–
Load Settlement Software Applications		–	–	–	–	–	–	–	–	–
Unspecified		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Computer Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Furniture and Office Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Machinery and Equipment		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Living resources		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Policing and Protection		–	–	–	–	–	–	–	–	–
Zoological plants and animals		–	–	–	–	–	–	–	–	–
Immature		-	-	-	-	-	-	-	-	-
Policing and Protection		–	–	–	–	–	–	–	–	–
Zoological plants and animals		–	–	–	–	–	–	–	–	–
Total Capital Expenditure on upgrading of existing assets	1	**105 512**	**118 250**	**87 942**	**103 717**	**191 029**	**191 029**	**653 815**	**837 947**	**560 139**
Upgrading of Existing Assets as % of total capex		*16.9%*	*13.6%*	*11.1%*	*14.6%*	*20.1%*	*20.1%*	*50.7%*	*56.1%*	*45.6%*
Upgrading of Existing Assets as % of deprecn"		*14.6%*	*10.3%*	*10.0%*	*25.4%*	*46.8%*	*46.8%*	*142.6%*	*175.2%*	*112.4%*

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

Vote Description	Ref	2026/27 Medium Term Revenue & Expenditure Framework			Forecasts			
R thousand		Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Present value
Capital expenditure	1							
Vote 1 - Chief operations office		2 609	2 739	2 876				
Vote 2 - Municipal managers office		–	–	–				
Vote 3 - Water and sanitation		828 639	997 541	746 274				
Vote 4 - Energy services		66 836	72 948	71 530				
Vote 5 - Community Services		122 520	122 722	132 943				
Vote 6 - Public safety		20 870	21 913	23 704				
Vote 7 - Corporate and Shared Services		70 261	74 130	77 913				
Vote 8 - Planning and Economic Development		9 130	9 478	9 791				
Vote 9 - Budget and Treasury office		1 739	1 739	1 745				
Vote 10 - Transport Operations		35 845	34 115	42 609				
Vote 11 - Human Settlement		–	–	–				
Vote 12 - Roads and stormwater		131 439	155 484	118 507				
Vote 13 -		–	–	–				
Vote 14 -		–	–	–				
Vote 15 -		–	–	–				
List entity summary if applicable								
Total Capital Expenditure		**1 289 887**	**1 492 809**	**1 227 892**	**–**	**–**	**–**	**–**
Future operational costs by vote	2							
Vote 1 - Chief operations office		202 177	203 235	216 851				
Vote 2 - Municipal managers office		161 910	166 744	174 361				
Vote 3 - Water and sanitation		943 741	954 363	1 000 246				
Vote 4 - Energy services		1 896 141	1 979 307	2 068 385				
Vote 5 - Community Services		622 682	631 811	673 916				
Vote 6 - Public safety		538 920	544 109	584 078				
Vote 7 - Corporate and Shared Services		422 330	407 450	435 884				
Vote 8 - Planning and Economic Development		122 503	127 561	133 853				
Vote 9 - Budget and Treasury office		641 403	630 263	670 821				
Vote 10 - Transport Operations		178 300	173 946	174 057				
Vote 11 - Human Settlement		68 259	21 448	22 439				
Vote 12 - Roads and stormwater		349 694	329 374	390 748				
Vote 13 -		–	–	–				
Vote 14 -		–	–	–				
Vote 15 -		–	–	–				
List entity summary if applicable								
Total future operational costs		6 148 061	6 169 611	6 545 640	–	–	–	–
Future revenue by source	3							
Exchange Revenue								
Service charges - Electricity								
Service charges - Water								
Service charges - Waste Water Management								
Service charges - Waste Management								
Agency services								
List other revenues sources if applicable								
List entity summary if applicable								
Total future revenue		–	–	–	–	–	–	–
Net Financial Implications		**7 437 948**	**7 662 420**	**7 773 532**	**–**	**–**	**–**	**–**

References

1. Summarise the total capital cost until capital project is operational (MFMA s19(2)(a))

2. Summary of future operational costs from when projects operational (present value until the end of each asset's useful life) (MFMA s19(2)(b))

3. Summarise the future revenue from when projects are operational, including municipal tax and tariff implications, (present value until the end of asset's useful life)

LIM354 Polokwane - Supporting Table SA36 Detailed capital budget

R thousand														2026/27 Medium Term Revenue & Expenditure Framework		
Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Latitude	Audited Outcome 2024/25	Current Year 2025/26 Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Parent municipality:																
List all capital projects grouped by Function																
Parent Capital expenditure												–	–	–	–	–
Entities:																
List all capital projects grouped by Entity																
Entity A																
Water project A																
Entity B																
Electricity project B																
Entity Capital expenditure												–	–	–	–	–
Total Capital expenditure												–	–	–	–	–

References

Must reconcile with Budgeted Capital Expenditure

Projects that fall above the threshold values applicable to the municipality as identified in regulation 13 of the Municipal Budget and Reporting Regulations must be listed individually. Other projects by Function

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

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

Distinguish projects approved in terms of MFMA section 19(1)(b) and MRRR Regulation 13 check 791 402 951 460 1 289 887 1 492 809 1 227 892

Project Number consists of MSCOA Project Longcode and seq No (sample PC001002006002_00002)

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

R thousand												Previous target year to complete	Current Year 2025/26		2026/27 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 Lattitude		Original Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Parent municipality:																	
List all capital projects grouped by Function																	
Entities:																	
List all capital projects grouped by Entity																	
Entity Name																	
Project name																	

References

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

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

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

LIM354 Polokwane - Supporting Table SA38 Consolidated detailed operational projects

R thousand												Prior year outcomes		2026/27 Medium T
Function	Project Description	Project Number	Type	MTSF Service Outcome	IUDF	Own Strategic Objectives	Asset Class	Asset Sub-Class	Ward Location	GPS Longitude	GPS Lattitude	Audited Outcome 2024/25	Current Year 2025/26 Full Year Forecast	Budget Year 2026/27
Parent municipality:														
List all operational projects grouped by Function														
Parent Operational expenditure												–	–	–
Entities:														
List all Operational projects grouped by Entity														
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

POLOKWANE HOUSING ASSOCIATION

Annual Budget & Service Delivery Agreement

2026/2027 to 2030/2031

Including Five-Year Long-Term Deficit Reduction Plan

Prepared: March 2026 | Polokwane Municipality | 100% Owned Municipal Entity

1. Executive Summary

Despite global and national economic challenges, the Polokwane Housing Association (PHA) has demonstrated resilience and continued year-on-year operational viability. As a Municipal Entity, PHA is mandated to develop and manage Integrated Human Settlements, Social and Non-Social Housing Rental Units within the jurisdiction of Polokwane Municipality.

PHA operates in compliance with the Municipal Finance Management Act (Act 56 of 2003), the Municipal Systems Act (Act 32 of 2000), the Companies Act (Act 71 of 2008), the Housing Code, the Social Housing Act of 2008, and all applicable legislation.

The 2026/27 financial plan reflects a projected allocation of 1 194 rental units generating R32.7 million in rental revenue for the year. The budgeted operating deficit is projected at R10.5 million, primarily attributable to non-cash items depreciation and impairment of receivables totalling R18.6 million.

2. Rental Adjustment — 2026/27 Budget Year

PHA proposes a 5% rental increase effective July 2026, aligned with the Consumer Price Index (CPI) and within SHRA's acceptable range of CPI to CPI+2%. With CPI currently between 3.7% and 4.0%, the 5% increase remains within SHRA guidelines.

Ga-Rena Rental Schedule

Unit Type	Current Rental	Inflation Rate	Expected Monthly Rental
1 Bedroom	R1 400	5%	R1 500
2 Bedroom	R2 000	5%	R2 100
3 Bedroom	R2 400	5%	R2 500

Community Rental Units (CRU) — Seshego

Unit Type	Current Rental	Inflation Rate	Expected Monthly Rental
1 Bedroom	R440	5%	R460
2 Bedroom	R880	5%	R920
Live & Work	R1 400	5%	R1 500
Commercial 1	R3 900	5%	R4 100
Commercial 2	R4 500	5%	R4 700

Annadale Extension 2 — Income-Linked Schedule

Income Bracket (Lower)	Income Bracket (Upper)	Monthly Rental	Expected Rental
R1 850	R3 500	R945	R945
R3 501	R6 700	R1 479	R1 479
R6 701	R11 300	R2 790	R2 790
R11 301	R15 000	R3 490	R3 490
R15 001	R22 000	R4 290	R4 290

3. Operating Revenue & Expenditure Summary

The medium-term revenue and expenditure framework for the 2026/27 to 2028/29 financial years is presented below. An R18 million operational grant is included in the current budgeting period for outer years its R18.6 million and R19.1 million to maintain positive cash flow.

Revenue & Expenditure Overview

Description	2026/27 '000	2027/28 '000	2028/29 '000
Rental from Fixed Assets	32 778	34 417	36 138
Admin Fee	103	137	143
Operational Grant	18 000	18 594	19 189
Total Revenue	**50 881**	**53 148**	**55 470**
Total Expenditure	**61 353**	**63 644**	**65 977**
Surplus / (Deficit)	**(10 472)**	**(10 496)**	**(10 507)**

Expenditure Breakdown

Expenditure Item	2026/27 '000	2027/28 '000	2028/29 '000
Employee Related Costs	20 772	21 813	22 794
Depreciation & Asset Impairment	14 000	14 420	14 852
Contracted Services	19 426	20 029	20 689
Irrecoverable Debts Written Off	4 600	4 738	4 880
Operational Costs	2 554	2 644	2 762
Total Expenditure	**61 353**	**63 644**	**65 977**

4. Deficit Funding Strategy

Short-Term Interventions (0–12 Months)

The following measures will be implemented immediately to stabilise PHA's financial position:

- Implement an aggressive revenue collection strategy targeting existing tenants.
- Improve billing accuracy and completeness across all chargeable units.
- Fast-track tenanting of available units, particularly at Annadale Extension 2.
- Strengthen debt collection through enhanced internal controls and external collectors.
- Freeze non-essential recruitment and restrict discretionary expenditure.
- Review and renegotiate contracted services to ensure value for money.
- Defer non-critical capital expenditure to ease immediate cash flow pressure.

Medium-Term Interventions (1–3 Years)

Over the medium term, PHA will pursue operational sustainability and reduced grant dependency through:

- Optimising utilisation of existing assets and increasing occupancy levels across all properties.
- Strengthening the revenue enhancement strategy to maximise income generation.
- Developing alternative revenue streams through improved property utilisation.
- Diversifying the revenue base to reduce the structural deficit and grant reliance.

5. Five-Year Long-Term Deficit Reduction Plan (2026/27 – 2030/31)

PHA has developed a structured five-year plan to materially reduce the operating deficit through the development and commissioning of 240 additional rental units, increasing the total portfolio from 1 194 to 1 434 units. The additional stock will be developed in three phases of 80 units each, generating incremental rental revenue that progressively narrows the structural deficit by up to 79% by 2030/31.

5.1 Strategic Rationale

The current deficit is structural driven by depreciation and Irrecoverable Debts and rising employment costs that outpace rental income growth. The most sustainable path to deficit elimination is revenue-side expansion through additional stock, complemented by the short- and medium-term cost-containment measures described in Section 4.

An additional 240 units, at an average blended rental of R2 000 per month (mix of 1BR at R1 500, 2BR at R2 100, and 3BR at R2 500), will generate approximately R5.76 million per annum in new rental revenue once fully occupied reducing the projected 2026/27 deficit of R10.5 million by approximately 55% on a stand-alone basis. Combined with revenue and cost optimisation measures, PHA targets a 79% deficit reduction by 2030/31.

5.2 Phase-by-Phase Implementation Plan

Phase	Period	Units	Key Activities
Phase 0 (Planning)	2026/27	—	Site selection & feasibility studies; SHRA funding application; design and environmental approvals; procurement of contractor
Phase 1 (Funding)	2027/28	—	Finalising the funding model 240 units (mix of 1BR & 2BR); by Q4 2027/28;
Phase 2 (Construction)	2028/29	240	Construction of second 240-unit block; commissioning by Q4 2028/29.
Phase 3 (Occupational Certificate Approval)	2029/30	240	Approval of final 240-unit block;
Tenanting	2030/31	—	Full 240 units at steady-state occupancy (≥95%); enhanced maintenance programme; full portfolio of 1 434 units operational; deficit reduced by 79%; plan for further expansion.

5.3 Five-Year Financial Projections

The table below models the cumulative financial impact of each construction phase. Revenue projections assume 95% occupancy from the quarter following commissioning. Expenditure growth is assumed at 1% per annum above baseline for maintenance and management of the additional stock.

Item	2026/27 (Year 1)	2027/28 (Year 2)	2028/29 (Year 3)	2030/31 (Year 5)
New Units Commissioned	—	—	—	240
Total Portfolio (units)	1 194	1 194	1 194	1 434
New Rental Revenue ('000)	—	—	—	5 760

Item	2026/27 (Year 1)	2027/28 (Year 2)	2028/29 (Year 3)	2030/31 (Year 5)
Projected Total Revenue ('000)	50 881	53 148	55 470	65 148
Projected Expenditure ('000)	61 353	63 644	65 977	67 303
Projected Surplus / (Deficit)	**(10 472)**	**(10 496)**	**(10 507)**	**(2 155)**
Deficit Reduction vs 2026/27	**Baseline**			**79%**

5.4 Funding & Procurement Strategy

PHA will pursue a blended funding model for the capital construction costs of the 240 units:

- SHRA Capital Grant — Application to be submitted in Q3 2026/27 under the Consolidation Instrument.
- Polokwane Municipality Capital Allocation — Formal request to be tabled at the mid-year budget adjustment.
- Development Finance Institution (DFI) Loan — Engagement with NHFC and DBSA for concessional lending at below-market rates.

5.5 Key Risks & Mitigations

The following risks have been identified in relation to the long-term plan:

Risk	Likelihood	Mitigation
Construction cost overruns	Medium	Fixed-price contracts with penalty clauses; contingency reserve of 10%
Delays in SHRA/DFI funding approval	Medium	Parallel application to multiple funders; Phase 0 planning self-funded
Slow uptake / low occupancy	Low	Pre-screening waiting list; marketing campaign 6 months before commissioning
CPI-driven cost escalation	Medium	5% CPI assumption built into projections; annual re-forecast
Changes in grant funding levels	Low-Medium	Conservative grant assumptions; plan viable without grant increase

6. Service Delivery Agreement

Period of Agreement	No fixed period; subject to annual reviews per Section 93A of the Municipal Systems Act
Service Provided	Rental of residential and commercial units
Monetary Value	1 000 shares at R1 each (total value: R1 000)
Ownership & Control	Polokwane Municipality — 100% (as at 31 December 2025)
Mandate	Develop and Manage Integrated Human Settlements
Funding — Medium Term	R18.0m (2026/27) | R18.5m (2027/28) | R19.1m (2028/29)
Past Performance	Targets broadly met; Ga-Rena project remains challenging. PHA is confident of high occupancy and collection rates going forward.

7. Capital Budget

Item	2025/26 '000	2026/27 '000	2027/28 '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		
R thousands	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
Financial Performance									
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
Total Revenue (excluding capital transfers and contributions)	**36,203**	**21,480**	**27,305**	**42,131**	**30,840**	**30,840**	**43,774**	**45,396**	**47,235**
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
Total Expenditure	**15,767**	**18,535**	**27,466**	**44,000**	**42,095**	**42,095**	**49,053**	**51,243**	**52,856**
Surplus/(Deficit)	**20,436**	**2,946**	**(161)**	**(1,869)**	**(11,255)**	**(11,255)**	**(5,279)**	**(5,847)**	**(5,620)**
Transfers and subsidies - capital (monetary allocations)	29,100	–	3,074	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**49,536**	**2,946**	**2,914**	**(1,869)**	**(11,255)**	**(11,255)**	**(5,279)**	**(5,847)**	**(5,620)**
Income Tax	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	**49,536**	**2,946**	**2,914**	**(1,869)**	**(11,255)**	**(11,255)**	**(5,279)**	**(5,847)**	**(5,620)**
Capital expenditure & funds sources									
Capital expenditure	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
Total sources of capital funds	**38,999**	**675**	**26**	**2,458**	**3,478**	**3,478**	**1,800**	**180**	**180**
Financial position									
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)
Cash flows									
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	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	**(44,228)**	**(5,151)**	**(2,880)**	**2,420**	**2,445**	**6,569**	**9,910**	**19,816**	**29,716**

- 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
Revenue											
Exchange Revenue											
Service charges - Electricity	2	–	–	–	–	–	–	–	–	–	–
Service charges - Water	2	–	–	–	–	–	–	–	–	–	–
Service charges - Waste Water Management	2	–	–	–	–	–	–	–	–	–	–
Service charges - Waste Management	2	–	–	–	–	–	–	–	–	–	–
Sale of Goods and Rendering of Services		–	–	–	–	–	–	–	–	–	–
Agency services		–	–	–	–	–	–	–	–	–	–
Interest		–	–	–	–	–	–	–	–	–	–
Interest earned from Receivables		–	–	–	–	–	–	–	–	–	–
Interest earned from Current and Non Current Assets		–	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
Non-Exchange Revenue											
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		–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and cont		**36,203**	**21,480**	**27,305**	**42,131**	**30,840**	**30,840**	**21,021**	**43,774**	**45,396**	**47,235**
Expenditure											
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		–	–	–	–	–	–	–	–	–	–
Total Expenditure		**15,767**	**18,535**	**27,466**	**44,000**	**42,095**	**42,095**	**21,558**	**49,053**	**51,243**	**52,856**
Surplus/(Deficit)		**20,436**	**2,946**	**(161)**	**(1,869)**	**(11,255)**	**(11,255)**	**(537)**	**(5,279)**	**(5,847)**	**(5,620)**
Transfers and subsidies - capital (monetary allocations)	6	29,100	–	3,074	–	–	–	3,656	–	–	–
Transfers and subsidies - capital (in-kind)	6	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**49,536**	**2,946**	**2,914**	**(1,869)**	**(11,255)**	**(11,255)**	**3,119**	**(5,279)**	**(5,847)**	**(5,620)**
Income Tax		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax		**49,536**	**2,946**	**2,914**	**(1,869)**	**(11,255)**	**(11,255)**	**3,119**	**(5,279)**	**(5,847)**	**(5,620)**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		**49,536**	**2,946**	**2,914**	**(1,869)**	**(11,255)**	**(11,255)**	**3,119**	**(5,279)**	**(5,847)**	**(5,620)**
Share of Surplus/Deficit attributable to Associate	7	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	1	**49,536**	**2,946**	**2,914**	**(1,869)**	**(11,255)**	**(11,255)**	**3,119**	**(5,279)**	**(5,847)**	**(5,620)**

- Table D3 Capital Budget by asset class and funding

Vote Description	Ref	2021/22	2022/23	2023/24	Current Year 2024/25			Medium Term Revenue and Expenditure Framework		
R thousands	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 by Asset Class/Sub-class										
Infrastructure		–	–	–	–	–	–	–	–	–
Roads Infrastructure		–	–	–	–	–	–	–	–	–
Roads		–	–	–	–	–	–	–	–	–
Road Structures		–	–	–	–	–	–	–	–	–
Road Furniture		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Power Plants		–	–	–	–	–	–	–	–	–
HV Substations		–	–	–	–	–	–	–	–	–
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		–	–	–	–	–	–	–	–	–
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Dams and Weirs		–	–	–	–	–	–	–	–	–
Boreholes		–	–	–	–	–	–	–	–	–
Reservoirs		–	–	–	–	–	–	–	–	–
Pump Stations		–	–	–	–	–	–	–	–	–
Water Treatment Works		–	–	–	–	–	–	–	–	–
Bulk Mains		–	–	–	–	–	–	–	–	–
Distribution		–	–	–	–	–	–	–	–	–
Distribution Points		–	–	–	–	–	–	–	–	–
PRV Stations		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Pump Station		–	–	–	–	–	–	–	–	–
Reticulation		–	–	–	–	–	–	–	–	–
Waste Water Treatment Works		–	–	–	–	–	–	–	–	–
Outfall Sewers		–	–	–	–	–	–	–	–	–
Toilet Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Landfill Sites		–	–	–	–	–	–	–	–	–
Waste Transfer Stations		–	–	–	–	–	–	–	–	–
Waste Processing Facilities		–	–	–	–	–	–	–	–	–
Waste Drop-off Points		–	–	–	–	–	–	–	–	–
Waste Separation Facilities		–	–	–	–	–	–	–	–	–
Electricity Generation Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines		–	–	–	–	–	–	–	–	–
Rail Structures		–	–	–	–	–	–	–	–	–
Rail Furniture		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps		–	–	–	–	–	–	–	–	–
Piers		–	–	–	–	–	–	–	–	–
Revetments		–	–	–	–	–	–	–	–	–
Promenades		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Data Centres		–	–	–	–	–	–	–	–	–
Core Layers		–	–	–	–	–	–	–	–	–
Distribution Layers		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Community Assets		–	–	–	–	–	–	–	–	–
Community Facilities		–	–	–	–	–	–	–	–	–
Halls		–	–	–	–	–	–	–	–	–
Centres		–	–	–	–	–	–	–	–	–
Crèches		–	–	–	–	–	–	–	–	–
Clinics/Care Centres		–	–	–	–	–	–	–	–	–
Fire/Ambulance Stations		–	–	–	–	–	–	–	–	–
Testing Stations		–	–	–	–	–	–	–	–	–
Museums		–	–	–	–	–	–	–	–	–
Galleries		–	–	–	–	–	–	–	–	–
Theatres		–	–	–	–	–	–	–	–	–
Libraries		–	–	–	–	–	–	–	–	–
Cemeteries/Crematoria		–	–	–	–	–	–	–	–	–
Police		–	–	–	–	–	–	–	–	–
Parks		–	–	–	–	–	–	–	–	–
Public Open Space		–	–	–	–	–	–	–	–	–
Nature Reserves		–	–	–	–	–	–	–	–	–
Public Ablution Facilities		–	–	–	–	–	–	–	–	–
Markets		–	–	–	–	–	–	–	–	–
Stalls		–	–	–	–	–	–	–	–	–
Abattoirs		–	–	–	–	–	–	–	–	–
Airports		–	–	–	–	–	–	–	–	–
Taxi Ranks/Bus Terminals		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Indoor Facilities		–	–	–	–	–	–	–	–	–
Outdoor Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–

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

Funded by:										
National Government		–	–	–	–	–	–	–	–	–
Provincial Government		–	–	–	–	–	–	–	–	–
Parent Municipality		–	–	–	–	–	–	–	–	–
District Municipality		38,999	675	–	–	–	–	–	–	–
Transfers recognised - capital		**38,999**	**675**	–	–	–	–	–	–	–
Borrowing	3	–	–	–	–	–	–	–	–	–
Internally generated funds		–	–	26	2,458	3,478	3,478	1,800	180	180
Total Capital Funding	4	**38,999**	**675**	**26**	**2,458**	**3,478**	**3,478**	**1,800**	**180**	**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
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)**

- 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
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**

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

Chart 4: Deficit Trajectory

- 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
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)**

Chart 5: Long-Term Portfolio Growth Projection

This document was prepared by the Polokwane Housing Association Finance Department — March 2026. All figures in South African Rand (ZAR). Subject to approval by the PHA Board and Polokwane Municipal Council.

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	Yes
	No
Type of Entities Range:	Parent Municapality
	Consolidated Information
Entity Name	
MTREF Range:	2014
	2015
	2016
	2017
	2018
	2019
	2020
	2021
	2022
	2023
	2024
	2025
	2026
	2027
	2028
MTREF Linked:	13
MTREF:	2026
Fin Year:	

- Table D1 Budget Summary

Description	2022/23	2023/24	2024/25	Current Year 2025/26			Medium Term Revenue and Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Financial Performance									
Property rates	–	–	–	–	–	–	–	–	–
Service charges	–	–	–	–	–	–	–	–	–
Investment revenue	–	–	–	–	–	–	–	–	–
Transfer and subsidies - Operational	9,191	15,000	16,000	10,000	17,000	17,000	18,000	18,594	19,189
Other own revenue	11,567	12,106	12,467	33,774	19,705	19,705	32,908	34,553	36,281
Total Revenue (excluding capital transfers and contributions)	**20,758**	**27,106**	**28,467**	**43,774**	**36,705**	**36,705**	**50,908**	**53,147**	**55,470**
Employee costs	11,029	11,899	13,768	19,377	22,085	22,085	20,772	21,813	22,794
Remuneration of Board members	–	–	–	–	–	–	–	–	–
Depreciation and Debt impairment	5,300	13,160	13,748	8,676	8,998	8,998	14,000	14,420	14,852
Interest, Dividends and Rent on Land	–	–	–	–	–	–	–	–	–
Inventory consumed and bulk purchases	1	–	–	–	–	–	–	–	–
Transfers and subsidies	–	–	–	–	–	–	–	–	–
Other expenditure	10,368	13,587	16,126	24,256	21,128	21,128	26,581	27,410	28,331
Total Expenditure	**26,699**	**38,646**	**43,643**	**52,309**	**52,211**	**52,211**	**61,353**	**63,642**	**65,978**
Surplus/(Deficit)	**(5,940)**	**(11,540)**	**(15,176)**	**(8,535)**	**(15,506)**	**(15,506)**	**(10,445)**	**(10,495)**	**(10,508)**
Transfers and subsidies - capital (monetary allocations)	(0)	3,074	5,098	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	**(5,940)**	**(8,466)**	**(10,078)**	**(8,535)**	**(15,506)**	**(15,506)**	**(10,445)**	**(10,495)**	**(10,508)**
Income Tax	–	–	–	–	–	–	–	–	–
Surplus/ (Deficit) for the year	**(5,940)**	**(8,466)**	**(10,078)**	**(8,535)**	**(15,506)**	**(15,506)**	**(10,445)**	**(10,495)**	**(10,508)**
Capital expenditure & funds sources									
Capital expenditure	(219,954)	3,137	229	1,800	1,800	1,800	1,863	400	418
Transfers recognised - capital	(219,954)	3,074	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–
Internally generated funds	–	42	229	1,800	1,800	1,800	1,863	400	418
Total sources of capital funds	**(219,954)**	**3,117**	**229**	**1,800**	**1,800**	**1,800**	**1,863**	**400**	**418**
Financial position									
Total current assets	4,129	3,378	4,123	39,152	32,084	32,084	46,215	48,313	50,489
Total non current assets	449,662	397,357	387,493	(6,876)	(7,180)	(7,180)	(11,726)	(13,594)	(13,990)
Total current liabilities	750	859	781	–	–	–	–	–	–
Total non current liabilities	751	860	782	–	–	–	–	–	–
Community wealth/Equity	435,383	384,462	374,475	(8,535)	(12,256)	(12,256)	(10,034)	(10,069)	(10,063)
Cash flows									
Net cash from (used) operating	(4,840)	(9,796)	8,806	10,090	17,090	5,888	(93)	(96)	(101)
Net cash from (used) investing	(675)	(31)	(4,490)	–	–	(778)	–	–	–
Net cash from (used) financing	–	–	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	**(3,144)**	**(6,414)**	**6,467**	**10,090**	**17,090**	**5,110**	**(93)**	**(190)**	**(290)**

- Table D2 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Revenue											
Exchange Revenue											
Service charges - Electricity	2	–	–	–	–	–	–	–	–	–	–
Service charges - Water	2	–	–	–	–	–	–	–	–	–	–
Service charges - Waste Water Management	2	–	–	–	–	–	–	–	–	–	–
Service charges - Waste Management	2	–	–	–	–	–	–	–	–	–	–
Sale of Goods and Rendering of Services		–	–	–	–	–	–	–	–	–	–
Agency services		–	–	–	–	–	–	–	–	–	–
Interest		–	–	–	–	–	–	–	–	–	–
Interest earned from Receivables		–	–	–	–	–	–	–	–	–	–
Interest earned from Current and Non Current Assets		0	(0)	–	–	–	–	–	–	–	–
Dividends		–	–	–	–	–	–	–	–	–	–
Rent on Land		–	–	–	–	–	–	–	–	–	–
Rental from Fixed Assets		11,440	12,026	12,387	33,654	19,585	19,585	10,260	32,778	34,417	36,138
Licence and permits		–	–	–	–	–	–	–	–	–	–
Special Rating Levies		–	–	–	–	–	–	–	–	–	–
Construction Contract Revenue		–	–	–	–	–	–	–	–	–	–
Development Charges		–	–	–	–	–	–	–	–	–	–
Operational Revenue		46	29	35	120	120	120	68	130	137	143
Non-Exchange Revenue											
Property rates	2	–	–	–	–	–	–	–	–	–	–
Surcharges and Taxes		–	–	–	–	–	–	–	–	–	–
Fines, penalties and forfeits		81	51	45	–	–	–	–	–	–	–
Licences or permits		–	–	–	–	–	–	–	–	–	–
Transfer and subsidies - Operational		9,191	15,000	16,000	10,000	17,000	17,000	10,000	18,000	18,594	19,189
Interest		–	–	–	–	–	–	–	–	–	–
Fuel Levy		–	–	–	–	–	–	–	–	–	–
Operational Revenue		–	–	–	–	–	–	–	–	–	–
Gains on disposal of Assets		–	–	–	–	–	–	–	–	–	–
Other Gains		–	–	–	–	–	–	–	–	–	–
Discontinued Operations		–	–	–	–	–	–	–	–	–	–
Total Revenue (excluding capital transfers and contribu		**20,758**	**27,106**	**28,467**	**43,774**	**36,705**	**36,705**	**20,328**	**50,908**	**53,147**	**55,470**
Expenditure											
Employee related costs	2	11,029	11,899	13,768	19,377	22,085	22,085	10,460	20,772	21,813	22,794
Remuneration of Board members		–	–	–	–	–	–	–	–	–	–
Bulk purchases - electricity	2	–	–	–	–	–	–	–	–	–	–
Inventory consumed	8	1	–	–	–	–	–	–	–	–	–
Debt impairment	3	–	–	–	–	–	–	–	–	–	–
Depreciation, amortisation and impairment		5,300	13,160	13,748	8,676	8,998	8,998	5,224	14,000	14,420	14,852
Interest, Dividends and Rent on Land		–	–	–	–	–	–	–	–	–	–
Contracted services		3,720	6,714	8,916	17,257	13,599	13,599	4,446	19,427	20,029	20,689
Transfers and subsidies		–	–	–	–	–	–	–	–	–	–
Irrecoverable debts written off		4,686	4,834	4,795	4,532	4,532	4,532	(28)	4,600	4,738	4,880
Operational costs		1,962	1,994	2,415	2,468	2,998	2,998	734	2,554	2,644	2,762
Disposal of Fixed and Intangible Assets		–	44	0	–	–	–	–	–	–	–
Other Losses		–	–	–	–	–	–	–	–	–	–
Total Expenditure		**26,699**	**38,646**	**43,643**	**52,309**	**52,211**	**52,211**	**20,836**	**61,353**	**63,642**	**65,978**
Surplus/(Deficit)		**(5,940)**	**(11,540)**	**(15,176)**	**(8,535)**	**(15,506)**	**(15,506)**	**(508)**	**(10,445)**	**(10,495)**	**(10,508)**
Transfers and subsidies - capital (monetary	6	(0)	3,074	5,098	–	–	–	1,658	–	–	–
Transfers and subsidies - capital (in-kind)	6	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions		**(5,940)**	**(8,466)**	**(10,078)**	**(8,535)**	**(15,506)**	**(15,506)**	**1,149**	**(10,445)**	**(10,495)**	**(10,508)**
Income Tax		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after income tax		**(5,940)**	**(8,466)**	**(10,078)**	**(8,535)**	**(15,506)**	**(15,506)**	**1,149**	**(10,445)**	**(10,495)**	**(10,508)**
Share of Surplus/Deficit attributable to Joint Venture		–	–	–	–	–	–	–	–	–	–
Share of Surplus/Deficit attributable to Minorities		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) attributable to municipality		**(5,940)**	**(8,466)**	**(10,078)**	**(8,535)**	**(15,506)**	**(15,506)**	**1,149**	**(10,445)**	**(10,495)**	**(10,508)**
Share of Surplus/Deficit attributable to Associate	7	–	–	–	–	–	–	–	–	–	–
Intercompany/Parent subsidiary transactions		–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	1	**(5,940)**	**(8,466)**	**(10,078)**	**(8,535)**	**(15,506)**	**(15,506)**	**1,149**	**(10,445)**	**(10,495)**	**(10,508)**

- Table D3 Capital Budget by asset class and funding

Vote Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			Medium Term Revenue and Expenditure Framework		
R thousands	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital expenditure by Asset Class/Sub-class										
Infrastructure		–	–	–	–	–	–	–	–	–
Roads Infrastructure		–	–	–	–	–	–	–	–	–
Roads		–	–	–	–	–	–	–	–	–
Road Structures		–	–	–	–	–	–	–	–	–
Road Furniture		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Power Plants		–	–	–	–	–	–	–	–	–
HV Substations		–	–	–	–	–	–	–	–	–
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		–	–	–	–	–	–	–	–	–
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Dams and Weirs		–	–	–	–	–	–	–	–	–
Boreholes		–	–	–	–	–	–	–	–	–
Reservoirs		–	–	–	–	–	–	–	–	–
Pump Stations		–	–	–	–	–	–	–	–	–
Water Treatment Works		–	–	–	–	–	–	–	–	–
Bulk Mains		–	–	–	–	–	–	–	–	–
Distribution		–	–	–	–	–	–	–	–	–
Distribution Points		–	–	–	–	–	–	–	–	–
PRV Stations		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Pump Station		–	–	–	–	–	–	–	–	–
Reticulation		–	–	–	–	–	–	–	–	–
Waste Water Treatment Works		–	–	–	–	–	–	–	–	–
Outfall Sewers		–	–	–	–	–	–	–	–	–
Toilet Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Landfill Sites		–	–	–	–	–	–	–	–	–
Waste Transfer Stations		–	–	–	–	–	–	–	–	–
Waste Processing Facilities		–	–	–	–	–	–	–	–	–
Waste Drop-off Points		–	–	–	–	–	–	–	–	–
Waste Separation Facilities		–	–	–	–	–	–	–	–	–
Electricity Generation Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines		–	–	–	–	–	–	–	–	–
Rail Structures		–	–	–	–	–	–	–	–	–
Rail Furniture		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps		–	–	–	–	–	–	–	–	–
Piers		–	–	–	–	–	–	–	–	–
Revetments		–	–	–	–	–	–	–	–	–
Promenades		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Data Centres		–	–	–	–	–	–	–	–	–
Core Layers		–	–	–	–	–	–	–	–	–
Distribution Layers		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Community Assets		–	–	–	–	–	–	–	–	–
Community Facilities		–	–	–	–	–	–	–	–	–
Halls		–	–	–	–	–	–	–	–	–
Centres		–	–	–	–	–	–	–	–	–
Crèches		–	–	–	–	–	–	–	–	–
Clinics/Care Centres		–	–	–	–	–	–	–	–	–
Fire/Ambulance Stations		–	–	–	–	–	–	–	–	–
Testing Stations		–	–	–	–	–	–	–	–	–
Museums		–	–	–	–	–	–	–	–	–
Galleries		–	–	–	–	–	–	–	–	–
Theatres		–	–	–	–	–	–	–	–	–
Libraries		–	–	–	–	–	–	–	–	–
Cemeteries/Crematoria		–	–	–	–	–	–	–	–	–
Police		–	–	–	–	–	–	–	–	–
Parks		–	–	–	–	–	–	–	–	–
Public Open Space		–	–	–	–	–	–	–	–	–
Nature Reserves		–	–	–	–	–	–	–	–	–
Public Ablution Facilities		–	–	–	–	–	–	–	–	–
Markets		–	–	–	–	–	–	–	–	–
Stalls		–	–	–	–	–	–	–	–	–
Abattoirs		–	–	–	–	–	–	–	–	–
Airports		–	–	–	–	–	–	–	–	–
Taxi Ranks/Bus Terminals		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Indoor Facilities		–	–	–	–	–	–	–	–	–
Outdoor Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Monuments		–	–	–	–	–	–	–	–	–
Historic Buildings		–	–	–	–	–	–	–	–	–
Works of Art		–	–	–	–	–	–	–	–	–
Conservation Areas		–	–	–	–	–	–	–	–	–
Other Heritage		–	–	–	–	–	–	–	–	–
Investment properties		(219,954)	3,074	–	–	–	–	–	–	–
Revenue Generating		(219,954)	3,074	–	–	–	–	–	–	–
Improved Property		–	–	–	–	–	–	–	–	–
Unimproved Property		(219,954)	3,074	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property		–	–	–	–	–	–	–	–	–
Unimproved Property		–	–	–	–	–	–	–	–	–
Other assets		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	–	–	–
Municipal Offices		–	–	–	–	–	–	–	–	–
Pay/Enquiry Points		–	–	–	–	–	–	–	–	–
Building Plan Offices		–	–	–	–	–	–	–	–	–
Workshops		–	–	–	–	–	–	–	–	–
Yards		–	–	–	–	–	–	–	–	–
Stores		–	–	–	–	–	–	–	–	–
Laboratories		–	–	–	–	–	–	–	–	–
Training Centres		–	–	–	–	–	–	–	–	–
Manufacturing Plant		–	–	–	–	–	–	–	–	–
Depots		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Staff Housing		–	–	–	–	–	–	–	–	–
Social Housing		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Water Rights		–	–	–	–	–	–	–	–	–
Effluent Licenses		–	–	–	–	–	–	–	–	–
Solid Waste Licenses		–	–	–	–	–	–	–	–	–
Computer Software and Applications		–	–	–	–	–	–	–	–	–
Load Settlement Software Applications		–	–	–	–	–	–	–	–	–
Unspecified		–	–	–	–	–	–	–	–	–
Computer Equipment		–	26	229	180	380	380	186	400	418
Computer Equipment		–	26	229	180	380	380	186	400	418
Furniture and Office Equipment		–	17	–	1,620	1,420	1,420	1,677	–	–
Furniture and Office Equipment		–	17	–	1,620	1,420	1,420	1,677	–	–
Machinery and Equipment		–	20	–	–	–	–	–	–	–
Machinery and Equipment		–	20	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Living resources		–	–	–	–	–	–	–	–	–
Mature		–	–	–	–	–	–	–	–	–
Policing and Protection		–	–	–	–	–	–	–	–	–
Zoological plants and animals		–	–	–	–	–	–	–	–	–
Immature		–	–	–	–	–	–	–	–	–
Policing and Protection		–	–	–	–	–	–	–	–	–
Zoological plants and animals		–	–	–	–	–	–	–	–	–
Total capital expenditure on assets	1	(219,954)	3,137	229	1,800	1,800	1,800	1,863	400	418
Funded by:										
National Government		–	–	–	–	–	–	–	–	–
Provincial Government		–	–	–	–	–	–	–	–	–
Parent Municipality		–	–	–	–	–	–	–	–	–
District Municipality		(219,954)	3,074	–	–	–	–	–	–	–
Transfers recognised - capital		(219,954)	3,074	–	–	–	–	–	–	–
Borrowing	3	–	–	–	–	–	–	–	–	–
Internally generated funds		–	42	229	1,800	1,800	1,800	1,863	400	418
Total Capital Funding	4	(219,954)	3,117	229	1,800	1,800	1,800	1,863	400	418

- Table D4 Budgeted Financial Position

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
ASSETS											
Current assets											
Cash and cash equivalents		3,413	2,151	2,918	9,910	16,910	16,910	3,024	17,907	18,498	19,088
Short term Investments		–	–	–	–	–	–	–	–	–	–
Trade and other receivables from exchange transactions	1	716	1,227	344	29,242	15,174	15,174	3,288	28,308	29,815	31,401
Receivables from non-exchange transactions	1	0	0	861	–	–	–	0	–	–	–
Current portion of non-current receivables		–	–	–	–	–	–	–	–	–	–
Inventory	2	–	–	–	–	–	–	–	–	–	–
VAT		–	–	–	–	–	–	–	–	–	–
Other current assets		(0)	–	–	–	–	–	–	–	–	–
Total current assets		**4,129**	**3,378**	**4,123**	**39,152**	**32,084**	**32,084**	**6,312**	**46,215**	**48,313**	**50,489**
Non current assets											
Investments		–	–	–	–	–	–	–	–	–	–
Investment property		0	0	0	–	–	–	171	–	–	–
Property, plant and equipment	3	449,637	397,339	387,484	(6,876)	(7,180)	(7,180)	382,093	(11,726)	(13,594)	(13,990)
Biological assets		–	–	–	–	–	–	–	–	–	–
Living and non-living resources		–	–	–	–	–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–	–
Intangible assets		25	18	9	–	–	–	5	–	–	–
Trade and other receivables from exchange transactions		–	–	–	–	–	–	–	–	–	–
Non-current receivables from non-exchange transactions		–	–	–	–	–	–	–	–	–	–
Other non-current assets		–	–	–	–	–	–	–	–	–	–
Total non current assets		**449,662**	**397,357**	**387,493**	**(6,876)**	**(7,180)**	**(7,180)**	**382,270**	**(11,726)**	**(13,594)**	**(13,990)**
TOTAL ASSETS		**453,791**	**400,735**	**391,616**	**32,276**	**24,903**	**24,903**	**388,582**	**34,489**	**34,719**	**36,499**
LIABILITIES											
Current liabilities											
Bank overdraft		–	–	–	–	–	–	–	–	–	–
Financial liabilities		–	–	–	–	–	–	–	–	–	–
Consumer deposits		1,794	1,233	1,209	–	–	–	1,390	–	–	–
Trade and other payables from exchange transactions	4	14,920	13,321	14,304	40,811	37,159	37,159	9,835	44,523	44,788	46,563
Trade and other payables from non-exchange transactions	5	8	–	–	–	–	–	–	–	–	–
Provision		935	859	938	–	–	–	1,028	–	–	–
VAT		–	–	–	–	–	–	–	–	–	–
Other current liabilities		–	–	–	–	–	–	–	–	–	–
Total current liabilities		**17,656**	**15,413**	**16,451**	**40,811**	**37,159**	**37,159**	**12,252**	**44,523**	**44,788**	**46,563**
Non current liabilities											
Financial liabilities	6	–	–	–	–	–	–	–	–	–	–
Provision	7	750	859	781	–	–	–	781	–	–	–
Long term portion of trade payables		–	–	–	–	–	–	–	–	–	–
Other non-current liabilities		1	1	1	–	–	–	1	–	–	–
Total non current liabilities		**751**	**860**	**782**	**–**	**–**	**–**	**782**	**–**	**–**	**–**
TOTAL LIABILITIES		**18,407**	**16,273**	**17,233**	**40,811**	**37,159**	**37,159**	**13,034**	**44,523**	**44,788**	**46,563**
NET ASSETS		**435,383**	**384,462**	**374,384**	**(8,535)**	**(12,256)**	**(12,256)**	**375,548**	**(10,034)**	**(10,069)**	**(10,063)**
COMMUNITY WEALTH/EQUITY											
Accumulated surplus/(deficit)	8	317,595	266,673	256,686	(8,535)	(12,256)	(12,256)	257,759	(10,034)	(10,069)	(10,063)
Reserves and funds	9	117,789	117,789	117,789	–	–	–	117,789	–	–	–
Other											
TOTAL COMMUNITY WEALTH/EQUITY	10	**435,383**	**384,462**	**374,475**	**(8,535)**	**(12,256)**	**(12,256)**	**375,548**	**(10,034)**	**(10,069)**	**(10,063)**

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	2022/23	2023/24	2024/25	Current Year 2025/26				2026/27 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 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates		–	–	–	–	–	–	–	–	–	–
Service charges		–	–	–	–	–	–	–	–	–	–
Other revenue		74	1,276	8,765	–	–	–	8,595	–	–	–
Transfers and Subsidies - Operational	1	–	1,881	16,000	10,000	17,000	17,000	10,000	–	–	–
Transfers and Subsidies - Capital	1	–	3,074	4,237	–	–	–	2,519	–	–	–
Interest		–	–	–	–	–	–	–	–	–	–
Dividends		–	–	–	–	–	–	–	–	–	–
Payments											
Suppliers and employees		(4,914)	(16,028)	(20,197)	90	90	90	(15,226)	(93)	(96)	(101)
Finance charges		–	–	–	–	–	–	–	–	–	–
Transfers and Subsidies	1	–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) OPERATING ACTIVITIES		**(4,840)**	**(9,796)**	**8,806**	**10,090**	**17,090**	**17,090**	**5,888**	**(93)**	**(96)**	**(101)**
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		–	–	–	–	–	–	–	–	–	–
Insurance Refund - Capital		–	–	–	–	–	–	–	–	–	–
Interest on Short Term Investment (Greater then 90 days) and		–	–	–	–	–	–	–	–	–	–
Payments											
Capital assets		(675)	(31)	(4,490)	–	–	–	(778)	–	–	–
Retention (Capital)		–	–	–	–	–	–	–	–	–	–
NET CASH FROM/(USED) INVESTING ACTIVITIES		**(675)**	**(31)**	**(4,490)**	**–**	**–**	**–**	**(778)**	**–**	**–**	**–**
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		**(5,515)**	**(9,827)**	**4,316**	**10,090**	**17,090**	**17,090**	**5,110**	**(93)**	**(96)**	**(101)**
Cash/cash equivalents at the year begin:	2	**2,370**	**3,413**	**2,151**	**–**	**–**	**–**	**–**	**–**	**(93)**	**(190)**
Cash/cash equivalents at the year end:	2	**(3,144)**	**(6,414)**	**6,467**	**10,090**	**17,090**	**17,090**	**5,110**	**(93)**	**(190)**	**(290)**

- Supporting Table SD1 Measurable performance targets

Performance target description	Unit of measurement	2022/23	2023/24	2024/25	Current Year 2025/26				Medium Term Revenue and Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Insert measure/s description											

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	2022/23	2023/24	2024/25	Current Year 2025/26				Medium Term Revenue and Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Borrowing Management												
Credit Rating												
Capital Charges to Operating Expenditure	Finance charges & Depreciation / Operating Expenditure		20%	34%	32%	17%	17%	17%	25%	23%	23%	23%
Borrowed funding of capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Safety of Capital												
Gearing	Long Term Borrowing / Funds & Reserves		0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Liquidity												
Current Ratio	Current assets / current liabilities		5.51	3.93	5.28	0.00	0.00	0.00	8.08	0.00	0.00	0.00
Current Ratio adjusted for debtors	Current assets/current liabilities less debtors > 90 days		5.51	3.93	5.28	0.00	0.00	0.00	8.08	0.00	0.00	0.00
Liquidity Ratio	Monetary Assets / Current Liabilities		-15.34	-13.00	-14.58	0.00	0.00	0.00	-8.50	0.00	0.00	0.00
Revenue Management												
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts / Last 12 Mths Billing			0%	0%	0%	0%	0%	0%	0%	0%	0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue		3%	5%	4%	67%	41%	41%	16%	56%	56%	57%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered / Total Debtors > 12 Months Old											
Creditors Management												
Creditors System Efficiency	% of Creditors Paid Within Terms (within MFMA s 65(e))											
Creditors to Cash and Investments			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Funding of Provisions												
Percentage Of Provisions Not Funded	Unfunded Provisions/Total Provisions											
Other Indicators												
Electricity Distribution Losses (2)	Total Volume Losses (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		53.1%	43.9%	48.4%	44%	60%	60%	51%	41%	41%	41%
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)		25.5%	48.6%	48.3%	20%	25%	25%	26%	28%	27%	27%
Financial viability indicators												
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)		-	-	-	-	-	-	-	-	-	-
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services		0%	0.0%	0.0%	0%	0%	0%	0%	0%	0%	0%
iii. Cost coverage	(Available cash + Investments)/monthly fixed operational expenditure		2807%	15.7	14.5	-0.2	-0.2	-0.2	11.9	-0.6	-0.3	-0.3

- Supporting Table SD3 Budgeted Investment Portfolio

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

References

- Supporting Table SD4 Board member allowances and staff benefits

Summary of Employee and Board Member remuneration	Ref	2022/23	2023/24	2024/25	Current Year 2025/26				Medium Term Revenue and Expenditure		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
R thousands		A	B	C	D	E	F		G	H	I
Remuneration											
Board Members of Entities											
Salaries and Allowances											
Basic Salary		–	–	–	–	–	–	–	–	–	–
Bonuses		–	–	–	–	–	–	–	–	–	–
Allowance											
Accommodation, Travel and Incidental		–	–	–	–	–	–	–	–	–	–
Cellular and Telephone		–	–	–	–	–	–	–	–	–	–
Housing Benefits		–	–	–	–	–	–	–	–	–	–
Non-pensionable		–	–	–	–	–	–	–	–	–	–
Travel or Motor Vehicle		–	–	–	–	–	–	–	–	–	–
Voluntary Work		–	–	–	–	–	–	–	–	–	–
Total Allowance		-	-	-	-	-	-	-	-	-	-
Service Related Benefits											
Acting		–	–	–	–	–	–	–	–	–	–
Bonus		–	–	–	–	–	–	–	–	–	–
Danger Allowance		–	–	–	–	–	–	–	–	–	–
Entertainment		–	–	–	–	–	–	–	–	–	–
Fire Brigade		–	–	–	–	–	–	–	–	–	–
In-kind Benefits		–	–	–	–	–	–	–	–	–	–
Leave Pay		–	–	–	–	–	–	–	–	–	–
Lifeguard/Duty Squads		–	–	–	–	–	–	–	–	–	–
Long Service Award		–	–	–	–	–	–	–	–	–	–
Overtime		–	–	–	–	–	–	–	–	–	–
Scarcity		–	–	–	–	–	–	–	–	–	–
Standby Allowance		–	–	–	–	–	–	–	–	–	–
Tools Allowance		–	–	–	–	–	–	–	–	–	–
Uniform/Special/Protective Clothing		–	–	–	–	–	–	–	–	–	–
Leave gratuity		–	–	–	–	–	–	–	–	–	–
Long Term Service Award		–	–	–	–	–	–	–	–	–	–
Total Service Related Benefits		-	-	-	-	-	-	-	-	-	-
Total Salaries and Allowances		-	-	-	-	-	-	-	-	-	-
Social Contributions											
Bargaining Council		–	–	–	–	–	–	–	–	–	–
Group Life Insurance		–	–	–	–	–	–	–	–	–	–
Medical		–	–	–	–	–	–	–	–	–	–
Pension		–	–	–	–	–	–	–	–	–	–
Unemployment Insurance		–	–	–	–	–	–	–	–	–	–
Total Social Contributions		-	-	-	-	-	-	-	-	-	-
Post-retirement Benefit											
Medical		–	–	–	–	–	–	–	–	–	–
Other Benefits		–	–	–	–	–	–	–	–	–	–
Pension		–	–	–	–	–	–	–	–	–	–
Total Post-retirement Benefit		-	-	-	-	-	-	-	-	-	-
Costs Capitalised to PPE		–	–	–	–	–	–	–	–	–	–
Sub Total - Board Members of Entities		-	-	-	-	-	-	-	-	-	-
% increase			–	–	–	–	–	–	–	–	–
Senior Managers of Entities											
Salaries and Allowances		–	–	–	–	–	–	–	–	–	–
Basic Salary		–	–	–	–	–	–	–	–	–	–
Bonuses											
Allowance		–	–	–	–	–	–	–	–	–	–
Accommodation, Travel and Incidental		–	–	–	–	–	–	–	–	–	–
Cellular and Telephone		–	–	–	–	–	–	–	–	–	–
Housing Benefits		–	–	–	–	–	–	–	–	–	–
Non-pensionable		–	–	–	–	–	–	–	–	–	–
Travel or Motor Vehicle		–	–	–	–	–	–	–	–	–	–
Voluntary Work		-	-	-	-	-	-	-	-	-	-
Total Allowance											
Service Related Benefits		–	–	–	–	–	–	–	–	–	–
Acting		–	–	–	–	–	–	–	–	–	–
Bonus		–	–	–	–	–	–	–	–	–	–
Danger Allowance		–	–	–	–	–	–	–	–	–	–
Entertainment		–	–	–	–	–	–	–	–	–	–
Fire Brigade		–	–	–	–	–	–	–	–	–	–
In-kind Benefits		–	–	–	–	–	–	–	–	–	–
Leave Pay		–	–	–	–	–	–	–	–	–	–
Lifeguard/Duty Squads		–	–	–	–	–	–	–	–	–	–
Long Service Award		–	–	–	–	–	–	–	–	–	–
Overtime		–	–	–	–	–	–	–	–	–	–
Scarcity		–	–	–	–	–	–	–	–	–	–
Standby Allowance		–	–	–	–	–	–	–	–	–	–
Tools Allowance		–	–	–	–	–	–	–	–	–	–
Uniform/Special/Protective Clothing		–	–	–	–	–	–	–	–	–	–
Leave gratuity		–	–	–	–	–	–	–	–	–	–
Long Term Service Award		-	-	-	-	-	-	-	-	-	-
Total Service Related Benefits		-	-	-	-	-	-	-	-	-	-
Total Salaries and Allowances											
Social Contributions		–	–	–	–	–	–	–	–	–	–
Bargaining Council		–	–	–	–	–	–	–	–	–	–
Group Life Insurance		–	–	–	–	–	–	–	–	–	–
Medical		–	–	–	–	–	–	–	–	–	–
Pension		–	–	–	–	–	–	–	–	–	–
Unemployment Insurance											
Total Social Contributions		–	–	–	–	–	–	–	–	–	–
Post-retirement Benefit		–	–	–	–	–	–	–	–	–	–
Medical		–	–	–	–	–	–	–	–	–	–
Other Benefits		-	-	-	-	-	-	-	-	-	-
Pension		–	–	–	–	–	–	–	–	–	–
Total Post-retirement Benefit		-	-	-	-	-	-	-	-	-	-
Costs Capitalised to PPE		–	–	–	–	–	–	–	–	–	–
Sub Total - Senior Managers of Entities	1	-	-	-	-	-	-	-	-	-	-
% increase			–	–	–	–	–	–	–	–	–
Other Staff of Entities		–	–	–	–	–	–	–	–	–	–
Salaries and Allowances		–	–	–	–	–	–	–	–	–	–
Basic Salary											
Bonuses		–	–	–	–	–	–	–	–	–	–
Allowance		–	–	–	–	–	–	–	–	–	–
Accommodation, Travel and Incidental		–	–	–	–	–	–	–	–	–	–
Cellular and Telephone		–	–	–	–	–	–	–	–	–	–
Housing Benefits		–	–	–	–	–	–	–	–	–	–
Non-pensionable		–	–	–	–	–	–	–	–	–	–
Travel or Motor Vehicle		-	-	-	-	-	-	-	-	-	-
Voluntary Work											
Total Allowance		–	–	–	–	–	–	–	–	–	–
Service Related Benefits		–	–	–	–	–	–	–	–	–	–
Acting		–	–	–	–	–	–	–	–	–	–
Bonus		–	–	–	–	–	–	–	–	–	–
Danger Allowance		–	–	–	–	–	–	–	–	–	–
Entertainment		–	–	–	–	–	–	–	–	–	–
Fire Brigade		–	–	–	–	–	–	–	–	–	–
In-kind Benefits		–	–	–	–	–	–	–	–	–	–
Leave Pay		–	–	–	–	–	–	–	–	–	–
Lifeguard/Duty Squads		–	–	–	–	–	–	–	–	–	–
Long Service Award		–	–	–	–	–	–	–	–	–	–
Overtime		–	–	–	–	–	–	–	–	–	–
Scarcity		–	–	–	–	–	–	–	–	–	–
Standby Allowance		–	–	–	–	–	–	–	–	–	–
Tools Allowance		–	–	–	–	–	–	–	–	–	–
Uniform/Special/Protective Clothing		–	–	–	–	–	–	–	–	–	–
Leave gratuity		-	-	-	-	-	-	-	-	-	-
Long Term Service Award		-	-	-	-	-	-	-	-	-	-
Total Service Related Benefits											
Total Salaries and Allowances		–	–	–	–	–	–	–	–	–	–
Social Contributions		–	–	–	–	–	–	–	–	–	–
Bargaining Council		–	–	–	–	–	–	–	–	–	–
Group Life Insurance		–	–	–	–	–	–	–	–	–	–
Medical		–	–	–	–	–	–	–	–	–	–
Pension		-	-	-	-	-	-	-	-	-	-
Unemployment Insurance											
Total Social Contributions		–	–	–	–	–	–	–	–	–	–
Post-retirement Benefit		–	–	–	–	–	–	–	–	–	–
Medical		–	–	–	–	–	–	–	–	–	–
Other Benefits		-	-	-	-	-	-	-	-	-	-
Pension		–	–	–	–	–	–	–	–	–	–
Total Post-retirement Benefit		-	-	-	-	-	-	-	-	-	-
Costs Capitalised to PPE		–	–	–	–	–	–	–	–	–	–
Sub Total - Other Staff of Entities	1	-	-	-	-	-	-	-	-	-	-
% increase			–	–	–	–	–	–	–	–	–
Total Municipal Entities remuneration		–	–	–	–	–	–	–	–	–	–

References

1. If benefits in kind are provided (e.g. provision of living quarters) the full market value must be shown as the cost to the municipality

Column Definitions:

A. Audited actual for prior year (3 years before current year) as per the audited financial statements

B. Audited actual for prior year (2 years before current year) as per the audited financial statements

C. Audited actual for prior year (1 year before current year) as per the audited financial statements

D. The original budget approved by council for the current year

E. The budget for current year as adjusted by council resolution in terms of section 28 of the MFMA

F. An estimate of final actual amounts (pre audit) for the current year at the point in time of preparing the next MTREF. This may differ from E

G. The amount to be appropriated for the budget year

H. The indicative projection for the 2nd year of the MTREF

I. The indicative projection for the 3rd year of the MTREF

- Supporting Table SD5 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2024/25			Current Year 2025/26			Budget Year 2026/27		
Number	1	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)										
Board Members of municipal entities	3									
Municipal entity employees	4									
CEO and Senior Managers	2									
Other Managers	6									
Professionals		–	–	–	–	–	–	–	–	–
Finance										
Spatial/town planning										
Information Technology										
Roads										
Electricity										
Water										
Sanitation										
Refuse										
Other										
Technicians		–	–	–	–	–	–	–	–	–
Finance										
Spatial/town planning										
Information Technology										
Roads										
Electricity										
Water										
Sanitation										
Refuse										
Other										
Clerks (Clerical and administrative)										
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades										
Plant and Machine Operators										
Elementary Occupations										
Total Personnel Numbers		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
% increase			–	–	–	–	–	–	–	–
Total entity employees headcount	5									
Finance personnel headcount	7									
Human Resources personnel headcount	7									

References

1. Full Time Equivalent (FTE). E.g. One full time person = 1FTE. A person working half time (say 4 hours out of 8) = 0.5FTE.

2. s57 of the Systems Act

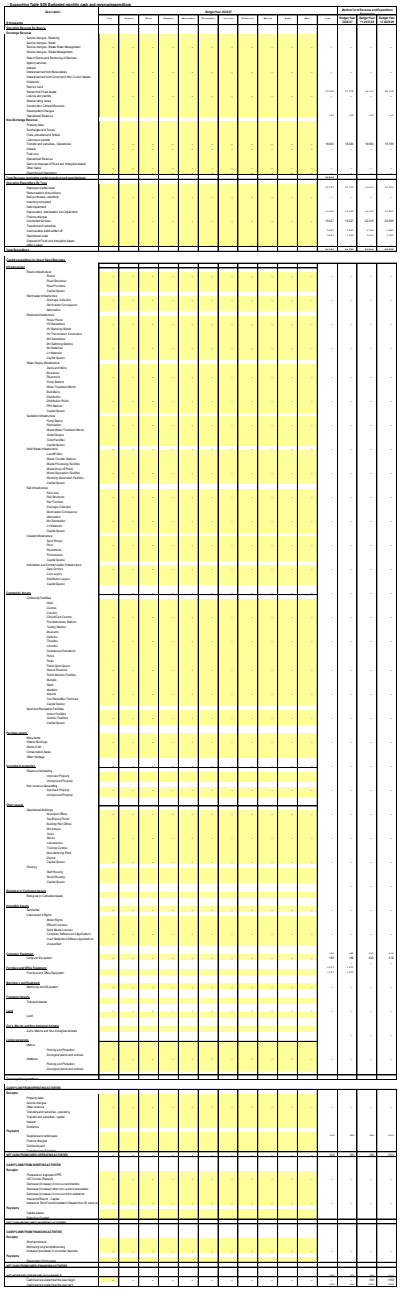
3. Include only in Consolidated Statements

4. Include municipal entity employees in Consolidated Statements

5. Include headcount (number 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



Supporting Table SB8 Budgeted monthly cash and investments/expenditure

Description	Budget Year 2022/23												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2022/23	Budget Year +1 2023/24	Budget Year +2 2024/25
Cash Receipts By Source															
Exchange Revenue															
Service charges - Electricity															
Service charges - Water															
Service charges - Waste Water Management															
Service charges - Waste Management															
Sale of Goods and Rendering of Services															
Agency services															
Interest															
Interest earned from Receivables															
Interest earned from Current and Non Current Assets															
Dividends															
Rental of land															
Rental from Fixed Assets															
Licence and permits															
Special rating levies															
Operational Revenue															
Gains on Disposal of Assets															
Other Gains															
Non-Exchange Revenue															
Property rates															
Surcharges and Taxes															
Fines, penalties and forfeits															
Licences or permits															
Transfer and subsidies - Operational															
Interest															
Fuel Levy															
Operational Revenue															
Gains on Disposal of Fixed and Intangible Assets															
Other Gains															
Discontinued Operations															
Total Revenue (excluding capital transfers and contributions)															
Cash Receipts By Type															
Receipts by Vote															
Receipts by Economic Item															
Realisation of debtors															
Increase in consumer deposits															
Cash Deposits															
Borrowing - Long Term/Refinancing															
Increase in provisions															
Decrease in Investments															
Other Cash Flows															
Total Cash Receipts By Source															
Cash Payments by Asset Class/Sub-class															
Capital Expenditure															
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															
Dam wall/s															
Boreholes															
Reservoirs															
Pump Stations															
Water Treatment Works															
Bulk Mains															
Distribution															
Distribution Points															
PRV Stations															
Capital Spares															
Sanitation Infrastructure															
Pump Stations															
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															
MV Networks															
Capital Spares															
Coastal Infrastructure															
Sea Walls															
Piers															
Revetments															
Promenades															
Capital Spares															
Information and Communication Infrastructure															
Data Centres															
Core Layers															
Distribution Layers															
Capital Spares															
Community Assets															
Community Facilities															
Halls															
Centres															
Crèches															
Clinics/Care Centres															
Fire/Ambulance Stations															
Testing Stations															
Museums															
Galleries															
Theatres															
Libraries															
Cemeteries/Crematoria															
Police															
Parks															
Public Open Space															
Nature Reserves															
Public Ablution Facilities															
Markets															
Stalls															
Abattoirs															
Airports															
Taxi Ranks/Bus Terminals															
Capital Spares															
Sports and Recreation Facilities															
Indoor Facilities															
Outdoor Facilities															
Capital Spares															
Heritage assets															
Buildings															
Object Materials															
Works of Art															
Conservation Areas															
Other Heritage															
Investment properties															
Revenue Generating															
Improved Property															
Unimproved Property															
Non-revenue Generating															
Improved Property															
Unimproved Property															
Other assets															
Operational Buildings															
Municipal Offices															
Pay/Enquiry Points															
Building Plan Offices															
Workshops															
Yards															
Stores															
Laboratories															
Training Centres															
Manufacturing Plant															
Depots															
Capital Spares															
Housing															
Staff Housing															
Social Housing															
Capital Spares															
Biological or Cultivated Assets															
Biological or Cultivated Assets															
Intangible Assets															
Servitudes															
Licences and Rights															
Water Rights															
Effluent Licenses															
Solid Waste Licenses															
Computer Software and Applications															
Load Settlement Software Applications															
Unspecified															
Computer Equipment															
Computer Equipment															
Furniture and Office Equipment															
Furniture and Office Equipment															
Machinery and Equipment															
Machinery and Equipment															
Transport Assets															
Transport Assets															
Land															
Land															
Zoo's, Marine and Non-biological Animals															
Zoo's, Marine and Non-biological Animals															
Living resources															
Mature															
Policing and Protection															
Immature															
Policing and Protection															
Total Capital Expenditure															
Cash Payments by Asset Class/Sub-class															
Capital Expenditure															
Roads Infrastructure															
Storm water Infrastructure															
Electrical Infrastructure															
Water Supply Infrastructure															
Sanitation Infrastructure															
Solid Waste Infrastructure															
Rail Infrastructure															
Coastal Infrastructure															
Information and Communication Infrastructure															
Infrastructure															
Community Assets															
Heritage Assets															
Investment properties															
Other assets															
Biological or Cultivated Assets															
Intangible Assets															
Computer Equipment															
Furniture and Office Equipment															
Machinery and Equipment															
Transport Assets															
Land															
Zoo's, Marine and Non-biological Animals															
Living resources															
Total Capital Expenditure															
Cash Receipts by Source															
Property rates															
Service charges															
Other revenue															
Transfers and subsidies - operating															
Transfers and subsidies - capital															
Interest															
Dividends															
Payments															
Suppliers and employees															
Finance charges															
Dividends paid															
NET CASH FROM/(USED) OPERATING ACTIVITIES															
CASH FLOWS FROM INVESTING ACTIVITIES															
Receipts															
Proceeds on disposal of PPE															
(Increase) Decrease in Investments															
(Increase) Decrease in non-current debtors															
(Increase) Decrease in non-current investments															
Payments															
Capital assets															
NET CASH FROM/(USED) INVESTING ACTIVITIES															
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															
Cash/cash equivalents at the year begin:															
Cash/cash equivalents at the year end:															

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

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		–	–	–	–	–	–	–	–	–
Roads Infrastructure		–	–	–	–	–	–	–	–	–
Roads		–	–	–	–	–	–	–	–	–
Road Structures		–	–	–	–	–	–	–	–	–
Road Furniture		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Power Plants		–	–	–	–	–	–	–	–	–
HV Substations		–	–	–	–	–	–	–	–	–
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		–	–	–	–	–	–	–	–	–
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Dams and Weirs		–	–	–	–	–	–	–	–	–
Boreholes		–	–	–	–	–	–	–	–	–
Reservoirs		–	–	–	–	–	–	–	–	–
Pump Stations		–	–	–	–	–	–	–	–	–
Water Treatment Works		–	–	–	–	–	–	–	–	–
Bulk Mains		–	–	–	–	–	–	–	–	–
Distribution		–	–	–	–	–	–	–	–	–
Distribution Points		–	–	–	–	–	–	–	–	–
PRV Stations		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Pump Station		–	–	–	–	–	–	–	–	–
Reticulation		–	–	–	–	–	–	–	–	–
Waste Water Treatment Works		–	–	–	–	–	–	–	–	–
Outfall Sewers		–	–	–	–	–	–	–	–	–
Toilet Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Landfill Sites		–	–	–	–	–	–	–	–	–
Waste Transfer Stations		–	–	–	–	–	–	–	–	–
Waste Processing Facilities		–	–	–	–	–	–	–	–	–
Waste Drop-off Points		–	–	–	–	–	–	–	–	–
Waste Separation Facilities		–	–	–	–	–	–	–	–	–
Electricity Generation Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines		–	–	–	–	–	–	–	–	–
Rail Structures		–	–	–	–	–	–	–	–	–
Rail Furniture		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps		–	–	–	–	–	–	–	–	–
Piers		–	–	–	–	–	–	–	–	–
Revetments		–	–	–	–	–	–	–	–	–
Promenades		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Data Centres		–	–	–	–	–	–	–	–	–
Core Layers		–	–	–	–	–	–	–	–	–
Distribution Layers		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–

Community Assets		–	–	–	–	–	–	–	–	–
Community Facilities		–	–	–	–	–	–	–	–	–
Halls		–	–	–	–	–	–	–	–	–
Centres		–	–	–	–	–	–	–	–	–
Crèches		–	–	–	–	–	–	–	–	–
Clinics/Care Centres		–	–	–	–	–	–	–	–	–
Fire/Ambulance Stations		–	–	–	–	–	–	–	–	–
Testing Stations		–	–	–	–	–	–	–	–	–
Museums		–	–	–	–	–	–	–	–	–
Galleries		–	–	–	–	–	–	–	–	–
Theatres		–	–	–	–	–	–	–	–	–
Libraries		–	–	–	–	–	–	–	–	–
Cemeteries/Crematoria		–	–	–	–	–	–	–	–	–
Police		–	–	–	–	–	–	–	–	–
Parks		–	–	–	–	–	–	–	–	–
Public Open Space		–	–	–	–	–	–	–	–	–
Nature Reserves		–	–	–	–	–	–	–	–	–
Public Ablution Facilities		–	–	–	–	–	–	–	–	–
Markets		–	–	–	–	–	–	–	–	–
Stalls		–	–	–	–	–	–	–	–	–
Abattoirs		–	–	–	–	–	–	–	–	–
Airports		–	–	–	–	–	–	–	–	–
Taxi Ranks/Bus Terminals		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities		–	–	–	–	–	–	–	–	–
Indoor Facilities		–	–	–	–	–	–	–	–	–
Outdoor Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Monuments		–	–	–	–	–	–	–	–	–
Historic Buildings		–	–	–	–	–	–	–	–	–
Works of Art		–	–	–	–	–	–	–	–	–
Conservation Areas		–	–	–	–	–	–	–	–	–
Other Heritage		–	–	–	–	–	–	–	–	–
Investment properties		**(219,954)**	**3,074**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Revenue Generating		(219,954)	3,074	–	–	–	–	–	–	–
Improved Property		–	–	–	–	–	–	–	–	–
Unimproved Property		(219,954)	3,074	–	–	–	–	–	–	–
Non-revenue Generating		–	–	–	–	–	–	–	–	–
Improved Property		–	–	–	–	–	–	–	–	–
Unimproved Property		–	–	–	–	–	–	–	–	–
Other assets		–	–	–	–	–	–	–	–	–
Operational Buildings		–	–	–	–	–	–	–	–	–
Municipal Offices		–	–	–	–	–	–	–	–	–
Pay/Enquiry Points		–	–	–	–	–	–	–	–	–
Building Plan Offices		–	–	–	–	–	–	–	–	–
Workshops		–	–	–	–	–	–	–	–	–
Yards		–	–	–	–	–	–	–	–	–
Stores		–	–	–	–	–	–	–	–	–
Laboratories		–	–	–	–	–	–	–	–	–
Training Centres		–	–	–	–	–	–	–	–	–
Manufacturing Plant		–	–	–	–	–	–	–	–	–
Depots		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Housing		–	–	–	–	–	–	–	–	–
Staff Housing		–	–	–	–	–	–	–	–	–
Social Housing		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets		–	–	–	–	–	–	–	–	–
Intangible Assets		–	–	–	–	–	–	–	–	–
Servitudes		–	–	–	–	–	–	–	–	–
Licences and Rights		–	–	–	–	–	–	–	–	–
Water Rights		–	–	–	–	–	–	–	–	–
Effluent Licenses		–	–	–	–	–	–	–	–	–
Solid Waste Licenses		–	–	–	–	–	–	–	–	–
Computer Software and Applications		–	–	–	–	–	–	–	–	–
Load Settlement Software Applications		–	–	–	–	–	–	–	–	–
Unspecified		–	–	–	–	–	–	–	–	–
Computer Equipment		–	26	229	180	380	380	186	400	418
Computer Equipment		–	26	229	180	380	380	186	400	418
Furniture and Office Equipment		–	17	–	1,620	1,420	1,420	1,677	–	–
Furniture and Office Equipment		–	17	–	1,620	1,420	1,420	1,677	–	–
Machinery and Equipment		–	20	–	–	–	–	–	–	–
Machinery and Equipment		–	20	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Transport Assets		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Land		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals		–	–	–	–	–	–	–	–	–
Living resources		-	-	-	-	-	-	-	-	-
Mature		-	-	-	-	-	-	-	-	-
Policing and Protection		–	–	–	–	–	–	–	–	–
Zoological plants and animals		–	–	–	–	–	–	–	–	–
Immature		-	-	-	-	-	-	-	-	-
Policing and Protection		–	–	–	–	–	–	–	–	–
Zoological plants and animals		–	–	–	–	–	–	–	–	–
Total Capital Expenditure on new assets	1	**(219,954)**	**3,137**	**229**	**1,800**	**1,800**	**1,800**	**1,863**	**400**	**418**

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

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		–	–	–	–	–	–	–	–	–
Roads Infrastructure		–	–	–	–	–	–	–	–	–
Roads		–	–	–	–	–	–	–	–	–
Road Structures		–	–	–	–	–	–	–	–	–
Road Furniture		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Power Plants		–	–	–	–	–	–	–	–	–
HV Substations		–	–	–	–	–	–	–	–	–
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		–	–	–	–	–	–	–	–	–
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Dams and Weirs		–	–	–	–	–	–	–	–	–
Boreholes		–	–	–	–	–	–	–	–	–
Reservoirs		–	–	–	–	–	–	–	–	–
Pump Stations		–	–	–	–	–	–	–	–	–
Water Treatment Works		–	–	–	–	–	–	–	–	–
Bulk Mains		–	–	–	–	–	–	–	–	–
Distribution		–	–	–	–	–	–	–	–	–
Distribution Points		–	–	–	–	–	–	–	–	–
PRV Stations		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Pump Station		–	–	–	–	–	–	–	–	–
Reticulation		–	–	–	–	–	–	–	–	–
Waste Water Treatment Works		–	–	–	–	–	–	–	–	–
Outfall Sewers		–	–	–	–	–	–	–	–	–
Toilet Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Landfill Sites		–	–	–	–	–	–	–	–	–
Waste Transfer Stations		–	–	–	–	–	–	–	–	–
Waste Processing Facilities		–	–	–	–	–	–	–	–	–
Waste Drop-off Points		–	–	–	–	–	–	–	–	–
Waste Separation Facilities		–	–	–	–	–	–	–	–	–
Electricity Generation Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines		–	–	–	–	–	–	–	–	–
Rail Structures		–	–	–	–	–	–	–	–	–
Rail Furniture		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps		–	–	–	–	–	–	–	–	–
Piers		–	–	–	–	–	–	–	–	–
Revetments		–	–	–	–	–	–	–	–	–
Promenades		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Data Centres		–	–	–	–	–	–	–	–	–
Core Layers		–	–	–	–	–	–	–	–	–
Distribution Layers		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Community Assets		–	–	–	–	–	–	–	–	–
Community Facilities		–	–	–	–	–	–	–	–	–
Halls		–	–	–	–	–	–	–	–	–
Centres		–	–	–	–	–	–	–	–	–
Crèches		–	–	–	–	–	–	–	–	–
Clinics/Care Centres		–	–	–	–	–	–	–	–	–
Fire/Ambulance Stations		–	–	–	–	–	–	–	–	–
Testing Stations		–	–	–	–	–	–	–	–	–

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

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

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		–	–	–	–	–	–	–	–	–
Roads Infrastructure		–	–	–	–	–	–	–	–	–
Roads		–	–	–	–	–	–	–	–	–
Road Structures		–	–	–	–	–	–	–	–	–
Road Furniture		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Power Plants		–	–	–	–	–	–	–	–	–
HV Substations		–	–	–	–	–	–	–	–	–
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		–	–	–	–	–	–	–	–	–
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Dams and Weirs		–	–	–	–	–	–	–	–	–
Boreholes		–	–	–	–	–	–	–	–	–
Reservoirs		–	–	–	–	–	–	–	–	–
Pump Stations		–	–	–	–	–	–	–	–	–
Water Treatment Works		–	–	–	–	–	–	–	–	–
Bulk Mains		–	–	–	–	–	–	–	–	–
Distribution		–	–	–	–	–	–	–	–	–
Distribution Points		–	–	–	–	–	–	–	–	–
PRV Stations		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Pump Station		–	–	–	–	–	–	–	–	–
Reticulation		–	–	–	–	–	–	–	–	–
Waste Water Treatment Works		–	–	–	–	–	–	–	–	–
Outfall Sewers		–	–	–	–	–	–	–	–	–
Toilet Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Landfill Sites		–	–	–	–	–	–	–	–	–
Waste Transfer Stations		–	–	–	–	–	–	–	–	–
Waste Processing Facilities		–	–	–	–	–	–	–	–	–
Waste Drop-off Points		–	–	–	–	–	–	–	–	–
Waste Separation Facilities		–	–	–	–	–	–	–	–	–
Electricity Generation Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines		–	–	–	–	–	–	–	–	–
Rail Structures		–	–	–	–	–	–	–	–	–
Rail Furniture		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps		–	–	–	–	–	–	–	–	–
Piers		–	–	–	–	–	–	–	–	–
Revetments		–	–	–	–	–	–	–	–	–
Promenades		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Data Centres		–	–	–	–	–	–	–	–	–
Core Layers		–	–	–	–	–	–	–	–	–
Distribution Layers		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Community Assets		–	–	–	–	–	–	–	–	–
Community Facilities		–	–	–	–	–	–	–	–	–
Halls		–	–	–	–	–	–	–	–	–
Centres		–	–	–	–	–	–	–	–	–
Crèches		–	–	–	–	–	–	–	–	–
Clinics/Care Centres		–	–	–	–	–	–	–	–	–
Fire/Ambulance Stations		–	–	–	–	–	–	–	–	–
Testing Stations		–	–	–	–	–	–	–	–	–
Museums		–	–	–	–	–	–	–	–	–

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

Policing and Protection		–	–	–	–	–	–	–	–	–
Zoological plants and animals		–	–	–	–	–	–	–	–	–
Total Repairs and Maintenance Expenditure	1	–	–	–	–	–	–	–	–	–

R&M as a % of PPE		*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*
R&M as % Operating Expenditure		*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*	*0.0%*

- Supporting Table SD7d Depreciation by asset class

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Depreciation by Asset Class/Sub-class										
Infrastructure		–	–	–	–	–	–	–	–	–
Roads Infrastructure		–	–	–	–	–	–	–	–	–
Roads		–	–	–	–	–	–	–	–	–
Road Structures		–	–	–	–	–	–	–	–	–
Road Furniture		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Power Plants		–	–	–	–	–	–	–	–	–
HV Substations		–	–	–	–	–	–	–	–	–
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		–	–	–	–	–	–	–	–	–
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Dams and Weirs		–	–	–	–	–	–	–	–	–
Boreholes		–	–	–	–	–	–	–	–	–
Reservoirs		–	–	–	–	–	–	–	–	–
Pump Stations		–	–	–	–	–	–	–	–	–
Water Treatment Works		–	–	–	–	–	–	–	–	–
Bulk Mains		–	–	–	–	–	–	–	–	–
Distribution		–	–	–	–	–	–	–	–	–
Distribution Points		–	–	–	–	–	–	–	–	–
PRV Stations		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Pump Station		–	–	–	–	–	–	–	–	–
Reticulation		–	–	–	–	–	–	–	–	–
Waste Water Treatment Works		–	–	–	–	–	–	–	–	–
Outfall Sewers		–	–	–	–	–	–	–	–	–
Toilet Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Landfill Sites		–	–	–	–	–	–	–	–	–
Waste Transfer Stations		–	–	–	–	–	–	–	–	–
Waste Processing Facilities		–	–	–	–	–	–	–	–	–
Waste Drop-off Points		–	–	–	–	–	–	–	–	–
Waste Separation Facilities		–	–	–	–	–	–	–	–	–
Electricity Generation Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines		–	–	–	–	–	–	–	–	–
Rail Structures		–	–	–	–	–	–	–	–	–
Rail Furniture		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps		–	–	–	–	–	–	–	–	–
Piers		–	–	–	–	–	–	–	–	–
Revetments		–	–	–	–	–	–	–	–	–
Promenades		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Data Centres		–	–	–	–	–	–	–	–	–
Core Layers		–	–	–	–	–	–	–	–	–
Distribution Layers		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Community Assets		–	–	–	–	–	–	–	–	–
Community Facilities		–	–	–	–	–	–	–	–	–
Halls		–	–	–	–	–	–	–	–	–
Centres		–	–	–	–	–	–	–	–	–
Crèches		–	–	–	–	–	–	–	–	–
Clinics/Care Centres		–	–	–	–	–	–	–	–	–
Fire/Ambulance Stations		–	–	–	–	–	–	–	–	–
Testing Stations		–	–	–	–	–	–	–	–	–
Museums		–	–	–	–	–	–	–	–	–

Galleries	–	–	–	–	–	–	–	–	–
Theatres	–	–	–	–	–	–	–	–	–
Libraries	–	–	–	–	–	–	–	–	–
Cemeteries/Crematoria	–	–	–	–	–	–	–	–	–
Police	–	–	–	–	–	–	–	–	–
Parks	–	–	–	–	–	–	–	–	–
Public Open Space	–	–	–	–	–	–	–	–	–
Nature Reserves	–	–	–	–	–	–	–	–	–
Public Ablution Facilities	–	–	–	–	–	–	–	–	–
Markets	–	–	–	–	–	–	–	–	–
Stalls	–	–	–	–	–	–	–	–	–
Abattoirs	–	–	–	–	–	–	–	–	–
Airports	–	–	–	–	–	–	–	–	–
Taxi Ranks/Bus Terminals	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Sport and Recreation Facilities	–	–	–	–	–	–	–	–	–
Indoor Facilities	–	–	–	–	–	–	–	–	–
Outdoor Facilities	–	–	–	–	–	–	–	–	–
Capital Spares	–	–	–	–	–	–	–	–	–
Heritage assets	–	–	–	–	–	–	–	–	–
Monuments	–	–	–	–	–	–	–	–	–
Historic Buildings	–	–	–	–	–	–	–	–	–
Works of Art	–	–	–	–	–	–	–	–	–
Conservation Areas	–	–	–	–	–	–	–	–	–
Other Heritage	–	–	–	–	–	–	–	–	–
Investment properties	–	–	–	–	–	–	–	–	–
Revenue Generating	–	–	–	–	–	–	–	–	–
Improved Property	–	–	–	–	–	–	–	–	–
Unimproved Property	–	–	–	–	–	–	–	–	–
Non-revenue Generating	–	–	–	–	–	–	–	–	–
Improved Property	–	–	–	–	–	–	–	–	–
Unimproved Property	–	–	–	–	–	–	–	–	–
Other assets	**5,261**	**13,001**	**13,579**	**8,645**	**8,945**	**8,945**	**13,557**	**13,961**	**14,373**
Operational Buildings	5,300	–	–	–	–	–	–	–	–
Municipal Offices	–	–	–	–	–	–	–	–	–
Pay/Enquiry Points	–	–	–	–	–	–	–	–	–
Building Plan Offices	–	–	–	–	–	–	–	–	–
Workshops	–	–	–	–	–	–	–	–	–
Yards	–	–	–	–	–	–	–	–	–
Stores	–	–	–	–	–	–	–	–	–
Laboratories	–	–	–	–	–	–	–	–	–
Training Centres	–	–	–	–	–	–	–	–	–
Manufacturing Plant	–	–	–	–	–	–	–	–	–
Depots	–	–	–	–	–	–	–	–	–
Capital Spares	5,300	–	–	–	–	–	–	–	–
Housing	(39)	13,001	13,579	8,645	8,945	8,945	13,557	13,961	14,373
Staff Housing	–	–	–	–	–	–	–	–	–
Social Housing	(39)	13,001	13,579	8,645	8,945	8,945	13,557	13,961	14,373
Capital Spares	–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Biological or Cultivated Assets	–	–	–	–	–	–	–	–	–
Intangible Assets	8	7	8	–	6	6	400	414	433
Servitudes	–	–	–	–	–	–	–	–	–
Licences and Rights	8	7	8	–	6	6	400	414	433
Water Rights	–	–	–	–	–	–	–	–	–
Effluent Licenses	–	–	–	–	–	–	–	–	–
Solid Waste Licenses	–	–	–	–	–	–	–	–	–
Computer Software and Applications	8	7	8	–	6	6	400	414	433
Load Settlement Software Applications	–	–	–	–	–	–	–	–	–
Unspecified	–	–	–	–	–	–	–	–	–
Computer Equipment	10	10	17	–	12	12	11	11	12
Computer Equipment	10	10	17	–	12	12	11	11	12
Furniture and Office Equipment	19	(18)	14	29	29	29	30	31	33
Furniture and Office Equipment	19	(18)	14	29	29	29	30	31	33
Machinery and Equipment	–	3	2	2	6	6	2	2	2
Machinery and Equipment	–	3	2	2	6	6	2	2	2
Transport Assets	–	–	–	–	–	–	–	–	–
Transport Assets	–	–	–	–	–	–	–	–	–
Land	–	–	–	–	–	–	–	–	–
Land	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–
Zoo's, Marine and Non-biological Animals	–	–	–	–	–	–	–	–	–
Living resources	-	-	-	-	-	-	-	-	-
Mature	-	-	-	-	-	-	-	-	-
Policing and Protection	–	–	–	–	–	–	–	–	–
Zoological plants and animals	–	–	–	–	–	–	–	–	–
Immature	-	-	-	-	-	-	-	-	-

Policing and Protection		–	–	–	–	–	–	–	–	–
Zoological plants and animals		–	–	–	–	–	–	–	–	–
Total Depreciation	1	**5,298**	**13,003**	**13,619**	**8,676**	**8,998**	**8,998**	**14,000**	**14,420**	**14,852**

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

Description	Ref	2022/23	2023/24	2024/25	Current Year 2025/26			2026/27 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29
Capital expenditure on upgrading of existing assets by Asset Class/Sub-class										
Infrastructure		–	–	–	–	–	–	–	–	–
Roads Infrastructure		–	–	–	–	–	–	–	–	–
Roads		–	–	–	–	–	–	–	–	–
Road Structures		–	–	–	–	–	–	–	–	–
Road Furniture		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Storm water Infrastructure		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
Electrical Infrastructure		–	–	–	–	–	–	–	–	–
Power Plants		–	–	–	–	–	–	–	–	–
HV Substations		–	–	–	–	–	–	–	–	–
HV Switching Station		–	–	–	–	–	–	–	–	–
HV Transmission Conductors		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
MV Switching Stations		–	–	–	–	–	–	–	–	–
MV Networks		–	–	–	–	–	–	–	–	–
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Water Supply Infrastructure		–	–	–	–	–	–	–	–	–
Dams and Weirs		–	–	–	–	–	–	–	–	–
Boreholes		–	–	–	–	–	–	–	–	–
Reservoirs		–	–	–	–	–	–	–	–	–
Pump Stations		–	–	–	–	–	–	–	–	–
Water Treatment Works		–	–	–	–	–	–	–	–	–
Bulk Mains		–	–	–	–	–	–	–	–	–
Distribution		–	–	–	–	–	–	–	–	–
Distribution Points		–	–	–	–	–	–	–	–	–
PRV Stations		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Sanitation Infrastructure		–	–	–	–	–	–	–	–	–
Pump Station		–	–	–	–	–	–	–	–	–
Reticulation		–	–	–	–	–	–	–	–	–
Waste Water Treatment Works		–	–	–	–	–	–	–	–	–
Outfall Sewers		–	–	–	–	–	–	–	–	–
Toilet Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Solid Waste Infrastructure		–	–	–	–	–	–	–	–	–
Landfill Sites		–	–	–	–	–	–	–	–	–
Waste Transfer Stations		–	–	–	–	–	–	–	–	–
Waste Processing Facilities		–	–	–	–	–	–	–	–	–
Waste Drop-off Points		–	–	–	–	–	–	–	–	–
Waste Separation Facilities		–	–	–	–	–	–	–	–	–
Electricity Generation Facilities		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Rail Infrastructure		–	–	–	–	–	–	–	–	–
Rail Lines		–	–	–	–	–	–	–	–	–
Rail Structures		–	–	–	–	–	–	–	–	–
Rail Furniture		–	–	–	–	–	–	–	–	–
Drainage Collection		–	–	–	–	–	–	–	–	–
Storm water Conveyance		–	–	–	–	–	–	–	–	–
Attenuation		–	–	–	–	–	–	–	–	–
MV Substations		–	–	–	–	–	–	–	–	–
LV Networks		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Coastal Infrastructure		–	–	–	–	–	–	–	–	–
Sand Pumps		–	–	–	–	–	–	–	–	–
Piers		–	–	–	–	–	–	–	–	–
Revetments		–	–	–	–	–	–	–	–	–
Promenades		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Information and Communication Infrastructure		–	–	–	–	–	–	–	–	–
Data Centres		–	–	–	–	–	–	–	–	–
Core Layers		–	–	–	–	–	–	–	–	–
Distribution Layers		–	–	–	–	–	–	–	–	–
Capital Spares		–	–	–	–	–	–	–	–	–
Community Assets		–	–	–	–	–	–	–	–	–
Community Facilities		–	–	–	–	–	–	–	–	–
Halls		–	–	–	–	–	–	–	–	–
Centres		–	–	–	–	–	–	–	–	–
Crèches		–	–	–	–	–	–	–	–	–
Clinics/Care Centres		–	–	–	–	–	–	–	–	–
Fire/Ambulance Stations		–	–	–	–	–	–	–	–	–
Testing Stations		–	–	–	–	–	–	–	–	–

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

- Supporting Table SD8 Future financial implications of the capital expenditure budget

Description	Ref	Preceding Years	Current Year 2025/26	2026/27 Medium Term Revenue & Expenditure Framework			Forecast 2029/30	Forecast 2030/31
R thousands	1,3	Budget Year 2026/27	Budget Year +1 2027/28	Budget Year +2 2028/29	Forecast 2029/30	Forecast 2030/31	Forecast 2031/32	Present value
Entities:								
Revenue Obligation By Contract	2							
Contract 1								
Contract 2								
Contract 3 etc								
Total Operating Revenue Implication		–	–	–	–	–	–	–
Expenditure Obligation By Contract	2							
Contract 1								
Contract 2								
Contract 3 etc								
Total Operating Expenditure Implication		–	–	–	–	–	–	–
Capital Expenditure Obligation By Contract	2							
Contract 1								
Contract 2								
Contract 3 etc								
Total Capital Expenditure Implication		–	–	–	–	–	–	–
Total Entity Expenditure Implication		–	–	–	–	–	–	–

- Supporting Table SD9 Detailed capital budget

- Supporting Table SD10 External mechanisms

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

ANNEXURE D:

MFMA BUDGET CIRCULARS

NATIONAL TREASURY

MFMA Circular No. 132

Municipal Finance Management Act No. 56 of 2003

Municipal Budget Circular for the 2026/27 MTREF

CONTENTS:

1. THE SOUTH AFRICAN ECONOMY AND INFLATION TARGETS: 3
2. KEY FOCUS AREAS FOR THE 2026/27 BUDGET PROCESS: 3
   - 2.1 LOCAL GOVERNMENT ALLOCATIONS 4
   - 2.2 REPORTING REQUIREMENTS FOR DISASTER ALLOCATIONS, METRO TRADING SERVICES PROGRAMME (MTSP) – ROLLOVER AND THE STOPPING AND RE-ALLOCATION GUIDELINES 6
   - 2.3 CRITERIA FOR THE RELEASE OF THE EQUITABLE SHARE 9
   - 2.4 STOPPING AND RE-ALLOCATION GUIDELINES 10
3. 2026 LOCAL GOVERNMENT ELECTIONS AND THE BUDGET PROCESS 11
   - 3.1 TRANSITIONAL PROCESSES – DEVELOPMENT AND ADOPTION OF IDPS DURING THE 2026 ELECTION YEAR 11
   - 3.2 HAND-OVER REPORTS FOR THE NEWLY ELECTED COUNCILS 12
4. REVENUE MANAGEMENT 13
   - 4.1 PRIORITISE FUNDING THE ELECTRICITY REVENUE PROTECTION PROGRAMME 13
   - 4.2 REVENUE MANAGEMENT ASSESSMENT TOOL 13
   - 4.3 COST REFLECTIVE TARIFF TOOL 14
   - 4.4 ELECTRICITY TARIFFS 15
   - 4.5 MUNICIPAL VALUATION ROLL RECONCILIATION TOOL 16
   - 4.6 PROHIBITION ON VENDING SYSTEM(S) / THIRD PARTY VENDING SOLUTIONS WITHOUT CONSULTING THE NATIONAL TREASURY 16
   - 4.6A SMART METER END-TO-END SOLUTIONS 17
   - 4.6B LARGE POWER USERS (LPU) – ADVANCED METERING INFRASTRUCTURE (AMI) 18
   - 4.6C REQUEST FOR METER STATISTICAL INFORMATION IN TERMS OF MFMA SECTION 74 19
   - 4.6D SMART METERING FINANCING SOLUTIONS 20
   - 4.6E TRANSVERSAL CONTRACT FOR THE PROCUREMENT OF SMART METERING END-TO-END SOLUTIONS 20
   - 4.7 TRAINING TOOLS OF THE NATIONAL TREASURY 20
   - 4.8 GOMUNI PORTAL – REVENUE MANAGEMENT DOCUMENT UPLOADS REQUIRED 21
   - 4.9 MONITORING – WATER DEBT RELIEF 21
   - 4.10 DELIVERY AGENCY AGREEMENT(S) (DAA) WITH ESKOM 22
5. BUDGET AND OTHER MANAGEMENT ISSUES: 23
   - 5.1 NATIONAL TREASURY GUIDELINE ON BUDGETING FOR A FUNDED BUDGET 23
   - 5.2 EMPLOYEE RELATED COSTS 23
   - 5.3 REMUNERATION OF COUNCILORS 24
   - 5.4 USING SECTION 67 TRANSFERS TO PAY FOR COUNCILLOR FUNERAL COSTS 24
   - 5.5 REVIEW OF HUMAN RESOURCE POLICIES, BENEFITS NOT PROVIDED FOR IN COLLECTIVE AGREEMENTS 24
   - 5.6 SUBMISSION OF PAYROLL INFORMATION ON CENTRAL SUPPLIER DATABASE 25
   - 5.7 UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE REDUCTION AND IMPLEMENTATION OF CONSEQUENCE MANAGEMENT 25
   - 5.8 FRUITLESS AND WASTEFUL EXTERNAL LEGAL AND CONSULTANT COSTS 26
   - 5.9 FRUITLESS AND WASTEFUL EXPENDITURE AUDIT FINDING DISPUTES 26
   - 5.10 REQUEST FOR INFORMATION REGARDING PROCUREMENT SPEND, EMPLOYEE RELATED DATA AND AUDIT MANAGEMENT REPORTS 26
   - 5.11 ADDITIONAL IN-YEAR REPORTING REQUIREMENTS 27
6 MUNICIPAL STANDARD CHART OF ACCOUNTS (*m*SCOA): 27

6.1 RELEASE OF VERSION 7.1 OF THE CHART 27
6.2 IMPORTANT CHANGES IN *m*SCOA CHART VERSION 7.1 28

7 THE MUNICIPAL BUDGET AND REPORTING REGULATIONS: 32
7.1 ASSISTANCE WITH THE COMPILATION OF BUDGETS 32

8 SUBMITTING BUDGET DOCUMENTATION AND A SCHEDULES FOR THE 2026/27 MTREF 33
8.1 SUBMISSIONS TO THE NATIONAL TREASURY 33
8.2 TIME FRAMES FOR SUBMISSION 33
8.3 UPDATING OF CONTACT DETAILS ON GOMUNI 34
8.4 TRAINING ON GOMUNI AND *m*SCOA 34

Introduction:

This budget circular provides guidance to municipalities on the compilation of the 2026/27 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 (*m*SCOA) and aims to support municipalities' budget preparation processes to ensure minimum requirements are met.

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 focusing 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, *m*SCOA 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:

South Africa's economy is expected to grow by 1.2 per cent in 2025/26, down from the 1.4 per cent estimated in the 2025/26 budget. Real GDP growth is forecast to strengthen, averaging 1.8 per cent over the medium-term, supported by a revival in investment as new infrastructure allocations take effect and reform implementation builds.

The following macro-economic forecasts must be considered when preparing the 2026/27 MTREF municipal budgets.

Table 1: Macroeconomic performance and projections, 2023 – 2029

Fiscal year	2022/23 Actual	2023/24 Actual	2024/25 Actual	2025/26 Estimate	2026/27 Forecast	2027/28 Forecast	2028/29 Forecast
CPI Inflation	6.9%	5.9%	4.4.%	3.3%	3.7%	3.3%	3.2%

Source: National Treasury Budget Review 2025.

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.

Headline inflation declined to 4.4 per cent in the fourth quarter of 2024/25, resulting in average inflation of 4.4 per cent for the year. Consumer inflation is projected to average 3.3 per cent in 2025/26 and 3.7 per cent in 2026/27. In the short term, reducing the inflation target to 3 per cent will result in more cuts in interest rates than would be the case under a 4.5 per cent target. Over time, a lower target will decrease inflation and inflation expectations, creating the space for permanently lower interest rates, which will support household spending and investment – boosting economic growth and job creation.

The lower inflation will support higher levels of real economic growth. South Africa's inflation target will be more in line with its trading partners and peer economies, making the economy more competitive. Household spending and private investment will rise due to higher real disposable income and lower borrowing costs.

2. Key focus areas for the 2026/27 budget process:

2.1 Local government allocations

Over the 2026 Medium-Term Expenditure Framework (MTEF), the government proposes an allocation of 9.7 per cent to local government. Local government funding is projected to increase from R192.9 billion in 2026/27 to R204.9 billion in 2028/29. In 2026/27, this increase comprises R110.6 billion for the local government equitable share, R17.6 billion from the general fuel levy sharing with metropolitan municipalities, and R64.6 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 2025 Medium Term Budget Policy Statement; final details will be provided in the 2026 Budget Review.

Notable changes to the conditional grants system

The government has finalised its review of the conditional grant system and developed a range of reforms based on the results. These are reforms aimed at rationalising conditional grants and enhancing their effectiveness, and some have already been implemented in 2025/26 already. Reforms over the 2026 MTREF will include:

- **Electricity** – The merging of the Integrated National Electrification Programme grant and the Energy Efficiency Demand Side Management grant focuses on energy efficiency and renewable energy programmes that can lead to more sustainable energy provision and enable the achievement of long-term goals;
- **Water and sanitation** – The Water Services Infrastructure Grant, Regional Bulk Infrastructure Grant and Municipal Infrastructure Grant will be reviewed to address overlaps in water services provision;
- **Transport** – The Public Transport Network Grant will be phased out over the MTEF, and new arrangements will be explored for integrated public transport and improvements to higher-density housing to maximise benefits;
- **National Treasury grants** – The Infrastructure Skills Development Grant and Neighbourhood Development Partnership Grant will be discontinued and will be replaced with better-designed instruments that will simplify oversight, reduce administrative burden, and channel more resources to actual delivery;
- **Metro Trading Services** – An amount of R19.3 billion over the MTEF for infrastructure associated with municipal trading services will be shifted from the *Urban Settlements Development Grant* to the performance-based *Urban Development Financing Grant*; and
- **Municipal Infrastructure Grant** – there will be the introduction of a performance-based split delivery model (direct and indirect). An indirect delivery model will only be used to rebuild (not replace) municipal capacity. The role of MISA and DBSA in the indirect delivery models will be elevated, coupled with time-bound capability plans aimed at restoring direct funding.

We kindly advise municipalities to utilise the indicative numbers that were presented in the 2025 Division of Revenue Act when developing their 2026/27 MTREF calculations. It is also crucial to make considerations to the proposed amendments to baselines that were presented in the 2025 MTBPS, as they may have an impact. We recommend this be prioritised in all budgetary planning for the upcoming fiscal year. In terms of the outer year allocations (2028/29 financial year), it is proposed that municipalities conservatively limit funding allocations to the indicative numbers as presented in the 2025 Division of Revenue Act for 2026/27. The Division of Revenue Bill, 2025, which includes the annexures outlining allocations to each municipality is available at:
https://www.treasury.gov.za/documents/National%20Budget/2025May/

The Integrated National Electrification Programme and the Energy Efficiency and Demand Side Management grant will be merged in the 2026 Budget to streamline electrification funding, while the Public Transport Network Grant will be discontinued due to its failure to meet intended

objectives. The phased changes arise from the review of local government conditional grants to address infrastructure delivery inefficiencies.

Division Of Revenue Amendment Bill, 2025 (DoRAB)

Changes to local government allocations –

Additional funding to the Municipal Disaster Recovery Grant*:* An additional R496 million is allocated to the Municipal Disaster Recovery Grant to support the reconstruction and rehabilitation of municipal infrastructure that was damaged by the floods and storm surges that struck the Eastern Cape between March and June 2025.

Additional funding to the Urban Development Financing Grant: An additional R2.1 billion is provided to the Urban Development Financing Grant to strengthen the metro trading services component. This allocation had already been provisionally set aside on a provisional basis when the main budget was presented in May 2025.

Roll over of funds in the Public Transport Network Grant: An amount of R303 million is rolled over in the Public Transport Network Grant to enable the eThekwini Metropolitan Municipality to proceed with essential work needed to operationalise Corridor 3 of its Integrated Public Transport Network operational.

Reprioritisation from the Urban Settlements Development Grant (USDG) – R5.7 billion, R6.4 billion and R7.2 billion are shifted in the respective years of the 2026 MTEF period from the Urban Settlements Development Grant to the Metro Trading Services component of the Urban Development Financing Grant to strengthen core utility functions.

Rescheduling of BFI funding in the Regional Bulk Infrastructure Grant (RBIG) – Over the medium term, an additional R2.1 billion is allocated to the Regional Bulk Infrastructure Grant to finance the Polokwane wastewater treatment works project through the Budget Facility for Infrastructure.

Reforms in the Municipal Infrastructure Grant (MIG) – Government is reforming MIG to control underspending, misuse of funds and capacity constraints. Municipalities with proven capacity will retain direct transfers, while those with ongoing capacity or governance failures will shift to indirect transfers through entities such as the Municipal Infrastructure Support Agency (MISA) and the Development Bank of Southern Africa (DBSA), supported by time-bound capability plans to restore direct access. This approach accelerates service delivery while strengthening long-term municipal capability.

Changes to conditional grant frameworks and allocations –

The framework of the MDRG – Recovery will be amended to ring-fence the additional funds for the reconstruction and rehabilitation of municipal infrastructure damaged by the disasters that occurred in the Eastern Cape between March and June 2025.

The framework of the *Urban Development Financing Grant* – is amended to reflect the revised 2025/26 baseline following the additional R2.1 billion for metro trading services.

Details per municipality of the changes to allocations for the municipal disaster recovery grant, urban development financing grant, and the public transport network grant that have been described in Part 2 of the explanatory memorandum to the Division of Revenue Amendment Bill will be gazetted.

All amended frameworks will be gazetted in terms of section 15(2) of the 2025 DoRA, after consulting Parliament.

2.2 Reporting requirements for Disaster Allocations, Metro Trading Services Programme (MTSP) – Rollover and the stopping and re-allocation guidelines

Reporting requirements for Disaster Allocations

The Division of Revenue Act, 2025 (Act No. 2 of 2025) (DoRA) provides for the unallocated funds to local government through the Municipal Disaster Response Grant schedule 7B (MDRG 7B) and the Municipal Recovery Grant schedule 5B (MDRG 5B). The main purpose of the MDRG 7B is to provide 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) while the MDRG 5B main goal is to rehabilitate and reconstruct municipal infrastructure damaged by a disaster.

These allocations remain unallocated until a declaration of a disaster by the Minister of Cooperative Governance and Traditional Affairs (CoGTA) in terms of Section 23(1)(b) of the Disaster Management Act, 2002 (Act No. 57 of 2002).

Section 25 of the 2025 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 allocation 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 also 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. 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 will then form part of the total disaster allocation for that financial year.

Upon approval by the National Treasury either through section 25(3)(a) or section 19(6), municipalities are then required to follow all reporting prescripts in terms of DoRA. Therefore, 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. Furthermore, 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 2025/26 financial year applicable to a municipality.

In addition to the reporting requirements outlined in section 12 of DoRA, municipalities must also adhere to the reporting guidelines specified in the disaster management frameworks. They 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 fourteen (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 utilized.

Rollover of the Urban Development Financing Grant: Metro Trading Service Component

Rollover requests for the incentive grant and Metro Trading Services component will follow the standard conditional grant guidelines. However, cities are required to submit applications by 31 July 2026 rather than the usual 31 August deadline. Metros are additionally required to provide their bank balances / statements as at June 2026 to demonstrate that unspent funds are cash-backed (also see the additional in-year reporting requirements in paragraph 5.12 below). Further details on the criteria and guidelines will be provided in the March 2026 MFMA Circular.

2.3 Metro Trading Services Reform Incentive

Metro Trading Services Reform: Implications for the 2025/26 Adjustments Budget and 2026/27 Budget Preparation

The Metro Trading Services Reform (MTSR) is transitioning from early implementation in 2025/26 into its first full operational year in 2026/27. The reform introduces a performance-based financing incentive through the **Metro Trading Services component of the Urban Development Financing Grant (UDFG-MTS)**, designed to improve accountability, financial management, and operational performance in water and sanitation, electricity and energy, and solid waste management.

Metro trading services are participating in the reform in two cohorts, according to year of entry into the reform:

- **Cohort 1, entering the reform in 2025/26, includes:**
  - Water and Sanitation: Buffalo City, City of Cape Town, City of Johannesburg, City of Tshwane, eThekwini and Mangaung
  - Electricity and Energy: Buffalo City, City of Cape Town, City of Ekurhuleni, City of Johannesburg, City of Tshwane and eThekwini
- **Cohort 2, entering the reform in 2026/27, includes:**
  - Solid Waste Management: all metros
  - Water and Sanitation: Ekurhuleni and Nelson Mandela Bay
  - Electricity and Energy: Mangaung and Nelson Mandela Bay

This section outlines the implications for the **2025/26 adjustments budget** and **2026/27 MTREF budget** and highlights key requirements for metros.

Implications for the 2025/26 Adjustments Budget (Cohort 1 metros)

For Cohort 1, 2025/26 is Year 1 of the MTSR, with an in-year allocation, based on independent verification of metro compliance with reform entry requirements, to participating Water and Sanitation and Electricity and Energy trading services following the national adjustments budget in November 2025.

Key requirements for Cohort 1 metro 2025/26 adjustments budget are:

- **Provision for the UDFG-MTS allocation:** Cohort 1 metros must include the in-year UDFG-MTS allocation in their 2025/26 adjustments budget, following its approval in the 2025 National Adjusted budget/DORA amendment bill. This is the performance reward for submission and Council approval of A3-PIAP v1 and the making of the Minimum Commitments;
- **Ring-fencing and alignment with PIAP activities:** Adjusted budgets must ensure incentive funds are used for MTSP-related operational and capital reforms only. Budget shifts may be required to align spending with PIAP implementation, especially early reform activity packages and organisational readiness measures; and
- **Updating A3-PIAP-linked spending profiles:** A3-PIAP v1 (approved June 2025) contains indicative spending plans. These must now be reflected in adjustments budgets, with corresponding procurement plan adjustments where necessary. It is expected that these funds in the adjustments budget reflect reform start-up and priority spending, such as those associated with the Minimum Commitments, identified through financial modelling and in updated trading service business and investment plans. As Year 1 has a typical reporting schedule, metros must ensure internal systems are aligned to enable two quarterly spending reports and one annual performance report.

Preparing the 2026/27 Budget (Cohort 1 and Cohort 2)

For Cohort 1 metro trading services, 2026/27 is the first implementation year, to achieve performance targets set in the A3-PIAP v2 (to be Council-approved by June 2026). That performance can only be verified during 2027/28. During 2026/27, Cohort 1 performance will be verified only on maintening of the Minimum Commitments.

Budget preparation must include:

- **Funding full A3-PIAP implementation:** Operational and capital budgets must support Year 2 reform milestones, aligned with financial models and updated business and investment plans, including strengthening core management capacity, reducing technical and commercial losses, improving revenue performance, and undertaking priority network upgrades in support of the relevant A3 PIAP indicators;
- **Integrating expected incentive revenue**: Budgets must incorporate the **verified Year 1 incentive allocation for 2026/27**, reflected under the UDFG-MTS component and aligned with relevant *m*SCOA posting level accounts; and
- **Ensuring alignment between the A3-PIAP v2 and MTREF:** A3-PIAP v2 is the binding multi-year plan for performance measurement and should drive reprioritisation within the 2026/27 MTREF. Final sectoral allocation decisions (within the permissible Water and Sanitation, Electricity and Energy and Solid Waste Management ranges) must be reflected in the tables and adopted budgets; and

Cohort 2 metros entering the programme in 2026/27 must finalise and obtain Council approval of A3-PIAP v1 by June 2026 and budget for preparatory reform activities, including any diagnostic assessments, organisational restructuring, and development of business and investment plans.

Independent Verification: role and process

The Independent Verification Agent (IVA) verifies metro performance to inform a performance score. This score is used by the grant manager to determine each trading service's share of the incentive allocation. The IVA verifies **metro performance against the Minimum Commitments** (made, achieved and maintained) and **annual performance** against scalable performance indicators.

Metros must upload all performance claims and evidence to the National Treasury's MTSR online portal (in development and scheduled for rollout in early 2026). Metros must also prepare

internal data, reporting and governance arrangements to use this portal from the first 2026 submission cycle onward.

The IVA timeline relevant to 2026/27 budgeting is as follows:

- 15 August 2026: first performance evidence uploads for 2025/26;
- 30 September 2026: final evidence uploads for 2025/26;
- 31 October 2026: IVA submits verification outcomes to NT grant manager;
- November 2026: National Steering Committee confirms results; and
- February 2027: incentive allocations communicated via Budget Allocation Letters from NT grant manager.

Streamlined and Integrated Reporting Requirements

While the MTSR includes its **own quarterly and annual reporting requirements, which are** necessary for performance verification and incentive administration, the reform has been explicitly designed to **leverage existing metro reporting systems** to avoid duplication or unnecessary administrative burden.

The MTSR therefore aligns with and draws upon: ***m*SCOA implementation**; **Section 71 monthly and quarterly reporting; MFMA Circular No. 88; and conditional grant reporting.** MTSR seeks to **minimise additional reporting** and strengthen existing systems rather than create parallel processes.

Reference to Existing Guidance

This Circular should be read together with**: MTSR Guidance Notes 1–5, MTSR Guidance, Note 4 Addendum Indicator Definition Addendum, MTSR Sector Resource Documents (W&S, E&E, SWM), the forthcoming MTSP Programme Operations Manual (POM), 2025, UDFG Framework and any further technical guidance.**

2.3 Criteria for the release of the Equitable Share

The criteria for the release of the equitable as covered in MFMA Circular No. 122 remain relevant and are still applicable to the release of equitable share instalments in the 2026/27 financial year.

Failure to comply with the criteria will result in the National Treasury invoking section 38 of the MFMA which empowers National Treasury to withhold a municipality's equitable share if the municipality commits a serious or persistent breach of the measures established in terms of Section 216(2) of the Constitution which includes reporting obligations set out in the MFMA and National Treasury requests for information in terms of Section 74 of the MFMA.

The following criteria will be applied in relation to addressing **UIFWe** and the implementation of consequence management as required in terms of Chapter 15 of the MFMA, read with the Municipal Regulations on Financial Misconduct Procedures and Criminal Proceedings:

- The municipality's UIFWe balance (audited) as at 30 June 2025 has not decreased by 75 per cent in the unaudited 2025/2026 AFS as submitted to the AGSA;
- The municipality did not have a disciplinary board in place as at 30 June 2026; and/or
- Notwithstanding the municipality having a DC Board in place, not all UIFWe matters have been referred to the DC Board during the 2024/2025 financial period and/or
- Municipalities have not instituted disciplinary measures stemming from UIFWe incurred up to 30 June 2025 in the 2025/26 financial year.

The National Treasury will start using the prevention of UIFWe as required in terms of sections 62 and 78 as a criteria from the 2026/27 financial year. It is therefore crucial for municipalities

to start implementing measures to curb the incurrence of UIFWe as required in terms of sections 62 and 78 of the MFMA.

In addition, those municipalities currently under mandatory intervention in terms of Section 139(5) of the Constitution and who fail to comply with submitting monthly progress reports on the implementation of the financial recovery plan in terms of Section 146(1)(c) of the MFMA, will also be eligible to have their equitable share allocations withheld with effect from the 2026/27 financial year.

The Joint Circular issued by the Ministers of CoGTA and Finance on 8 September 2025 with regard to Free Basic Services will also be considered as a criteria going forward.

2.4 Stopping and re-allocation guidelines

Following the 2025/26 mid-year expenditure reports (second quarter) in terms of section 10 of the 2025 DoRA and section 72 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003) (MFMA), National Treasury intends to invoke section 18 of DoRA which provides that the National Treasury may in its discretion or on request of a transferring officer or a receiving officer stop the transfer of a schedule 4B or 5B allocation, or a portion thereof to a municipality if the National Treasury anticipates that a municipality shall substantially underspend on the allocation, or any programme, partially or fully funded by the allocation, in the 2025/26 financial year. Further, 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 2026.**

As part of the annual process for the stopping of the grants that underperform, National Treasury will engage with transferring officers to identify municipalities that are at risk of underspending based on their in-year performance using both the performance reports submitted by transferring officers and the verified *m*SCOA data strings. While the process remains standardised across departments, a differential approach may be applied where justified. This recognises that certain grants may face distinct performance dynamics. However, this process will not compromise overall consistency, fiscal prudence or accountability.

Stopping criteria

National Treasury will within 14 days from receiving the recommendations from the transferring officers issue letters to municipalities with the intention to stop the allocations based on recommendations from transferring officers and/or at the National Treasury's own discretion/assessment. Municipalities are requested to submit representations to National Treasury, providing motivation for the following:

- Expenditure reported as at 31 December 2025 (40 per cent for allocations under R100 million and 45 percent for allocations over R100 million);
- Progress report against approved projects (provide list/names of approved projects);
- Representation on the cash coverage for grants transferred (ring fencing) (Liquidity ratio);
- Representation on the initial cash flow projections against actual performance;
- Progress report on any approved rollover for 2025/26 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 2026, i.e., commitment that the municipality will not request rollovers 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 2025;

- 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 where the municipality anticipates that it will not fully utilise grant funds before 30 June 2026;
- All reporting must be accurate and aligned to *m*SCOA system; and
- An acceleration plan against the 2025/26 approved implementation plan.

The National Treasury will then give notice in the Gazette of the stopping of an allocation or a portion thereof in terms of section 18 (5), and include in the notice, the effective date and reason for the stopping.

Reallocations:

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 2025/26 financial year.

Once stopping of funds has been confirmed through consultation, National Treasury reassesses the performance and reallocates funds to municipalities that demonstrate capacity to absorb additional allocations. Reallocation follows a structured sequence guided by the points mentioned below to preserve the benefit of funds within the original location. Funds are allocated:

- First within the same district;
- Then within the same province; and
- Only then nationally, in cases where no suitable recipient exists within the province.

Municipalities become eligible for additional funding if they have spent at least 70 per cent or more of their original allocation, have credible and shovel-ready projects, demonstrate strong compliance with MFMA and DoRA reporting requirements and maintain realistic cash-flow projections. Historical performance including their ability to manage additional allocations in previous years is also considered.

Where applicable, Water Services Authorities may be prioritised for water and sanitation projects due to service delivery imperatives, while non-WSA municipalities may receive priority for well-prepared and impactful roads projects.

3. 2026 Local Government Elections and the budget process

3.1 Transitional processes – development and adoption of IDPs during the 2026 election year

The 2025/26 municipal financial year represents the last year of the current municipal councils' electoral term. The the next municipal election to usher in new councils is expected to take place between November 2026 and January 2027 in terms of section 24(2) of the Municipal Structures Act, 2000 (Act No. 32 of 2000) (MSA).

It is acknowledged that the period within which the coming election's date is expected takes place after the start of a new financial year. This scenario poses a latent challenge in so far as adherence to legislated timeframes regarding the adoption of the 5-year Integrated Development Plan (IDP) and the subsequent implementation.

Given the fact that the IDP and budget would need to be reviewed and adopted by 30 June 2026, the current council has an obligation to ensure that these stipulations are complied with. In this regard, the current council is expected to continue reviewing the IDP and ensuring that it is adopted within the legislated timeframe.

Section 25 (3) of the MSA does allow the municipal council to adopt the IDP of the preceding council. However, should the incoming council be unhappy with the priorities set by the current council, in this case, municipal councils are advised to consider the existing adopted IDP and resolve to initiate or not to initiate an amendment procedure as guided by the MSA and the Municipal Performance and Planning Regulations (2001).

The Department of Cooperative Governance (DCoG), through the Chief Directorate: Development Planning, is rolling out the revised IDP guidelines to municipalities. These guidelines are aimed amongst others, at guiding municipalities regarding the adoption of IDPs during an election year.

3.2 Hand-over reports for the newly elected councils

Each municipal manager, working together with the CFO and senior managers, is encouraged to prepare a hand-over report that can be tabled at the first meeting of the newly elected council. The purpose of this hand-over report is to provide the new councils with important orientation information regarding the municipality, the state of its finances, service delivery and capital programme, as well as key issues that need to be addressed.

It is proposed that the hand-over report should include:

- An overview of the demographic and socio-economic characteristics of the municipality;
- An overview of the organisational structure of the municipality, with the names and numbers of senior managers;
- An overview of key municipal policies that councillors need to be aware of, and where they can obtain the full text of such policies;
- An overview of issues that still need to be addressed in relation to the municipality's turnaround strategy (where applicable);
- An overview of the municipality's financial health, with specific reference to:
    - Its cash and investments, and its funding of commitments (Table A8);
    - Cash coverage of normal operations (see Supporting Table SA10);
    - Creditors outstanding for more than 30 days and the reasons for delayed settlement;
    - Current revenue collection levels and debtors outstanding for more than 30 days; and
    - The extent of existing loans and associated finance and redemption payments.
- The municipality's 2024/25 audit outcome and its strategy to address audit issues;
- An overview of the provision of basic services, including plans to address backlogs;
- An overview of the state of the municipality's assets, with particular reference to the asset management plan, and repairs and maintenance requirements;
- A list of the main infrastructure projects planned for the 2026/27 budget and MTREF;
- A list of key processes requiring council input over the next six months, e.g. revision of the IDP, approval of specific policies etc. and
- Any other information deemed to be important to the transitioning process.

In addition to the hand-over report, each new councillor should be given the municipalities' revised IDP, the adopted 2026/27 MTREF budget, the mid-year budget and performance

assessment report for 2026/27, the latest monthly financial statement, and the annual report for 2024/25.

Municipal managers should submit their municipality's hand-over report to the relevant provincial department responsible for local government, to the Department of Co-operative Governance (DCoG) and National and Provincial Treasuries.

4. Revenue Management

4.1 Prioritise funding the Electricity Revenue Protection Programme

Past years' increasing electricity tariffs continue to strain consumers' ability to afford this service. Municipalities (with the electricity function) as a result, at higher risk of non-technical losses, particularly related to theft and illegal by-passing. Many municipalities do not have dedicated Revenue Protection staff in place or have reduced their operational funding for Revenue Protection culminating in reduced collections and a related strain on cash flow and the ability to pay creditors. Municipalities are advised to prioritise the following Revenue Protection measures in 2026/27 and future MTREFs if not already implemented:

- A dedicated Revenue Protection Unit for Electricity, Water, Wastewater and Refuse services administered by the senior manager responsible for the municipal Electricity Infrastructure Directorate, taking into consideration the recommendations and standards set out in NRS055 (Code of Practice for Revenue Protection);
- Allocating adequate funds in the budget to fund the municipality's Electricity, Water, Wastewater and Refuse services and the Revenue Protection Unit's operational needs;
- In allocating funding, the business threat of increasing non-technical losses to the municipality's particular specifics must be considered to achieve a balance, while ensuring the Revenue Protection staff organogram and operational program is adequately funded and able to fulfil its role;
- The municipality to demonstrate in its MTREF submission (narrative and *m*SCOA data strings) that a percentage of the revenue from the Energy, Water, Wastewater and Refuse function is ring-fenced to fund the municipal Revenue Protection Programme operational need(s) towards developing the program to fruition; and
- The municipality must implement the Municipal Systems Act principle of consolidated billing and strengthen the revenue policies to use electricity and water (in Eskom supply areas or where the municipality does not have the electricity function) to collect on the consolidated municipal bill. The policies should explicitly provide for credit control in this manner.

4.2 Revenue Management Assessment Tool

Every municipality, in anticipation of the annual budget process and its review of critical revenue management related policies, should assess and review its revenue management value chain to identify any gaps, duplications, and / or inefficiencies, aligning with the approved organogram and related delegations. Refer to MFMA Budget Circular No. 126 (Annexure B: Submission checklist: Revenue Management Documents), MFMA Budget Circular No. 128 (Item 7.3 contained in Annexure A) and MFMA Budget Circular No.130 (Item 3.2 contained in Annexure A). The municipality is required to annually submit its assessment or review thereof to the National Treasury in the format of the Municipal Revenue Management Assessment Tool – to be uploaded to the National Treasury GoMuni upload portal annually as part of the Revenue Management Documents that are required.

The Revenue Assessment Tool was developed through the collaboration of the National Treasury, the Department of Cooperative Governance (DCoG) and the South African Local Government Association (SALGA) to integrate and align our support in this area, prevent duplicated efforts and facilitate stronger and systemic change across municipalities through the Single Integrated Revenue Management Framework (SIRMF).

The SIRMF is a national framework for revenue management that guides and outlines the intervention and leadership role both municipalities and oversight bodies should play in addressing challenges relating to the revenue management value chain and ultimately financial sustainability. The SIRMF emphasises the significant role of National and Provincial Government in supporting municipalities in the process of revenue management improvement and how the relevant departments will coordinate their support and their monitoring and evaluation role(s).

The SIRMF aligns with the existing statutory framework and emphasises compliance. The related tasks and responsibilities set out in the SIRMF provides guidance on how municipalities can enhance revenue management as a key approach to increasing the municipality's viability and sustainability. Completing the Municipal Revenue Assessment Tool can assist the municipal council, senior management team and oversight bodies to assess, understand, and improve critical revenue management practices of the municipality.

The tool provides an indication of gaps, flaws, duplications, inefficiencies, and risks in the existing revenue value chain that could compromise or affect whether the revenue component of the budget sufficiently caters for long-term planning and is credible and funded. It further provides a comprehensive overview of current revenue management processes by identifying strengths, weaknesses, and areas that need improvement. The tool focuses on eighteen (18) critical areas within the revenue management value chain and helps pinpoint specific areas to optimise revenue collection processes ultimately.

All municipalities had to complete the tool during the 2025/26 MTREF and are required, as part of the upcoming 2026/27 MTREF preparation process to thoroughly review the revenue value chain and affect changes to the tool reflective of such review as may be needed. As part of the review, the municipality must record clear progress and corrective actions undertaken in relation to each focus area identified during the municipality's 2025/26 compilation of the tool. It is noted that municipalities with revenue collection rates below 85 per cent (per the 2024/25 annual financial statements (AFS) and all municipalities participating in both the Municipal (Eskom) and or Water Debt Relief programs must annually undertake the full exercise (not only a review) until they achieve an average annual collection of 95 per cent as outlined in MFMA Circular No. 71.

The National Treasury recently strengthened Functional Area nine (9) – Finance Department Functions of the tool to enable municipalities to capture comments under this functional area. With effect from December 2025, any municipality compiling and or reviewing its revenue value chain as required in terms of this circular must use the **updated Municipal Revenue Assessment Tool included as Annexure A to this Circular**. The entire tool must be uploaded together with all the required worksheets included.

4.3 Cost Reflective Tariff Tool

As part of the budget process, the municipality must annually undertake an assessment to determine if the intended and implemented tariffs are cost reflective, whether all critical cost components were considered in the tariff calculation(s), whether the Local Government Equitable Share component relating to basic services were allocated to the actual service(s) and to demonstrate that the Revenue Component of the budget is credible and funded; etc. To facilitate this exercise, the municipality must complete and submit this calculation(s) and or tariff assessment in the format of the National Treasury Tariff Tool as part of its tabled, adopted and adjusted MTREF submissions to the National Treasury GoMuni portal (refer MFMA Budget

Circular No. 129. The Cost Reflective Tariff Tool outcomes must also be reported to and approved by Council as part of the respective tabled and adopted MTREF submissions.

If the Tariff Tool indicates significant tariff shortfalls, any major tariff increases should be phased in over two to three years and can be approved for the outer years (2027/28,2028/29 and 2029/30). Thus, the indicative tariffs should be phased in over a period of three years.

The National Treasury Tariff Tool was updated to provide alternative methods of wastewater tariff modelling and to allow municipalities to allocate the municipality-specific percentage of indirect cost allocated across the different services. The municipality must ensure that the percentage allocated to indirect costs used in the Tariff Tool compilation perfectly aligns with the municipality's Budget- and Tariff-related Policies submitted as part of the tabled, adopted, and adjusted MTREF submissions. With effect 2025/26 (Quarter 3), metropolitan- and secondary cities are also required to complete and upload the Cost Reflective Tariff Tool in the National Treasury Tariff Tool format to the GoMuni portal as part of the tabled, adopted, and adjusted MTREF submissions.

Should the municipality through the completion of the Tariff Tool identify major flaws and or gaps in any tariff, the National Treasury recommend it is prudent for the municipality to undertake a full Cost of Supply study (COS) for that service since tariff gaps may be indicative of an unfunded revenue component of the municipality's MTREF. With effect from 2025/26 (Quarter 3), all municipalities must use the **updated National Treasury Tariff Tool included as Annexure B to this Circular. A Tariff Tool procedural manual is also included in Annexure B to this Circular** to assist municipalities in undertaking the Tariff Tool exercise.

4.4 Electricity Tariffs

Cost of Supply Study (COS) and NERSA D-forms for electricity tariff applications

The submission of tariff applications is an obligation enshrined in the Electricity Regulation Act, 2006 ('ERA') (as amended), read with the MFMA and incorporated in the licence conditions of licensees (also municipalities). Municipalities are therefore reminded that all municipal tariff applications for the 2026/27 financial year must be accompanied by the required Cost of Supply (COS) studies and **submitted to NERSA before the outer deadline of 12 December 2025**. Failure to comply with these requirements will result in the municipality being prohibited from making any adjustment to the electricity tariffs for the 2026/27 financial year. NERSA already confirmed to municipalities that only complete municipal applications received before 12 December 2025 will be processed and approved for implementation with effect from 01 July 2026.

Failure to apply to NERSA for approval of tariffs is a breach of the licence conditions and a violation of the provisions of the ERA. Section 15 of the ERA prevents any licensee from charging a tariff that is not approved by the Regulator. Licensed distributors should note that their current tariffs will expire on 30 June 2026 and that there will be no automatic extension, as the tariffs are approved annually.

To facilitate timely submissions to NERSA and the opportunity to supplement where NERSA identify any gaps in municipal submissions, the National Treasury urges municipalities to annually before 31 October submit to NERSA and subsequently upload to the GoMuni Portal, the municipality's:

- Latest **updated and or reviewed COS** (approved by Council) supporting its Electricity tariffs application for the MTREF to NERSA and parallel upload such to the GoMuni Revenue Portal. The COS must be uploaded to the GoMuni Revenue Portal in PDF format (the content must be in the NERSA content format), and include a file heading of: **"Demarcation Code_Municipality Name_Cost of Supply Study (period)"**;

- **NERSA D-forms** submitted to NERSA, supporting its Electricity tariffs application for the 2026/27 MTREF to the GoMuni Revenue Portal in the Excel format required by NERSA, and include a file heading of: "**Demarcation Code_Municipality Name_NERSA D-form (period)"**; and
- **NERSA's letter approving the municipality's energy tariffs** for the MTREF annually with the tabled and adopted MTREFs. The municipality must upload the letter with the correct saving convention: **"Demarcation Code_Municipality Name_NERSA tariff approval (period)"**.

4.5 Municipal Valuation Roll Reconciliation Tool

Reference is made to MFMA Circulars No. 93 (paragraph 3), No.98 (paragraph 4.1), No. 123 (paragraph 5.1), No. 126, (paragraph 3.1), and No. 130 (paragraph 3.5). To ensure the municipality's rates base is complete, aligns with the Municipal Property Rates Act (MPRA) section 23-Part A: Register of the latest consolidated general valuation roll (GVR), and the MPRA categories. With effect 2025/26 (Quarter 3), the municipality needs to monthly undertake the reconciliation in the format of the **updated National Treasury Municipal Valuation Roll Reconciliation Tool included in Annexure C to this Circular**. Municipalities will note that although, the tool interface remained the same, changes were made to some formula calculations to simplify the municipal experience of the tool.

The municipality must submit the completed tool together with the related documentation to the National Treasury GoMuni portal as follows:	**Timeframe**
1. The municipality's list of Property Rates tariffs approved by council for the financial year reported on, together with the Council resolution that approved such.	Annually, with the tabled and adopted MTREF's
2. The municipality's time schedule for implementing its new general valuation roll (GVR) (aligned to the MPRA).	Annually
3. The Municipal Property Rates Act (MPRA) (section 23): Part A Register of the latest consolidated general valuation roll (GVR). ***Note –** The municipality to submit an updated Part A GVR to the GoMuni portal every time that it undertakes a supplementary GVR.*	Annually or every time that a supplementary GVR is undertaken
4. Municipality Valuation Roll Reconciliation – undertake monthly but only required to submit quarterly. The monthly reconciliation should be maintained and made available on request to the Treasuries and or the Department of Cooperative Governance (DCoG).	Quarterly and only upon request of NT / relevant PT / CoGTA monthly
5. Property Rates Transaction List (for the 3rd month of every quarter) – in excel format.	Only upon request of NT / relevant PT

To assist municipalities in complying with these requirements, the National Treasury will provide follow-up training.

4.6 Prohibition on vending system(s) / third party vending solutions without consulting the National Treasury

Municipalities are cautioned on the iterations on private service offerings of vending system(s) / solution(s) offered to municipalities. These include service provider(s) funding metering solutions for municipalities, parallel to a pre-paid solution (requiring a vending platform) – these service providers then collect on behalf of the municipality in exchange for a fee. However, in several cases, the service provider does not remit to the municipality what is collected and /or claims a fee that is out of proportion to what is reasonable. This is worsened by many municipalities not undertaking weekly /monthly reconciliation of what they provide / sell (also via prepaid) vs. the revenue they receive from the service provider(s).

The MFMA, read together with the recently assented Public Procurement Act, provides a clear framework for procurement in local government. The MFMA regulatory framework, in terms of section 116, read with MFMA Circular No. 62, furthermore, provides clear guidance on how amendments to contracts should be undertaken. In our view, any offerings beyond the initial scope of the contract should not be considered a contract amendment but rather a material change or extension of scope, warranting a whole new separate procurement process.

The National Treasury therefore confirms that with immediate effect, no municipality may enter into or extend any related vending system(s) / solution(s) without the views of the provincial and National Treasury. Should any municipal official and / or political office bearer fail to honour this prohibition, she / he could render themselves personally liable for any related financial loss over and above potential criminal liability for financial misconduct.

Any municipality procuring must first request the National Treasury and relevant provincial treasury for written input. The municipality should send any request for the written input of the National Treasury together with the proposed contract for such a service offering to: both RevenueManagement@treasury.gov.za and RT29.LGBA@treasury.gov.za and Wayne.McComans@treasury.gov.za for the attention of Mr. Sadesh Ramjathan, Director: Local Government Budget Analysis: Revenue Section, and Mr. Wayne McComans, Chief Director: MFMA Implementation and parallel to the relevant Provincial Treasury.

Municipalities are advised that the Office of the Chief Procurement Officer (OCPO) will soon initiate a tender process for a transversal contract establishing a panel of vending service providers. In the interim, until the panel is awarded and operational, municipalities must obtain prior written approval from National Treasury before procuring any new vending service providers. Permission to proceed with any such vending contract will only be authorized with the express written permission of National Treasury. Once the panel is awarded and operational, municipalities must procure vending services from the approved vendors. Should a municipality elect not to utilise the transversal contract, a comprehensive motivation, including full reasons, must be submitted to National Treasury for consideration.

4.6A Smart Meter end-to-end solutions

“Smart Meters” means meters that are components of an integrated end-to-end solution procured under the National Treasury’s transversal contract **RT29-2024**, or any future transversal contract replacing RT29-2024. This solution includes smart meter hardware, installation, the central platform, systems integration, training and skills transfer, support, and ongoing monitoring.

Municipalities are reminded that a smart meter is not just the physical device and are cautioned against only procuring the meter hardware. The latter is insufficient and will not deliver the intended benefits of smart metering. The full value is realised only when the meter is connected to a functioning platform, integrated with the billing system, supported by trained staff, and monitored continuously. Buying only the device is similar to purchasing a cell phone without a SIM card and network service: the handset exists, but the core functionality is unavailable. The same principle applies to smart metering.

The integrated solution under RT29-2024 is designed to support key municipal priorities:

- Improved service delivery through accurate, timely consumption data, fewer billing disputes, and quicker identification of faults and tampering;
- Financial sustainability through better revenue collection, reduced technical and non-technical losses, and more reliable cash flow; and
- Transparency and accountability through auditable metering data, consistent reporting, and better information for council, management, and oversight bodies.

An end-to-end solution ensures seamless data transfer from the meter to the back-office systems, enabling automated billing, exception reporting, and management dashboards. It also embeds structured training, and skills transfer so that municipal officials can operate and manage the system, rather than relying indefinitely on service providers. Support and monitoring components are essential to keep the system stable, secure and functional over time.

Municipalities are cautioned against partial procurement, such as buying only the meter hardware or bypassing the transversal contract for individual components. This often results in:

- Incomplete or manual integration with billing and finance systems;
- Limited or no training and skills transfer to municipal staff;
- Weak monitoring and reporting, undermining loss-reduction and revenue-enhancement efforts; and
- Poor value for money, project failures and potential audit concerns.

Municipalities are encouraged to use plain language when communicating smart metering projects internally and with council. Avoid unnecessary technical jargon and frame the discussion around strategic objectives: better service delivery, stronger revenue, and improved governance. It is useful to briefly explain to council as part of any decision-making process related to smart metering:

- why the full integrated solution is required;
- reference the terms and safeguards built into RT29-2024 or its successor;
- the components of the smart metering solution (meter, communication, platform, integration, training, support, monitoring); and
- The risks of procuring only one component versus an end-to-end system; etc.

It will assist non-technical stakeholders to better understand and assess the difference between a “device-only” purchase vs a true smart metering solution towards facilitating that any smart metering procurement is well planned, budgeted and implemented as a complete, integrated solution envisaged in RT29-2024.

4.6B Large Power Users (LPU) – Advanced Metering Infrastructure (AMI)

Advanced Metering Infrastructure (AMI) for Large Power Users (LPUs) is not a technical luxury. It is a core financial control that helps municipalities stabilise cash flow, protect the bulk supply (i.e. Eskom) account, and reduce audit findings related to billing and losses. The National Treasury urges municipalities to treat AMI as essential revenue infrastructure and to plan, fund and implement for such accordingly.

Municipalities manage a large number of meters and should invest in bulk intake points to reconcile the volume of electricity consumed. If the LPU (Three Phase Direct Connect and

Three Phase CT/VT Connect) are not measured accurately, the municipality will under-bill, lose revenue, and struggle to reconcile its bulk electricity (i.e. Eskom) account. AMI directly addresses this risk.

Three Phase Direct Connect Smart Electricity Meter and Three Phase CT/VT Connect Smart Electricity Meter requires Cellular Communication & Platform access – these smart meters require 2-way communication to transmit data from the meters to the Head-End System or Dashboards and vice versa.

A current transformer (CT) is a devise that acts as a step-down transformer to be connected to metering devices. It is used with AMI to measure the large current for meters/ relays etc. LPU customers normally have potential transformers (PT's) also known as a Voltage Transformers (VT) as part of the customer metering By capturing the full load of these customers, smart LPU meters close gaps where older or incorrect metering leads to under-registration and hidden revenue leakage. Three-phase meters are critical for industrial and commercial users with complex load profiles. They support correct billing for businesses, reduce disputes and manual corrections, and improve predictability of revenue from this important customer group.

Check meters at bulk intake points provide an independent reading against which bulk supply invoices can and should be reconciled. This strengthens the municipality's position when validating bulk charges, detecting errors quickly and supporting credible disputes where required. Zonal meters divide the distribution network into manageable areas and make it possible to identify where technical and non-technical losses are concentrated, instead of relying on system-wide estimates. Statistical meters provide the data needed for demand forecasting, tariff design, and investment planning, including time-of-use and other advanced tariff structures.

In combination, CT/VT direct connect meters, three-phase meters, check meters, zonal meters and statistical meters give municipalities the ability to eliminate billing anomalies, reduce losses and strengthen cash flow. For example, correcting even a modest under-billing of five per cent on the top twenty LPUs can generate additional annual revenue sufficient to cover a substantial portion of the capital or lease cost of the metering programme.

Over the 2026 MTREF and beyond, municipalities are expected to identify all LPUs, bulk intake points and key zones that must be brought onto AMI, and to prioritise funding for this rollout ahead of non-essential projects. AMI commitments should be clearly reflected in the capital budget, the revenue-enhancement or loss-reduction strategy, and in the assumptions used for medium-term revenue projections. AMI data must also be used to refine tariff models, update loss-reduction targets, and support the monthly MFMA Section 71 in-year monitoring and reporting.

National Treasury and sector stakeholders will increasingly rely on AMI-derived information to assess revenue performance, system losses and the risk of non-payment of bulk supply. Municipalities are therefore encouraged to plan and fund AMI as a central part of their financial recovery and sustainability agenda, rather than as a stand-alone ICT or technical project.

4.6C Request for Meter Statistical Information in terms of MFMA Section 74

The National Treasury, in terms of MFMA section 74 requests municipalities to provide certain minimum statistical meter information and in the format of the "**Meter Statistical information – Water and Electricity" workbook included as Annexure D to this Circular**. The template workbook is designed to help municipalities move from high-level smart metering decisions to concrete MTREF's, credible schedules, and monthly reporting. It brings together municipal details, meter requirements, trading services information, and budget information in one place so that electricity and water smart metering can be planned, costed, and monitored in a

consistent way. Municipalities are expected to complete and submit this template bi-annually (before the 10th working day of January and July) as part of the relevant MFMA Section 71 and or 72 statement(s). The submissions should cover meter data and key trading service information for the preceding six-month period.

The Municipal Meter Requirements:

- The electricity sheet of the template workbook that needs to be completed, gathers detailed information on existing and planned electricity meters. It records, by ward or area, the number of smart, conventional and prepaid meters, unmetered points, and new meter requirements. This part of the workbook establishes the baseline and the size of the gap that the smart metering project must address. It allows municipalities to see clearly where the largest shortfalls and opportunities are within their electricity network; and
- The water sheet of the template workbook performs the same function for water services. It records ward-level water meter data, including existing meters, unmetered connections and new meter requirements. Together, the electricity and water requirements sheets define the total scope of metering work that must be funded and implemented, rather than relying on rough estimates.

4.6D Smart Metering Financing Solutions

Municipalities are cautioned against concluding agreements with service providers that are offering smart meter solutions at unreasonable costs. The National Treasury LGBA Chief Directorate, in collaboration with the Office of the Chief Procurement Officer (OCPO) are developing alternative funding solutions that will be more affordable, equitable, fair, and transparent, while also protecting municipalities and their revenue sources. Official notification regarding these solutions will be communicated in due course. Municipalities are advised to wait for this official communication before finalising any smart meter-related agreements, or alternatively to formally request the National Treasury's input on such solutions before proceeding. Requests can be directed to RevenueManagement@treasury.gov.za for the attention of Mr Sadesh Ramjathan.

4.6E Transversal Contract for the procurement of Smart Metering end-to-end solutions

Municipalities must note and consider the guidance and contact information to participate in the transversal contract RT29-2024. It contains compulsory documentation and a step-by-step participation guideline which can be accessed on the National Treasury website at http://www.treasury.gov.za/divisions/ocpo/ostb/contracts/default.aspx under RT29-2024. Municipalities must familiarise themselves with the RT29-2024 pricing schedule and related documentation published on the National Treasury before submitting their participation application.

Applications to participate will be assessed against the municipal MTREF and cash flow, with affordability and sustainability evaluated by the relevant Local Government Budget Analysis (LGBA) directorate, in consultation with the National Treasury Revenue Management directorate towards facilitating that smart metering procurement and implementation is planned, budgeted, and implemented as an integrated solution.

4.7 Training Tools of the National Treasury

Revenue Management Assessment Tool

Municipalities must submit the Revenue Management Assessment Tool annually, as set out above. Training was already undertaken across all provinces, and the National Treasury will facilitate follow-up training during 2026/27, upon request, only for municipalities, provincial treasuries, and technical advisors deployed to municipalities and provincial treasuries.

Municipalities and provincial treasuries can request training through the relevant Provincial Treasury, which is responsible for coordinating training requests. It is noted that any National Treasury-deployed technical advisor may directly request training from the National Treasury as may be required. Requests for training and any related queries must be directed to RevenueManagement@treasury.gov.za and Sadesh.ramjathan@treasury.gov.za for the attention of Mr Sadesh Ramjathan.

Tariff Tool

All municipalities, including metropolitan and secondary cities, must undertake a tariff assessment in the format of the updated National Treasury Tariff Tool, as explained above. The National Treasury will facilitate training during January to March 2026, and thereafter, upon request only, to municipalities, provincial treasuries, and technical advisors deployed to municipalities and provincial treasuries. Training must be scheduled for a **full day,** and would be more relevant towards municipal processes if scheduled:

- Before and/ or during the **Adjustments Budget preparation** (for re-allocations);
- Before and/ or during the **Tabled Budget process** (to evaluate tariff changes); or
- Before the **final MTREF submission** to Council for approval.

Municipalities and provincial treasuries can request training via the relevant Provincial Treasury. Any National Treasury deployed technical advisor may directly request training as may be required. Requests for training and any related queries must be directed to RevenueManagement@treasury.gov.za and Sadesh.ramjathan@treasury.gov.za for the attention of Mr. Sadesh Ramjathan.

Municipal Valuation Roll Reconciliation Tool

The National Treasury confirms the guidance already provided in MFMA Circulars No. 130 and above to the effect that ALL municipalities must reconcile valuation rolls monthly and submit them quarterly to the National Treasury, together with the related documentation set out above. The latest format of the tool must be used as set-out above.

The National Treasury will facilitate follow-up training during January to March 2026, and thereafter, upon request, only to municipalities, provincial treasuries, and technical advisors deployed to municipalities and provincial treasuries on the Municipal Valuation Roll Reconciliation Tool. Training must be scheduled for at least **two full days** and can be facilitated at any time since municipalities perform this task monthly. Municipalities and provincial treasuries can request training via the relevant Provincial Treasury. Any National Treasury deployed technical advisor may directly request training as may be required. Requests for training and any related queries must be directed to RevenueManagement@treasury.gov.za and Sadesh.ramjathan@treasury.gov.za for the attention of Mr Sadesh Ramjathan.

4.8 GoMuni Portal – Revenue Management Document Uploads required

All municipalities are required to upload, annually, to the GoMuni Upload Portal, the Revenue Management-related documents included in Annexure E to this Circular, in the specified format and within the timeframes indicated. It is noted that **items 10 and 17** in **Annexure E** are only relevant to Water Debt Relief participants, and items **13, 15 and 16** to Municipal (Eskom) Debt Relief participants. In relation to items **10, 13, 15, 16, and 17, all other municipalities must submit a zero (empty) form to prevent these items from** reflecting as outstanding.

4.9 Monitoring – Water Debt Relief

As outlined in paragraph 5.2 of the Water Debt Relief Guideline of the Department of Water and Sanitation (DWS), the DWS in collaboration with the relevant Water Trading Entity (WTE) and or Water Board (WB) and or Water User Association (WUA), National Treasury, and Provincial Treasury, will closely monitor the municipality's compliance with the conditions of its water debt relief approval.

The relevant National Treasury (non-delegated municipalities)) or provincial treasury (delegated municipalities)[1] monthly to assess the municipality's compliance with the conditions and issue **the compliance certificate in the format of Annexure F attached to this Budget Circular** to the DWS, and relevant WTE/WB/WUA via: munic.incentive@dws.gov.za and to the municipality in one email no later than 20 working days after month-end. It is the responsibility of the DWS to ensure that the certificate, together with any DWS input as may be relevant reaches the relevant WTE/WB/WUA within one (1) working day of the Treasuries submission.

The relevant WTE/WB/WUA Is to consider any inputs as part of its own assessment and monthly report on any participating municipality's compliance via email to: munic.incentive@dws.gov.za and RevenueManagement@treasury.gov.za and to the municipality, including issuing a non-compliance letter at its sole discretion as may be relevant.

The National Treasury issued guidance to all Municipal (Eskom) and Water Debt Relief participants, guiding on the reporting required as part of the monthly MFMA section 71 statement. Municipalities must closely adhere to this guidance and the relevant Treasury assessments as part of the monthly compliance certification of any debt relief participant.

Municipalities must upload their Water Debt Relief application, together with the DWS approval letter, as a single PDF to the GoMuni Revenue Upload Portal.

4.10 Delivery Agency Agreement(s) (DAA) with Eskom

Municipalities intending to enter into Delivery Agency Agreement(s) with Eskom should take note of the following with immediate effect.

Step 1: ***The Municipal Systems Act (MSA) section 78 process is a requirement before the DAA can be concluded***. The National Treasury and the Department of Cooperative Governance (DCoG) legal services jointly confirm that the process in section 78 of the MSA must be followed before a municipality may enter into any DAA that proposes that Eskom take over the electricity function from and/or operate the service on behalf of the municipality. Section 78(1) of the MSA provides the process to be undertaken when deciding on a mechanism to provide a municipal service in the municipality or a part of the municipality, or to review any existing mechanism, and would need to be applied first.

The municipality may, before it decides on an appropriate mechanism, explore the possibility of providing the service through an external mechanism under MSA section 76(b). Once a municipality has decided to utilise an external mechanism, such as entering into an agreement with an organ of state to provide the service, it may do so, considering section 110(2)(b) of the MFMA in order to contract directly with an organ of state, in this case, Eskom.

The MSA section 78 criteria and process must be complied with regardless of whether the electricity license will remain that of the municipality in terms of the proposed DAA.

The MSA does not prescribe any period or deadlines within which this process must be concluded, and the municipality, planning diligently, may comply with this process within the shortest possible period without jeopardising or delegitimising it. DCoG and SALGA confirmed that they can assist municipalities with the MSA section 78 process and should partner to

[1] Refer MFMA Circular Number 20 (Delegations).

provide support in this regard. Concluding a DAA with Eskom without following the MSA section 78 required process will be illegal, and all expenditure incurred in terms of such a DAA will be irregular under the MFMA.

Step 2*: A standardised DAA.* The National Treasury, DCoG, and the Department of Electricity and Energy (DEE), working with Eskom and SALGA, are to agree on standardised terms and conditions for DAAs. It is important that municipalities maintain the standardised terms in the agreement and not deviate from them. Additional terms may be included based on municipal-specific circumstances. It will be necessary for the municipality to obtain comments from its respective provincial treasury and provincial CoGTAs before signing the DAA.

Step 3: *Municipalities participating in Municipal (Eskom) Debt Relief* must, in parallel to the MSA Section 78(3) process, inform and obtain the inputs of the Treasuries and DCoG, demonstrating that the proposed DAA will facilitate the municipality's compliance with the debt relief conditions set out in the National Treasury's 2023 approval letter.

The municipality should send any request (refer step 2 and or 3 above) for the written input of the National Treasury together with the feasibility study (MSA Section 78(3)(c)) and the proposed DAA (any additions and or deviations must clearly be highlighted in the request) to: both RevenueManagement@treasury.gov.za and Wayne.McComans@treasury.gov.za for the attention of Mr. Sadesh Ramjathan, Director: Local Government Budget Analysis: Revenue Section, and Mr. Wayne McComans, Chief Director: MFMA Implementation and parallel to the relevant Provincial Treasury and DCoG.

Step 4: *Submission of the DAA*. All municipalities signing a DAA with Eskom must submit the signed DAA together with the municipal council resolution approving such to the National Treasury to: RevenueManagement@treasury.gov.za for the attention of Mr. Sadesh Ramjathan, Director: Local Government Budget Analysis: Revenue Section and parallel to the relevant Provincial Treasury and CoGTAs.

5. Budget and other management issues:

5.1 National Treasury Guideline on Budgeting for a Funded Budget

National Treasury is concerned by the many unfunded budgets adopted by municipalities. Municipal funding plans are not realistic or credible and there is insufficient effort to achieve financial turnaround and to progress from an unfunded budget to one that is funded. Municipalities are reminded to consult the National Treasury Guideline on budgeting for a funded budget issued during the 2018/19 MTREF to assist municipalities in preparing a funded MTREF budget and or use the guideline to develop credible funding plans. **For ease of reference the 2018/19 Guideline is included as Annexure G to this Circular.**

5.2 Employee related Costs

The salary and wage collective agreement was signed by the parties of the South African Local Government Bargaining Council (SALGBC) on Friday, 6 September 2024. It is a five-year agreement effective from July 1, 2024, to June 30, 2029.

In respect of the 2026/27 financial year, all employees covered by this agreement shall receive, with effect from 1 July 2026, a salary increase linked to the Consumer Price Index (CPI) plus 0.75 per cent.

Municipalities should reflect these negotiated salary increases in the budget submissions.

5.3 Remuneration of Councilors

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 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.

5.4 Using section 67 transfers to pay for councillor funeral costs

In terms of MFMA Circular 131 – Funds Transferred by Municipalities to Organisations and Bodies Outside the Government, section 67 of the MFMA provides a mechanism for municipalities to make transfers to organisations or bodies outside of government.

National Treasury is aware that municipalities are erroneously applying the provisions of section 67 of the MFMA to pay for deceased councillors' funeral costs. This practice is not permissible and constitutes non-compliance to Section 67 of the MFMA; and such transfer of funds is deemed irregular expenditure. This practice must immediately be stopped.

Any council policy which makes provision for the use of section 67 of the MFMA to make payment for councillor funeral costs must be rescinded with immediate effect.

Municipalities must comply with section 167(1)(a) of the MFMA which provides that a municipality may remunerate its political office-bearers and members of its political structures, but only within the framework of the Public Office-Bearers Act, 1998 (Act No. 20 of 1998), setting the upper limits of the salaries, allowances and benefits for those political office-bearers and members.

5.5 Review of human resource policies, benefits not provided for in collective agreements

Municipalities face rising financial pressure from providing in-service and post-employment benefits that are not covered by any South African Local Government Bargaining Council (SALGBC) collective agreement or supported by a long-term affordability assessment. These benefits create long-term liabilities and spending that are not aligned with the MFMA while municipalities overreach by setting unaffordable tariffs to accommodate such expenses in the budget. To support financial sustainability, municipalities must review all benefits provided to current and former employees to identify benefits that fall outside SALGBC agreements and identify any practices or policies that create irregular, unnecessary, or unaffordable expenditure.

Examples of benefits not provided for in SALGBC agreements include annual leave encashment during service (not linked to termination of services) and post-employment medical aid contributions. These benefits strain operating budgets and expose municipalities to irregular, unauthorised, fruitless, and wasteful expenditure. They cost millions each year and, in the case of post-employment medical aid, create liabilities that run into billions for municipalities. When post-employment medical aid contribution is paid for former employees, the municipality receives no value in return.

For the 2026/27 budget, municipalities must accordingly identify all benefits paid to current or former employees that are not within the SALGBC agreements, or a valid council policy supported by a long-term affordability and compliance assessment. Where such benefits exist, for example, annual leave encashment during service, municipalities must consult with labour

unions and discontinue the expenditure. Another option is that municipalities may consider a phased approach to discontinue the expenditure over two or three years, subject to affordability.

In the case of post-employment medical aid benefits, these must not be granted to employees appointed from a future date, for example, from 1 July 2026. Where a municipality provides the benefit without a policy, it must adopt a policy that reflects existing practice while excluding future employees from receiving the benefit and setting upper limits on the municipality's contributions. The policy and council decision must specify the effective date of exclusion for future employees. Benefits such as post-employment medical aid should not be extended to senior managers or councillors covered by the annual upper-limits gazette notices.

Accounting officers must ensure that human resource policies, payroll practices, and benefit structures comply with the law, and that any unauthorised or unaffordable benefits are stopped in accordance with the correct procedure. All municipalities must, accordingly, as part of their annual review of their 2026/27 budget-related policies, review all human resource benefit policies to identify benefits the municipality should discontinue with effect from 1 July 2026, on affordability grounds. Accounting officers remain responsible for preventing irregular, fruitless, and wasteful expenditure, and the contemplated policy reviews must be conducted by municipal staff, not consultants.

5.6 Submission of payroll information on Central Supplier Database

In recent years, more municipalities and municipal entities are incurring irregular expenditure due to awards made to persons in the service of the state, including municipal officials and councillors.

On 01 September 2015, the National Treasury launched the Central Supplier Database (CSD), which became fully effective for municipalities and municipal entities from 1 July 2016. The CSD provides a myriad of services, including the verification of state employees. Whilst information for National and provincial officials is available, municipalities and municipal entities are not consistent in submitting information to the CSD.

This lack of information has resulted in municipalities and municipal entities inadvertently making awards to persons in the service of the state, including awards made to their own officials and councillors. As such, municipalities and municipal entities are urged to submit all the relevant information to CSD.

This will enable all municipalities and municipal entities to be able to verify information and avoid possible non-compliance findings timeously.

5.7 Unauthorised, irregular, fruitless and wasteful expenditure reduction and implementation of consequence management

As previously explained in MFMA Circular no. 129, municipalities are continuing to incur unauthorised, irregular, fruitless and wasteful expenditure (UIFWE) year-on-year. Whilst more municipalities are establishing disciplinary boards, such boards are not investigating matters as required, or where such investigations are undertaken, municipal councils are not implementing the disciplinary boards' recommendations.

Municipalities are required to submit an action plan which must address the period from 02 January 2025 to 31 August 2026. The action plan should include monthly calendar actions that will allow for the monitoring of the action plan implementation.

The action plan should include the following information:

- plan to process the UIFWE balances up to 30 June 2025 by 31 August 2025, and how future UIFWE will be prevented with specific UIFWE prevention controls;

- 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
- 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. This should include processes and procedures for the referral of matters to the disciplinary board.

This action plan must be uploaded to the *Muni eMonitor* as part of the evidence for UIFWE reporting.

5.8 Fruitless and Wasteful External Legal and Consultant Costs

National Treasury has observed that municipalities (including municipal entities) incur legal and consulting fees on matters that could have been avoided had officials followed proper procedures, or had officials or councillors not been negligent or acted deliberately, thereby causing legal disputes. These costs place pressure on operating budgets and provide no value to the municipality. Legal or consultant fees arising from non-compliance, negligence, inaction, deliberate conduct, flawed processes, or attempts to justify irregular decisions constitute fruitless and wasteful expenditure under the MFMA.

Legal costs linked to labour matters where procedures were not followed by the municipality, or for justified reasons, or to council matters involving unlawful meetings or invalid decisions, are avoidable and must be treated as wasted legal costs. Municipalities must also not incur legal costs to defend officials or councillors where there is clear negligence, misconduct, or deliberate misrepresentation of facts, including cases where material facts are withheld or altered, resulting in legal and consultant costs. Appointing lawyers or consultants to create a predetermined outcome, rationalise irregular conduct, or shield individuals from consequences exposes the municipality to irregular, fruitless and wasteful expenditure. Municipalities are reminded to exercise caution and prudence regarding such matters.

This section does not prevent a municipality from defending or instituting legal proceedings arising from a genuine and bona fide legal dispute. It also does not prevent a municipality from bringing self-review proceedings to set aside its own irregular or unlawful decisions.

5.9 Fruitless and Wasteful Expenditure Audit Finding Disputes

A recent concern noticed is the use of external consultants or lawyers to oppose Auditor-General South Africa (AGSA) audit findings, or to prepare opinions (including legal opinions) aimed at disputing audit findings that the municipality cannot justify in law or that do not align with the facts, or where material facts are distorted or have not been provided to the AGSA. Municipalities and municipal entities are forewarned not to use external lawyers and consultants to respond to or dispute AGSA audit findings but instead follow AGSA's dispute resolution procedures to address audit disputes. Municipal officials are also specifically warned not to provide misleading or incomplete information to the AGSA to obtain a specific outcome, as these actions or inactions will qualify as both financial misconduct under sections 171 (municipalities) and 172 (municipal entities) of the MFMA and as a financial offence in terms of section 173 of the MFMA.

5.10 Request for information regarding procurement spend, employee related data and audit management reports

The National Treasury aims to strengthen public trust and foster public accountability in the procurement systems of government. This initiative will be achieved by, amongst others, making the procurement systems more transparent through the publication of procurement information of institutions. An Instruction on Procurement Information Transparency has been issued by the National Treasury for the publication of the dashboard and requesting procurement information from procurement systems of all departments, public entities, and

constitutional institutions. The published information will include, but is not limited to, supplier and ownership details, the nature, value, quantity of procurement transactions, and payments made to suppliers.

One of the key principles underpinning the MFMA read with the Municipal Supply Chain Management Regulations is that of transparency. Therefore, a letter, signed by the Director General of the National Treasury in terms of section 74 of the MFMA, will be written to municipalities wherein similar information as referred to in the preceding paragraph is requested. The information requested is inclusive of personnel data within municipalities. The employee information requested should be available on the HR sub-systems of all municipalities. Municipalities should liaise with their respective system vendors to extract this information in the required template format directly from their relevant sub-systems.

5.11 Additional in-year reporting requirements

Reference is made to MFMA Circular No. 67 point 5.5. Municipalities must provide additional information and supporting documentation to the National Treasury as part of the submission of the Section 71 input forms. This information will assist in improving the quality of the quarterly published local government performance information. Additional information and supporting documentation include:

- An extract of the trial balances from the general ledger;
- Copies of the actual monthly bank statements (reflecting the opening and closing bank balances) for the primary bank account;
- Bank reconciliation for the reporting period in the primary bank account; and
- Copies of the quarterly tabled section 71 documents in the prescribed Schedule C format including the applicable council resolution.

6 Municipal Standard Chart of Accounts (*m*SCOA):

6.1 Release of Version 7.1 of the Chart

Version 7.1 of the *m*SCOA chart is released with this circular and must be used to compile the 2026/27 MTREF. The linkages to chart version 7.1 can be downloaded from the Local Government Database and Reporting System (LGDRS) on the following link under the *m*SCOA/ List *m*SCOA WIP account linkages menu option:

https://lg.treasury.gov.za/ibi_apps/signin

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

The MBRR Schedules (A to F) and non-financial data string (A1S) will be aligned to chart version 7.1. A protected version of these Schedules for version 7.1 of the A1S will be available by 31 January 2026 on the MFMA Webpage and the LGDRS under GoPublic / Explore mSCOA on the links below:

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

https://lg.treasury.gov.za/ibi_apps/portal/Explore_mSCOA

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.

To ensure that all integrated municipal system solutions have incorporated the required changes for *m*SCOA chart version 7.1, several municipalities across all systems will be required to submit test data to the LGDRS in January and February 2026. Communication in this regard will follow in January 2026.

For the National Treasury to consider a new chart change in version 7.2 of the chart, the issue must be logged with all relevant details and supporting documents on the *m*SCOA Frequently Asked Question (FAQ) portal by 31 August 2026. The *m*SCOA FAQ portal can be accessed by all registered GoMuni users on the following link:
https://lg.treasury.gov.za/ibi_apps/signin

Importantly, when an 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 *m*SCOA Technical and Steering Committees for recommendation and approval. This process concludes annually by the end of October. 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@treaury.gov.za.

6.2 Important changes in *m*SCOA chart version 7.1

Capitalisation of conversion costs to water inventory

MFMA Budget Circular No 129 dated 6 December 2024 detailed the requirements for the accounting treatment of water inventory costs in terms of Generally Recognised Accounting Practises (GRAP) 1.104, 12 (paragraphs 19 to 28) and 17.22. *m*SCOA chart version 7.1 addresses the capitalisation of conversion cost from the nature of the expense to Water Inventory as required in terms of these GRAP standards.

In addition, the Accounting Standards Board (ASB) FAQ 3.3 guides the measurement of Water Inventory as follows:

- *Entities need to develop their own accounting policies to measure water using the principles in GRAP 12.*
- *After the entity demonstrates that it can recognise the water, it is initially measured as follows:*
  - *Costs incurred to bring the inventory to its current location and condition including related infrastructure costs. Some examples include costs of extraction and depreciation; plus*
  - *Costs of conversion.*

As per the guidance provided in the GRAP standards and ASB, the capitalisation of conversion costs should align with the principle applied to Employee Related Costs (Cost Capitalisation to PPE). Toward this end, the following credit accounts have been included in version 7.1 of the *m*SCOA chart:

Account	Change in chart version 7.1

1	Basic Salary - Capitalisation of Costs to Property, Plant and Equipment (PPE), Water Inventory	• Credit account adjusted • Updated the description and definition to include Water Inventory for all posting levels
2	Capitalisation of Electricity Costs	Credit account added
3	Contracted Services (Maintenance)	Credit accounts added for: • Capitalisation of Maintenance of Building and Facilities • Capitalisation of Maintenance of Equipment • Capitalisation of Maintenance of Unspecified Assets
4	Capitalisation of Depreciation of Water Treatment Works	Credit accounts added
5	Operational Costs	Credit accounts added for: • Capitalisation of Courier and Delivery Services Costs • Capitalisation of Vehicle Tracking Costs • Capitalisation of Wet Fuel Costs • Capitalisation of Licences Costs

The chart was also updated to allow for the accumulation of the following additions to water inventory: system input volume:

- Water Treatment Works: Acquisitions;
- Bulk Purchases: Acquisitions; and
- Natural Resources: Acquisitions.

Alignment of cash flow linkages

In terms of GRAP 2, cash flows should be classified in accordance with the nature of the activity to which they relate (operating, investing or financing) which requires that:

- The item for *Interest, Insurance Refund and Retentions* must be accounted for both operating and investing activities based on the nature of the transactions; and
- The *Interest on Short-Term investment* (greater than 90 days) and *Long-Term Investments* must be populated within investing activities. Short-Term Investments is disclosed on the Statement of Financial Performance.

To give effect to this GRAP standard, a new operational funding source, Insurance Refunds, has been created under the Investing Activities of MBRR tables A7 and SA30. Therefore, with effect from version 7.1 of the *m*SCOA chart:

- The VAT Receipts will be populated using the Bank Deposits (IA001001 – "DEPOSITS") and VAT Receipt funding source. The VAT Control account receipts will not be used for this purpose;
- Construction Contract Revenue will no longer form part of Sales of Goods and Rendering of Services. A new funding source was created to separately populate Construction Contract Revenue as part of Other Revenue on the MBRR supporting table SA30; and

- Development Charges will no longer form part of Operational Revenue. A new funding source was created to separately populate Development Charges as part of Other Revenue on MBRR supporting table SA30.

The structure of the MBRR table A7 and its related cash flow linkages has also been aligned with the *m*SCOA chart version 7.1. The updated linkages to the MBRR supporting table SA30 are attached as **Annexure H**: Cash Flow Linkages.

Intercompany Transfers

In terms of the MFMA, municipalities with entities must submit budgets, in-year Section 71 reports, annual financial statements and annual reports for the parent municipality, as well as consolidated documents for both the parent and its entity. Furthermore, in accordance with GRAP 35 paragraph 39, a controlling entity shall prepare consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances.

The consolidation procedures prescribed in GRAP 35 paragraph 41(a) and (c) state that consolidated financial statements combine like items of assets, liabilities, net assets, revenue, expenses, and cash flows of the controlling entity with those of its controlled entities. Consolidated financial statements should eliminate in full intra-economic entity assets, liabilities, net assets, revenue, expenses, and cash flows relating to transactions between entities of the economic entity (surpluses or deficits resulting from intra-economic entity transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intra-economic entity losses may indicate an impairment that requires recognition in the consolidated financial statements.

To support the implementation of the process outlined in GRAP 35 paragraph 41(c), *m*SCOA chart version 7.1 has been revised to enable the proper recording and reporting of all intercompany and parent–subsidiary transactions. These revisions introduce new and updated items relating to assets, liabilities, net assets, and expenses, which may be found on the *m*SCOA chart version 7.1 and represented as follows:

- Assets: Non-current Assets: Intercompany/Parent-subsidiary Transactions;
- Assets: Current Assets: Intercompany/Parent-subsidiary Transactions;
- Liabilities: Non-current Liabilities: Intercompany/Parent-subsidiary Transactions and Net Assets: Intercompany/Parent-subsidiary Transactions; and
- Expenditure: Intercompany/Parent-subsidiary Transactions.

The intercompany items available on the chart makes provision for the elimination of transactions between the entity and the parent and should be considered where possible during the preparation of your respective budget to ensure budgeted financial information between municipalities and their entities is accurately reflected and remains consistent across all reporting levels.

In terms of MBRR No. 39, the annual budget and supporting documentation of a municipal entity must be in the format specified in Schedule D and include all the required tables, charts and explanatory information considering any guidelines issued by the Minister in terms of section 168(1)(a) of the MFMA. Municipalities with entities must submit the necessary documents to the GoMuni Upload portal in accordance with the prescribed Regulations.

6.3 Improving *m*SCOA implementation

***m*SCOA e-Road Map**

Municipalities are required to develop and implement a *m*SCOA road map to address gaps in the implementation of the *m*SCOA Regulations and the minimum business processes and system specifications articulated in MFMA Circular No 80 and its Annexure B.

The *m*SCOA road map has been incorporated as a module into the web-based Financial Management Capability Maturity Model (FMCMM). From the 2026/27 MTREF, all municipalities will be required to prepare their *m*SCOA road maps on the FMCMM web-based platform. The web-based *m*SCOA Road Map assesses compliance with regards to *m*SCOA implementation for the following focus area:

- System landscape, i.e. the ICT architecture that enables compliance with the *m*SCOA requirements articulated in MFMA Circular No 80 and its Annexure B;
- Governance and institutional arrangements to drive compliance with the *m*SCOA requirements articulated in MFMA Circular No 80 and its Annexure B;
- The functionality of the integrated system solution, as per the requirements articulated in MFMA Circular No 80 and its Annexure B; and
- Proficiency of municipal officials in utilising the integrated financial system solution.

Gaps in implementation will require the development of an action plan in the FMCMM web-based platform. Progress on the implementation of the *m*SCOA road map will be monitored via the FMCMM platform by National and Provincial Treasuries. From the 2026/27 financial year, this will form the basis for decisions on the withholding of the equitable share pertaining to *m*SCOA non-compliance, as well as the *m*SCOA compliance certificate to be issued by the National Treasury in respect of the Metro Trading Services reform.

Regulation of the minimum business process and system specifications for *m*SCOA

The National Treasury will conclude the consultation and preparatory work to regulate the minimum business process and system requirements for *m*SCOA in 2026/27. Once promulgated, the regulations will be applicable to municipalities and their entities.

Municipalities are encouraged to start preparing for these regulations by addressing gaps in the current *m*SCOA implementation and resolving them prior to the promulgation of the regulations on the minimum business process and system requirements for *m*SCOA.

All consultation documents that were presented at the Integrated Consultative Forums (ICF) can be located on the MFMA Webpage under *m*SCOA – Municipal Standard Chart of Accounts/ Regulations on Minimum Business Processes and Technical Specifications for *m*SCOA/ Working Groups on the following link:

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

The draft documents are also available on the *m*SCOA one drive for comments and inputs on the following link and provide sufficient guidance to municipalities and system vendors to prepare for the new regulations prior to promulgation:

E1_Draft Regulations - Consultation - Shared

All comments and submissions are requested **by 31 January 2026** and must be submitted to mscoa@treasury.gov.za to allow for consolidation and inclusion in the final regulations.

6.4 Improving *m*SCOA data string credibility

Introducing a 3rd validation rule

Currently, the LGDRS implements automated stage 1 and 2 validations to ensure that credible data strings are submitted to the GoMuni Upload portal. The stage 1 validations verifies that the file structure is correct, while the stage 2 validation verifies that the *m*SCOA chart has been used correctly across 18 validation areas. Details on the stage 2 LGDRS validations are attached as **Annexure I**.

A third stage automated validation will be introduced from the 2026/27 MTREF to validate the credibility of *m*SCOA data strings. Details in this regard will be communicated when available.

7 The Municipal Budget and Reporting Regulations:

7.1 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 Buffalo City	Matjatji Mashoeshoe Pitso Zwane Mandla Gilimani	012-315 5553/ 0609242914 012-315 5171 012-315 5807/0661198036	Matjatji.Mashoeshoe@treasury.gov.za Pitso.Zwane@Treasury.gov.za Mandla.Gilimani@treasury.gov.za
Free State	Cethekile Moshane	012-315 5079	Cethekile.moshane@treasury.gov.za
Gauteng City of Tshwane and City of Johannesburg City of Ekurhuleni	Matjatji Mashoeshoe Pitso Zwane Willem Voigt Makgabo Mabotja Khanyisile Khosa Kgomotso Baloyi Lunathi Dumani	012-315 5553 012-315 7538 012-315 5830 012-315 5156 012-315 5866/082 887 2968	Matjatji.Mashoeshoe@treasury.gov.za Pitso.Zwane@Treasury.gov.za WillemCordes.Voigt@treasury.gov.za Makgabo.Mabotja@treasury.gov.za khanyisile.khoza@treasury.gov.za Kgomotso.Baloyi@treasury.gov.za Lunathi.dumani@treasury.gov.za
KwaZulu-Natal eThekwini uMhlathuze	Kgomotso Baloyi Lunathi Dumani Kevin Bell Sifiso Mabaso Matjatji Mashoeshoe Pitso Zwane	012-315 5866 012-315 5725 012-315 5952/060 923 7343 012-315 5553/060 326 6885 012 315 7538	Kgomotso.Baloyi@treasury.gov.za Lunathi.dumani@treasury.gov.za Kevin.Bell@treasury.gov.za Sifiso.mabaso@treasury.gov.za Matjatji.Mashoeshoe@treasury.gov.za Pitso.Zwane@Treasury.gov.za
Limpopo	Sifiso Mabaso Jabulile Ngwenya	012-315 5952/060 923 7343	Sifiso.Mabaso@treasury.gov.za Jabulile.ngwenya@treasury.gov.za
Mpumalanga	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
Northern Cape	Mandla Gilimani	012-315 5807	Mandla.Gilimani@treasury.gov.za
North West Mafikeng	Willem Voigt Makgabo Mabotja Khanyisile Khosa Cethekile Moshane	012-315 5830 012-315 5156 012-315 5079	WillemCordes.Voigt@treasury.gov.za Makgabo.Mabotja@treasury.gov.za khanyisile.khoza@treasury.gov.za Cethekile.moshane@treasury.gov.za
Western Cape Cape Town George	Willem Voigt Khanyisile Khoza Kgomotso Baloyi Sifiso Mabaso	012-315 5830 012-315 5385 012-315 5866/082 887 2968 012-315 5952/ 060 923 7343	WillemCordes.Voigt@treasury.gov.za khanyisile.khoza@treasury.gov.za Kgomotso.Baloyi@treasury.gov.za Sifiso.Mabaso@treasury.gov.za

Technical issues on GoMuni Website	Data management		lgdataqueries@treasury.gov.za
Local government Conditional Grants			Sello.mashaba@treasury.gov.za Pretty.mavhungu@treasury.gov.za Marvin.ngobeni@treasury.gov.za Akanyang.modise@treasury.gov.za Sandra.admams@treasury.gov.za
Municipal (Eskom) and or Water Debt Relief and Smart Metering	LGBA: Revenue Section (Sadesh Ramjathan)		revenuemanagement@treasury.gov.za

8 Submitting budget documentation and A schedules for the 2026/27 MTREF

8.1 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 (GoMuni Upload Portal) – All documents required in terms of legislation by approved registered users, including: *m*SCOA 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 – Database related and submission queries;
- lgdocuments@treasury.gov.za – Only Provincial Treasuries may send contact details to lgdocuments@treasury.gov.za; and
- *m*SCOA 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 – 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.

8.2 Time frames for submission

The LGDRS will be locked at 00:00 on the 10th 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 *m*SCOA data strings to the LGDRS.

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

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 documents, Annual Financial Statements, and Annual Reports, to the National Treasury via post or courier services. PDF versions of documents must be submitted to the GoMuni Upload portal.

8.3 Updating of contact details on GoMuni

Municipalities are reminded that it is their responsibility to ensure the minimum, that is, to update their contact details monthly on the LGDRS as and when changes occur. Often emails containing important information and deadlines are returned ("undeliverable") and do not reach the intended LGDRS users because of outdated contact information. Updates to contact details made by municipal officials on the LGDRS are validated and approved for upload by the Contacts Administrators who were nominated by the Municipal Manager for this purpose within each municipality.

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

The names of the respective Contact Administrators for each municipality are indicated in the contact information list on the LGDRS.

8.4 Training on GoMuni and *m*SCOA

The National Treasury training schedule and registration links for 2026 to assist municipalities, national and provincial government departments and other stakeholders that require new or refresher training on how to draw reports on the LGDRS and technical support on *m*SCOA, is available on the GoMuni/ Go Training portal on the following link:

https://lg.treasury.gov.za/ibi_apps/portal/GoMuni_Navigation

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
05 December 2025

ANNEXURE E:

BUDGET RELATED POLICIES_PARENT

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ASSET MANAGEMENT POLICY

2026/2027

Table of Contents

1. OBJECTIVE 3
2. BACKGROUND 3
3. DEFINITIONS 4
4. STATUTORY AND REGULATORY FRAMEWORK 7
5. RESPONSIBILITIES AND ACCOUNTABILITIES 8
6. FINANCIAL MANAGEMENT 9
7. INTERNAL CONTROLS 11
8. CLASSIFICATION & COMPONENTS 12
9. UNBUNDLING OF ASSETS 15
10. ACCOUNTING FOR ASSETS 15
11. FINANCIAL DISCLOSURE 25

DRAFT

1. OBJECTIVE

1.1. To ensure the effective and efficient control of the municipality's assets through:

1.1.1 proper recording of assets from authorisation to acquisition and to subsequent disposal;
1.1.2 providing for safeguarding procedures, and

1.1.3 setting proper guidelines as to authorised utilisation and prescribing for proper maintenance.

1.2. To assist officials in understanding their legal and managerial responsibilities with regard to assets.

2. BACKGROUND

2.1. The proper utilisation and management of its assets is one of the prime mechanisms by which a municipality can fulfil the constitutional objects for:

- Delivery of sustainable services;
- Promotion of social and economic development;
- Promoting a safe and healthy environment and,
- Providing for the basic needs to the community.

2.2. The municipality has a legal and moral obligation to ensure it implements policies to provide for the effective and efficient usage of its assets over the useful life thereof.

2.3. The asset management policy deals with the municipal rules required to ensure the enforcement of appropriate stewardship of assets.

2.4. Stewardship has three components being the:

2.4.1. Management, utilisation and control by municipal officials;

2.4.2. Financial administration by the Chief Financial Officer, and

2.4.3. Physical administration by the Manager: 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;

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2.6.2. Accounting treatment for the acquisition, disposal, recording, impairment, valuation and depreciation of assets, and
2.6.3. The standards to which these financial records must be maintained

3. DEFINITIONS

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

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

DRAFT

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

DRAFT

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.

DRAFT

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;

DRAFT

- 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.

DRAFT

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.
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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.

DRAFT

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.

DRAFT

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.

DRAFT

- *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*

DRAFT

- *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.

DRAFT

9. UNBUNDLING OF ASSETS

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

10. ACCOUNTING FOR ASSETS

10.1 Recognition of assets

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

10.2 Initial measurement

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

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

DRAFT

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

DRAFT

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 form a charge, in the first instance, against the balance in any revaluation reserve previously created for such asset, and to the extent that such balance is insufficient to bear the charge concerned, an immediate additional charge against the department or vote controlling or using the asset in question.

Investment property

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

Statutory inspections

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

Expenses to be capitalised

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

Spares

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

DRAFT

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

DRAFT

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.

DRAFT

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 consume
- 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.

DRAFT

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

DRAFT

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

DRAFT

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
• Acquiring a new asset • Replacing an existing asset • Enhancing an existing asset so that its use/capacity is expanded • Further developing an existing asset so that its original useful life is extended	• Restoring an asset so that it can continue to be used for its intended purpose and designed capacity • Maintaining an asset so that it can be used for the period for which it was initially intended.

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.

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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.

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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 from the day of council approval and shall be reviewed on an annual basis to ensure that is in line with the municipality's strategic objectives and with legislation.

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CITY OF Polokwane

NATURALLY PROGRESSIVE

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BILLING POLICY

2026/2027

TABLE OF CONTENTS

1. DEFINITIONS 3
2. ABBREVIATIONS 6
3. PREAMBLE 7
4. OBJECTIVE OF THE POLICY 7
5. UNDERLYING PRINCIPLES OF THIS POLICY 8
6. LEGISLATIVE FRAMEWORK 9
7. SUPERVISORY AUTHORITY 12
8. IMPLEMENTING AUTHORITY 12
9. APPLICATION FOR THE PROVISION OF MUNICIPAL SERVICES 13
10. ACCOUNTS AND BILLING 14
11. PROPERTY RATES 15
12. ELECTRICITY 15
13. WATER CHARGES 15
14. REFUSE AND SEWER CHARGES 15
15. SUNDRY CUSTOMER ACCOUNTS 16
16. FINAL ACCOUNTS 16
17. METERING OF MUNICIPAL SERVICES 16
18. PAYMENT OF ACCOUNTS 18
19. INTEREST ON ARREAR DEBT 18
20. DISPUTES AND APPEALS 19
21. POWER OF ENTRY AND INSPECTION 19
22. IMPLEMENTATION AND REVIEW OF THIS POLICY 20

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.

"Group Chief Financial Officer" means the person appointed as the Chief Financial Officer or the person appointed to act in the position of Chief Financial Officer of the Municipality.

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

"Council" means the Council of the Polokwane Municipality

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

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

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

“Consumer”

“Due Date” in relation to rates and taxes -

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

(i) the date for payment indicated on the account,

(ii) in the case where rates and services are levied on a monthly basis, the due date shall always be the 25th of each month.

“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
GCFO	Group 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 ofthis 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 my 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 short message system (SMS) 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.

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 themeter) 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 1st July 2026 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
2026/2027

TABLE OF CONTENTS

PURPOSE **3**

OBJECTIVES OF POLICY **3**

SCOPE OF THE POLICY **3**

LEGISLATIVE FRAMEWORK AND DELEGATION OF AUTHORITY **5**

TYPES OF LOANS AND FINANCING **5**

OTHER CONSIDERATIONS **6**

REFINANCING DEBT **8**

DEBT REPAYMENT PERIOD **8**

SECURITY **9**

OVERDRAFT **9**

SHORT TERM DEBT **9**

DISCLOSURE **9**

GUARANTEES **10**

APPROVAL OF LOANS BY THE MUNICIPALITY **10**

PROVISION FOR REDEMPTION OF LOANS **10**

NON-REPAYMENT OR NON-SERVICING OF LOAN **11**

PROHIBITED BORROWING PRACTICES **11**

NATIONAL TREASURY AND OTHER REPORTING AND MONITORING REQUIREMENTS **11**

MUNICIPAL REGULATIONS ON DEBT DISCLOSURE **11**

POLOKWANE MUNICIPALITY – **BORROWING POLICY**

PURPOSE

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

OBJECTIVES OF POLICY

The objectives of this Policy are to: -

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

SCOPE OF THE POLICY

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

3.1 Risk Management

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

3.2 Cost of Borrowings

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

3.3 Prudence

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

POLOKWANE MUNICIPALITY – **BORROWING POLICY**

LEGISLATIVE FRAMEWORK AND DELEGATION OF AUTHORITY

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

TYPES OF LOANS AND FINANCING

4.1 Annuity loans

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

4.2 Bullet payment redemption

In this instance, the total capital is usually repaid at the end of the term and interest on the total amount borrowed is paid annually or semi-annually. The interest rate can be fixed and the interest payable is known for the duration of the loan. Cash has to be set aside to repay the capital at the end of the term.
The lender could require security in the form of an investment (sinking fund).

4.3 Bonds

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

4.4 Use of Internal Funds

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

5. OTHER CONSIDERATIONS

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

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 as at 1 July 2026 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

2026/2027

Table of Contents

..... 1
1. DEFINITIONS 3
2. INTRODUCTION 8
3. OBJECTIVES OF POLICY 8
4. BUDGETING PRINCIPLES 8
5. BUDGET PREPARATION PROCESS 9
5.1. Formulation of the budget 9
5.2 Public participation process 10
5.3 Approval of the budget 10
5.4 Publication of the budget 11
5.5 Service Delivery and Budget Implementation Plan (SDBIP) 11
6. CAPITAL BUDGET 11
7. OPERATING BUDGET 13
8. FUNDING OF CAPITAL AND OPERATION BUDGET 13
8.1 Own Financing Sources (Basic Capital Budget) 14
8.2 Other Finance Sources (Ad Hoc Capital Budget) 14
9. UNSPENT FUNDS/ ROLL OVER 14
10. VIREMENT BUDGET/ TRANSFERS 15
10.1 Financial Responsibilities 15
10.2 Virement Restrictions 16
10.3 Virement Procedure 17
11. ADJUSTMENT BUDGET 18
12. BUDGET IMPLEMENTATION 19
12.1 MONITORING 19
13. REPORTING 19
13.1 Monthly Reports 19
13.2 Quarterly Reports 20
13.3 Mid-year budget and performance assessment 20
13.4 Municipal website 21
14. Funds transferred to organisations and bodies outside government 21
13. IMPLEMENTATION AND REVIEW OF POLICY 22

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 funded by own funds 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) No virements are to be processed during the first three months of the new financial year

c) 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.

d) 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

e) No virement may be made where it would result in unauthorised expenditure.

f) If the virement relates to an increase in the work force establishment, then the Council's existing recruitment policies and procedures will apply.

g) Virements are not allowed in respect of ring-fenced allocations.

h) Virements are not allowed on the following items: - Finance Charges, Depreciation, Debt Impairment, Contributions, Grant Expenditure and Income Foregone, Insurance and VAT

i) Virements must be between projects of similar major funding sources (e.g. CRR ↔ CRR)

j) Virement amounts may not be rolled over to subsequent years, or create expectations on following budgets. (Section 30 MFMA)

k) Virements are not allowed between Expenditure and Income.

l) Virements are not allowed between capital and operational budgets without approval in the adjustment budgets.

m) Virements towards personnel expenditure and vice versa will not be permitted.

n) 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 – Inventory Consumed, Contracted Services and Operational Cost

o) Any virement in excess of 20% should be approved by Council, however this threshold shall not apply in case of emergency

p) No virement may be made where it would result in over expenditure (MFMA Section 32);

q) 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. 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) All documentation must be in order and approved before any expenditure can be committed or incurred.

f) 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 1st July 2026 and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.

CITY OF POLOKWANE

NATURALLY PROGRESSIVE

DRAFT
CASH MANAGEMENT
AND
INVESTMENT POLICY

2025/2026

Contents

1. PREAMBLE 2
2. DEFINITIONS 3
3. OBJECTIVE OF POLICY 4
4. SCOPE OF POLICY 4
5. RESPONSIBILITY / ACCOUNTABILITY 4
6. INVESTMENT INSTRUMENTS 5
7. CASH FLOW ESTIMATES 5
8. INVESTMENT ETHICS AND PRINCIPLES 6
9. INVESTMENT PROCEDURES 7
9.1.2 INSTITUTIONS WHERE INVESTMENTS MAY BE MADE 8
10. OTHER EXTERNAL DEPOSITS 9
11. CONTROL OVER INVESTMENTS 9
12. CASH MANAGEMENT 10
12.1 SECTION 64: REVENUE MANAGEMENT 11
12.2 REVENUE AND CASH COLLECTION 11
12.3 CASHIER COLLECTION 12
12.4 END OF SHIFT/DAY 12
12.5 AVAILABILITY OF RECEIPTING POINTS 12
13. CODE OF PRACTICE WITH REGARD TO CASH COLLECTION AND BANKING 13
13.1 CASHIER SHORTAGES 13
14. SHORTAGES IN THE BANK 14
14. .2.4 SURPRISE CHECKS 14
15. ADVANCE PAYMENT. 14
16. CASH FLOAT 14
17. KEYS TO THE STRONG ROOM/ SAFE 14
18. SHORT TITLE 15
19. IMPLEMENTATION AND REVIEW OF POLICY 15

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 Municipal of Polokwane.
Councillor: A member of the Municipal Council.
Investments: Funds not immediately required for the defraying of expenses and invested at draft financial institutions.
Municipal Manager: The accounting officer appointed in terms of section 82 of the Local Government: Municipal Structures Act, 1998 ((Act No. 117 of 1998) and being the head of administration and accounting officer in terms of section 55 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) and includes any person: - acting in such position; and to whom the Municipal Manager has delegated a power, function or duty in respect of such a delegated power, function or duty.
Municipality: The institution that is responsible for the collection of funds and the provision of services to the customers of Polokwane.
Public funds: All monies received by the municipality to perform the functions allocated to them.

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

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 1st July 2026 and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.

POLOKWANE LOCAL MUNICIPALITY

DRAFT CLAIMS & LOSS CONTROL COMMITTEE POLICY

2026/2027

POLOKWANE LOCAL MUNICIPALITY

CLAIMS & LOSS CONTROL COMMITTEE POLICY

INDEX

PREAMBLE

CHAPTER 1: COMMITTEE COMPOSITION
- 1.1 CUSTODIAN OF THE COMMITTEE
- 1.2 MEMBERS AND REPRESENTATION
- 1.3 ROLES AND RESPONSIBILITIES
- 1.4 QUORUM RULES
- 1.5 MEETING SCHEDULES
- 1.6 AGENDAS, MINUTES & RECORDING OF MEETINGS

CHAPTER 2: PROCEDURE
- 2.1 PURPOSE OF THE COMMITTEE

CHAPTER 3 RECEIPT OF CLAIMS TO SERVE BEFORE COMMITTEE
- 3.1 SUBMISSION OF CLAIMS
- 3.2 CLAIMS ASSESSMENT
- 3.3 PAYMENT OF CLAIMS
- 3.4 NO OR PARTIAL PAYMENT OF CLAIMS

CHAPTER 4 LOSS CONTROL
- 4.1 RECEIPT OF LOSS CONTROL MATTERS FOR CONSIDERATION

CHAPTER 5 CLAIMS REGISTER

CHAPTER 6 COMPLAINTS AND DISPUTES
- 6.1 FILING OF COMPLAINTS AND DISPUTES
- 6.2 PROCEDURE FOR DEALING WITH COMPLAINTS AND DISPUTES
- 6.3 DISPUTES

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 official 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 MM, 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.

CITY OF Polokwane

NATURALLY PROGRESSIVE

DRAFT

CONSUMER DEPOSIT POLICY

2026/2027

Contents

1. PREAMBLE 3
2. DEFINITIONS 4
3. OBJECTIVES OF THIS POLCIY 5
4. LEGISLATIVE FRAMEWORK 5
5. DEPOSIT OUTLINED 5
6. DEPOSIT AMOUNTS 6
7. REVISION OF DEPOSITS & ADDITIONAL DEPOSITS: 7
8. ALLOCATION OF PAYMENTS 7
9. APPROPRIATION OF DEPOSITS 7
10. UNCLAIMED DEPOSIT /CREDIT 8
11. UNECONOMIC REFUNDS 9
12. INTEREST 10
13. SHORT TITLE AND COMMENCEMENT 10
14. IMPLEMENTATION AND REVIEW OF POLICY 10

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 POLCIY

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 consistence with section 95 of the Municipal Systems Act (MSA) and the municipality's Credit Control and Debt Collection By-law and the requirements of section 104(1)(d) of the MSA.

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.

5.5 Prepaid consumers, indigent consumers and government consumers may not be charged for consumer deposit.

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 categories 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 7.1 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 accountholder.

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. UNKNOWN DEPOSIT

Deposits made into the municipality's bank account with an incorrect reference will be recorded in the Unknown Deposits Register.

Allocation to the correct account will only be processed once the payer has identified themselves and provided the original proof of payment as confirmation.

From time to time, the municipality may submit a request to Council for approval to allocate unidentified funds to the revenue account

13. INTEREST

The municipality will not pay any interest on deposits or credit 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.

15. 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.

16. IMPLEMENTATION AND REVIEW OF POLICY

This policy shall be implemented on 1st July 2026 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

2026/2027

TABLE OF CONTENTS

1. Definitions
2. Purpose
3. Objectives of the policy
4. Scope of the policy
5. Legislative framework
6. Policy principles
7. Use of consultants
8. Vehicles used for political office-bearers
9. Travel & subsistence
10. Domestic accommodation
11. Credit cards
12. Sponsorships, events & catering
13. Communication
14. Conferences, meetings & study tours
15. Other related expenditure items
16. Enforcement procedures
17. Disclosures of cost containment measures
18. Implementation & review process
19. 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.
"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 andrequirements 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 thetotal 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 theNational 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 1st July 2026 and shall be reviewed on an annual basis to ensure that is in line with the municipality's strategic objectives and with legislation.

CITY OF Polokwane

NATURALLY PROGRESSIVE

DRAFT
CREDIT CONTROL AND DEBT COLLECTION
BY LAW

2026/2027

TABLE OF CONTENTS

1. P R E A M B L E 3
2. DEFINITIONS 4
3. GENERAL OBJECTIVES: 8
4. PRINCIPLES: 9
4.1 GENERAL 9
4.2 COUNCIL 10
4.3 SERVICE CONNECTION 10
4.4 COUNCILLOR SERVICES ACCOUNTS 10
4.5 STAFF/ OFFICIALS SERVICES ACCOUNTS 11
5. PERFORMANCE EVALUATION 11
6. REPORTING 11
7. CUSTOMER CARE AND MANAGEMENT 12
8. ACCOUNTS ADMINISTRATION 12
8.1 ACCOUNTS AND BILLING 12
8.2 ACCOUNT QUERIES 13
8.3 DISPUTES & APPEALS 13
9. INTEREST CHARGES 14
10. ACCOUNT DUE DATE & ALLOCATION OF PAYMENT 14
11. CREDIT CONTROL 15
11.1 OBJECTIVE 15
11.2 SERVICE APPLICATION, AGREEMENTS, CUSTOMER SCREENING AND SECURITIES 15
11.3 RESPONSIBILITY FOR AMOUNTS DUE 16
11.4 RIGHT OF ACCESS TO PREMISES 18
11.5 ENFORCEMENT MECHANISM 18
11.6 PRE-PAYMENT METERING SYSTEM 19
12. DEBT COLLECTION 20
12.1 OBJECTIVE 20
12.2 ACTIONS TO SECURE PAYMENTS INCLUDING TERMINATION OF SERVICES AND SERVICE AGREEMENTS 20
12.3 THE POWER TO RESTRICT OR DISCONTINUE SUPPLY OF MUNICIPAL SERVICES 21
12.4 RECONNECTION OF SERVICES 22

12.5 DEBT FOR WHICH AN ARRANGEMENTS CAN BE DONE.....22
12.6 CONCLUSION OF AGREEMENT.....22
12.7 DEBT COLLECTION PROCEDURE.....23
12.8 INDIGENT.....23
12.9 THEFT AND FRAUD.....24
12.10 INCENTIVES.....24
12.11 LEGAL PROCESS (USE OF ATTORNEYS/USE OF CREDIT BUREAUS).....24
12.12 COST OF COLLECTION.....26
12.13 CLEARANCE CERTIFICATE.....26
12.14 BUSINESS RESCUE.....28
12.15 DECEASED ESTATES.....28
12.16 IRRECOVERABLE DEBT.....29
12.17 ABANDONMENT OF CLAIMS.....30
12.18 AUTHORITY AND DELEGATION TO WRITE OFF.....30
13. SHORT TITLE.....30
14. IMPLEMENTATION AND REVIEW OF BY LAW.....30

1. PREAMBLE

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

Act	The Local Government Act: Municipal Systems Act 2000 (Act No. 32 of 2000) as amended from time to time.
Authorised Representative	The person or entity legally appointed by the Council to act or to fulfil a duty on its behalf.
Arrears	Amount outstanding after due date, payable in respect of fees, charges, surcharges on fees, property rates and other municipal taxes and services, levies, penalties and duties.
Agreement	Means the contractual relationship between the municipality and a consumer whether in writing or not.
Account/ Municipal account	Account in name of customer held with the Polokwane Municipality. (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 (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.
Basic service	The amount or level of any municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, would endanger public health or safety of the environment and for the purposes of this BY LAW are restricted to the delivery of electricity, refuse, sewerage and water services.

Chief Financial Officer	An officer of the municipality appointed as the Head of the Finance Department (Budget and Treasury) and includes any person:- a) Acting in such position; and b) To whom the Chief Financial Officer has delegated a power, function or duty in respective of such a delegated power, function or duty.
Child-headed household	A household where all the occupants of a residential property are younger than 18 years old, i.e. a child-headed household is a household consisting only of children and household income of below the indigent threshold.
Council or Municipal Council	A municipal council referred to in section 18 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) and for purposes of this BY LAW, the municipal council of the Municipality of Polokwane.
Credit Control	The functions relating to and aimed at the collection of any monies due and payable to the Municipality.
Debt Collection	The function relating to and aimed at the collection of any monies due and payable to the Municipality after due date has passed or not paid on due date.
Closely connected Person	Any immediate relative of the person namely spouse, child, parent, parent-in-law, life partner, siblings (brother or sister from same parents) and in laws,
Customer	Any occupier or consumer of any property to which the Municipality has agreed to supply services or already supplies services to, or if there is no occupier, then the owner of the property (including registered indigent households).
Due date	Means the date on which the amount payable in respect of an account becomes due, normally the 25th unless the 25th its on weekend, owing and payable by the customer, which date shall be determine by council from time to time.
Defaulter	A person who owes money to the Municipality in respect of a municipal account after the due date for payment has expired

Director	The person in charge of the civil and / or electrical component(s) of the Municipality and includes any person:- a) Acting in such position; and b) To whom the Director has delegated a power, function or duty in respect of such a delegated power, function or duty.
Equipment	A building, structure, pipe, pump, wiring, cable, meter, machine or any fittings.
Household	all persons who are jointly living on a stand or site on a permanent basis and who receives electricity and / or water from one meter, regardless whether the person rents or owns the property.
Indigent and Pensioners	A household which is not financially capable of paying for the delivery of basic services and meeting the criteria determined by Council from time to time – this also includes poor households and pensioners as per the Municipality's Indigent BY LAW.
Interest	A levy with the same legal priority as service fees and calculated on all amounts in arrears in respect of assessment rates and service levies or any other sundry services or surcharge at a standard rate as draft by Council from time to time.
Municipality	Means Polokwane Municipality established in terms of the Local Government Structures Act, 1998 as amended from time to time.
Municipal Manager	The accounting officer appointed in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) as amended from time to time and being the head of administration and accounting officer in terms of section 55 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) as amended from time to time and includes any person:- a) Acting in such position; and b) To whom the Municipal Manager has delegated a power, function or duty in respect of such a delegated power, function or duty.
Municipal Services	Those services provided by the Municipality such as, amongst others the supply of water and electricity, refuse removal, sewerage treatment, and for which payment is required by the Municipality or not.

Occupier	Any person who occupies any property or part thereof, without any regard to the title whether or not that person has the right to occupy the property.
Premises or Property	Any portion of land, the external surface boundaries of which are delineated on:- a) A general plan or diagram registered in terms of the Land Survey Act, 1927 (Act No. 9 of 1927) as amended from time to time or in terms of the Deeds Registry Act, 1937 (Act No. 47 of 1937); as amended from time to time or b) A sectional plan registered in terms of the Sectional Titles Act, 1986 (Act No. 95 of 1986); as amended from time to time which is situated within the area of jurisdiction of the Municipality.
Owner	a) The person in whom the legal title to the property is vested; b) A person mentioned below may for the purposes of this 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 iv. A judicial manager, in the case of a property in the estate of a person under judicial management; v. a curator, in the case of a property in the estate of a person under curatorship; vi. A person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude; vii. A lessee, in the case of a property that is registered in the name of a municipality and is leased by it; or viii. a buyer, in the case of a property that was sold by a municipality and of which possession was given to the buyer pending registration of ownership in the name of the buyer;

	ix. Owner in terms of Municipal Property Rates Act. (c) In the case where the Council is unable to determine the identity of such person; the person who is entitled to the benefit of such property or any building thereon; d) In the case of a property for which a lease agreement of 30 years or more has been entered into, the lessee thereof; e) Regarding:- (i) a portion of land delineated on a sectional title plan registered in terms of the Sectional Titles Act, 1986 (Act No. 95 of 1986), as amended from time to time and without restricting the above-mentioned stipulations, the developed or body corporate of the communal property; or (ii) a portion as defined in the Sectional Titles Act, the person in whose name that portion is registered under a sectional title deed, including the legally appointed representative of such person; (f) Any legal entity, including but not limited to:- (i) a company registered in terms of the Companies Act, 1973 (Act No. 61 of 1973), a trust inter vivos, trust mortis causa, a closed corporation registered in terms of the Closed Corporations Act, 1984 (Act No. 69 of 1984), and any voluntary organisation. (ii) Any local, provincial or national government. (iii) Any council, board or entity established in terms of any legislation applicable to the Republic of South Africa; and (iv) any embassy or other foreign entity.

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 irrespective of whether individual accounts are billed and issued

This consolidation includes prepaid meters and any other debts for which no formal account was billed and issued.

(a) All separate accounts held by a debtor shall, for the purposes of this By-Law, be regarded as consolidated and shall be treated holistically as a single account.

(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) The customer shall submit the dispute in writing and provide full personal particulars, including acceptable means of identification, contact details, and the account number in respect of which the amount owing is disputed.

   Only disputes lodged by the registered account holder shall be considered. A customer may, however, be represented by a duly appointed nominee or agent, who shall, upon request, produce sufficient proof of such appointment or authority to act on behalf of the customer.

(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 25th day of the month or the following business day

Interest shall accrue after 30 days from date of account on unpaid accounts. The interest shall accrue for each completed month in respect of any arrears remaining unpaid after 30 days of the account, a part of a month shall be deemed to be a completed month on the basis that interest is charged as from the first day of the account been in arrears.

b) Only payments receipted through the Municipal financial system on or before account due date will be deemed to have been duly received.

c) Payments by customers through 3rd party vendors, will only be deemed to have been received when receipted through the Municipal financial system. Customers making use of this payment measure needs to pay at least three days before the due date .

d) Any amount paid by the Customer in excess of an existing debt may be held in credit for the Customer in expectancy of future rates and fees for Municipal services charges, and no interest will be payable on that amount.

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 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 maybe 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.

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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.

12.11.13 The agent shall, upon request by the Municipality, provide a statement reflecting all payments made to the agent on behalf of the owner during a period determined by the Municipality.

12.11.14 In terms of the Magistrates' Courts Act 32 of 1944, once a municipality has obtained a civil judgment for unpaid municipal debt, it may enforce that judgment through execution processes provided for in the Act. **Section 66** authorises execution against the movable and immovable property of a judgment debtor, which may ultimately result in the sale in execution of such property to satisfy the outstanding debt. In addition, **Section 65J** provides for the granting of an **Emoluments Attachment Order (EAO)**, enabling a creditor to attach a portion of the debtor's salary directly from the employer in settlement of the judgment debt.

12.11.15 The National Credit Act 34 of 2005 regulates the collection, reporting and sharing of consumer credit information. In terms of **Section 70**, registered credit bureaux may receive and distribute consumer credit information, including payment history, adverse listings and judgments submitted by credit providers or other lawful creditors. Where a municipal debtor has defaulted and the debt has been lawfully pursued, including through judgment or other recognised collection processes, the Municipality may report such default information to a registered credit bureau in accordance with the Act and applicable regulations.

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 account, the occupier or occupiers of a property which vests in a deceased estate where neither an executor nor representative has been appointed, will be regarded as the Deemed Owner. The municipality may request a deemed owner to sign a services agreement. Where there is more than one occupier on the property, every occupier will be jointly and severally liable for an account or consolidated account.

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.

(k) **PRESCRIPTION OF DEBT**

Upon participation and application, the City may write off Inactive accounts that have been proven to have prescribed as per Prescription Act 68 of 1969.

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 1st 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.

CITY OF Polokwane

NATURALLY PROGRESSIVE

DRAFT

INTERGRATED CUSTOMER CARE POLICY

2026 / 2027

Contents

1. PREAMBLE 2
2. PURPOSE AND OBJECTIVE 2
3. PRINCIPLES 2
4. MUNICIPAL VALUES. 2
5. “PEOPLE FIRST” – THE *BATHO PELE* PRINCIPLE 3
6. THE CUSTOMER 4
7. CUSTOMER CARE. 4
8. **CUSTOMER CARE CYCLE .** 5
9. CUSTOMER INTERACTION. 6
10. MEASURING SUCCESS IN CUSTOMER CARE. 7
11. STANDARDS AND CONTROLS IN CUSTOMER CARE 8
12. CUSTOMER EXPECTATIONS. 8
13. CUSTOMER CARE: MANAGEMENT. 9
14. VARIOUS SERVICE DELIVERY COUNTERS. 9
15. COMMUNICATION TO PUBLIC REGARDING METER READING AND METER READING SCHEDULES 12
16. ORGANISATIONAL CONDUCT: CODE OF CONDUCT OF ALL MUNICIPAL OFFICIALS 13
17. SHORT TITLE 13
18. IMPLEMENTATION AND REVIEW OF POLICY 13

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: -

a. Courtesy, respect and consideration towards a Customer at all times;

b. 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 'n Pay/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 of 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.

17. SHORT TITLE

This policy shall be called the Integrated Customer Care Management Policy of the Polokwane Municipality

18. IMPLEMENTATION AND REVIEW OF POLICY

This policy shall be implemented on 1st July 2026 and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.

CITY OF POLOKWANE

NATURALLY PROGRESSIVE

DRAFT EXPENDITURE MANAGEMENT POLICY

2026/2027

Table of Contents

1. ABBREVIATIONS 3

2. DEFINITIONS 3

3. INTRODUCTION 5

4. OBJECTIVE 5

5. EXPENDITURE MANAGEMENT 6

1. ABBREVIATIONS

CFO – Chief Financial Officer

CM – Council Minute/'s

IDP – Integrated Development Plan

MBRR – Municipal Budget Reporting Regulations

MFMA – Municipal Finance Management Act, Act No. 56 of 2003

MSA – Municipal Systems Act, Act No.32 of 2000

MSTA – Municipal Structures Act

MTREF – Medium term revenue and expenditure framework

SDBIP - Service delivery and budget implementation plan

2. DEFINITIONS

"Accounting Officer" a person appointed in terms of section 82(l) (a) or (b) of the Municipal Structures Act; and also refers to the municipal manager of a municipality in terms of section 60 of the MFMA;

"Approved budget" the annual budget approved by a municipal council; and includes such an annual budget as revised by an adjustments budget in terms of section 28 of the MFMA;

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

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

MFMA;

"Creditor" a person to whom money is owed by the municipality;

"Current year the financial year, which has already commenced, but not yet ended;

"Delegation" the power to perform a function or duty which is given to office bearer, councillor or staff members either in terms of section 59 of the MSA or section 79 of the MFMA;

"Financial year" a twelve-month period commencing on 1st July and ending on 30th June each year;

"Overspending" -

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

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

(c) in relation to expenditure under section 26 of the MFMA, causing expenditure under that section to exceed the limits allowed in subsection (5) of this section; **"Previous financial year**" the financial year preceding the current year;

"Senior Manager" all officials reporting directly to the Accounting Officer as contemplated in sect 56 of the MSA;

"Service delivery and budget implementation plan" a detailed plan approved by the executive mayor of the municipality, in terms of section 53(l) (c) (ii) of the MFMA, for implementing the municipality's delivery of municipal services;

"Vote" one of the main segments into which a budget of a municipality is divided for the appropriation of funds for the different directorates of the municipality; and which specifies the total amount that is appropriated for the purposes of the directorate concerned.

"Vote holder" means the senior manager to which the vote is assigned.

3. INTRODUCTION

The Municipal Finance Management Act, (Act 56 of 2003) read together with the Municipal Budget and Reporting Regulations, provides the legislative framework within which any expenditure related transactions must take place.

Section 11 of the Municipal Finance Management Act, (Act 56 of 2003) specifically provides the legislative framework for any withdrawals from any bank account in the name of the municipality. The budget plays a critical role in an attempt to realise the diverse community needs. Central to this, the formulation of this expenditure policy must ensure that the objectives of the MFMA as set out in section 2, is incorporated in the day to day administration of the municipality. This policy must be read, interpreted, implemented and understood against this legislative background.

4. OBJECTIVE

The objective of the Expenditure Management policy is to:

a) Set out a framework for the municipality to deal with:
i. All expenditure related transactions; ii. To establish and maintain procedures to ensure adherence to the Municipality's IDP review and budget processes; and 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- ○ directly to a person to whom it is due unless agreed otherwise for reasons as may be prescribed; and
    - ○ either electronically or by way of non-transferable cheques, provided that cash payments and payments by way of cash cheques may be made for exceptional reasons only up to a prescribed limit.
- That all money owing by the municipality be paid within 30 days on receipt of relevant invoices or statements, unless prescribed otherwise for certain categories of expenditure.
- That municipality complies with its tax, levy, duty, pension, medical aid, audit fees and other statutory commitments.
- That the municipality's available working capital is managed effectively and economically in terms of the prescribed cash management and investment framework.
- That all financial accounts of the municipality are closed at the end of each month and reconciled with its records.
- That the municipality has and maintains a management, accounting and information system which- ○ recognises expenditure when it is incurred; ○ accounts for creditors and payments made by the municipality;
- Avoid and report on Unauthorised, irregular, fruitless and wasteful expenditure as soon as it occurs.
- Expenditure on staff, including councillors are reported in line with section 66 of

MFMA

5.2 Creditor Payments

5.2.1 All money owed by the Municipality must be paid within thirty (30) days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure.

5.2.2 The CFO has the powers to delay payments beyond 30 days on negotiations with the creditors should the municipality be unable to pay due to any challenges that may be faced by the municipality.

5.2.3 All payments vouchers must be sequentially filled and stored in a secured room.

5.2.4 Payments will only be made directly to the person or institution to which a contract was awarded and from which the invoice is received for legally rendering the service to the Municipality**.**

5.2.5 Invoices or statements submitted for payment to the Deputy CFO by any department must be signed, when a department authorises the payment of accounts the signatory certifies and authorises that: -

(a) All processes in terms of the Supply Chain Management Policy of the Municipality had been followed;

(b) The goods and services have been received and rendered in good order and are under the control of the Municipality;

(c) The account has not previously been submitted for payment;

(d) Sufficient budgetary provisions exist;

(e) Authority for the payment exists, in which case the authority shall be indicated on the voucher; and

(f) Fruitless and wasteful expenditure has not been incurred.

5.2.6 Before payment is processed the Creditors Department shall ensure that: (a) The prices, calculations and any taxes are correct and invoice are tax complaint.;

(b) Any discounts to which the municipality is entitled to have been deducted;

(c) Correct with regard to period covered.

(d) Sufficient budgetary provisions exist.

(e) Supported by original and necessary documentation such as, tax invoices, certificates, goods received notes and signed by the recipient, and is generally in order.

5.2.7 All payments due by the Municipality shall be made by or approved electronic payment method.

5.3 Recovery of Losses

5.3.1 Any loss suffered by the Municipality due to any fraudulent or corrupt act or an act of bribery shall be dealt with and immediately be reported to the South African Police Service, Auditor-General, Mayor and Accounting Officer in terms of section 32 (b) of the MFMA

5.3.2 Circumstances of financial misconduct by municipal officials in accordance with section 171 of the MFMA must be reported to the Accounting Officer immediately.

Conclusion

This policy will be implemented on 1st July 2026 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.

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CITY OF POLOKWANE

NATURALLY PROGRESSIVE

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FARE POLICY AND FARE STRUCTURE

LEETO LA POLOKWANE

2026/2027

TABLE OF CONTENTS

1 PROBLEM STATEMENT 12

2 OVERVIEW OF FULL LEETO LA POLOKWANE NETWORK 13

3 LEGAL BASIS AND REGULATORY FRAMEWORK 14

FARE POLICY FOR LEETO LA POLOKWANE 16

1 POLICY FRAMEWORK 16

2 PURPOSE OF THE FARE POLICY 16

3 SCOPE OF THE FARE POLICY 17

4 FARE POLICY PRINCIPLES AND OBJECTIVES 19

4.1 Objectives of the Fare Policy 19

4.2 Objectives of the Fare System 19

5 FINANCIAL SUSTAINABILITY 20

6 PRICING PRINCIPLES 21

7 STRATEGIES 22

8 POLICY REVIEW AND UPDATING PROCESS 25

9 CONCLUSIONS AND RECOMMENDATIONS 25

FARE STRUCTURE FOR LEETO LA POLOKWANE 26

1 FARE STRUCTURE 27

2 FARE TECHNOLOGY 28

2.1 Cash versus smart card 28

2.2 QR Code 28

2.3 Mobile App 28

2.4 Concessions 30

2.5 Purse and Product 32
2.6 Annual and Irregular Fare Increases 32
2.7 Initial Boarding Fares 33
2.8 Single trip tickets 33
2.9 Penalties to be imposed 33
2.10 Other matters for noting 34
3 FARE LEVELS AND DISCOUNTED FARES 34
4 SANRAL-ISSUED CARD FEES 35
5 FARE TYPES AND TRAVEL PACKAGES 36
6 ACCESS CONTROL AND FARE EVASION 37
7 BUSINESS RULES 38
8 CHANGE PROCESS 39
9 DATA REQUIREMENTS POLICY 40
10 POLICY IMPLEMENTATION PLAN 41
11 CONCLUSION AND RECOMMENDATIONS 41

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.
Group Chief Financial Officer	an officer of the municipality appointed as the Head of the Finance Department (Budget and Treasury) and includes any person: - • acting in such position; and • to whom the Chief Financial Officer has delegated a power, function or duty in respective of such a delegated power, function or duty.
Contracting Authority	Authority assigned to a Local Government by a Provincial MEC for transport to develop, negotiate and enter into contracts with public transport operators in terms of the NLTA
Council or Municipal Council	A municipal council referred to in section 18 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) and for purposes of this policy, the municipal council of the Municipality of Polokwane.

Executive 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.
QR Code	**A Quick Response(QR) code is a two dimensional and readable barcode token designed to store data for rapid scanning by validators and** cameras
Mobile App	**It Is software program designed to run on a smartphone or tablet.** **It allow users to access services such as loading their fare ticket making payments, tracking trips and getting notifications directly from their mobile devices.**
ABT	The Account-Based Ticketing Fare collection system as specified by the Department of Transport,
ABT Card Issuing Fee	The fee to be charged to any passenger to whom an ABT Card is issued: on request, the Municipality may redeem the issuing fee where the passenger returns the Smartcard, provided that the card has been used on the Leeto La Polokwane system. subject to Leeto La Polokwane Rules and Terms & Conditions made available together with the Smartcard, or on the Municipality's website, including terms and conditions regarding the redemption of the issuing fee - which conditions may be varied on notice to the passengers; The Smartcard issuing fee may, for marketing purposes, be waived when and where applicable as authorised by the Transport Authority in consultation with the Group Chief Financial Officer. The ABT Card Issuing Fee shall be waived in respect of the first issue provided ID number of the passenger is captured on issue.
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	The Fare to be charged where there is prima facie proof that a passenger has intentionally evaded or attempted to evade paying a Fare. 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. Where more than one passenger acts in this way with a common purpose, they may all to be charged the Penalty Fare. Despite having been charged a Penalty Fare, the relevant passengers may also be prosecuted. The Fare Evasion Penalty Fare applies where the passenger is found to have evaded or attempted to evade the Fare on a Route..
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, roadbased 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.
City Manager	The accounting officer appointed in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) and being the head of administration and accounting officer in terms of section 55 of the Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) and includes any person acting in such position; and/or to whom the Municipal Manager has delegated a power, function or duty in respect of such a delegated power, function or duty.
Municipal Services	any of the local government matters listed in Part B of Schedule 4 of the Constitution, those services provided by the Municipality, including Municipal Public Transport Services, and for which payment is required by the Municipality or not.
Municipal Surcharge	A charge in excess of the municipal base tariff that a municipality may impose on fees for a municipal service provided by or on behalf of a municipality, in terms of section 229(1)(a) of the Constitution
Notice in the press	A notice placed in two newspapers generally circulating in the City of Polokwane prior to the relevant information that is to be published, as per the City of Polokwane Communications Strategy.
Off-peak periods	All periods of operation of the service, other than peak periods.
One Way	One Journey or trip either in a forward or a return direction only.
Payment Medium	The means by which payment is made or payment information is conveyed e.g. by paper ticket or Smartcard etc.
Peak Period	The period as defined in the official published timetable (as amended from time to time) and relates to the peak demand of travel during the morning and evening peak periods. This period may be amended by a notice in the press.

Penalty	A punishment or sanction imposed by law or an authority for a crime or an offence.
Policy	A plan, course of action or guiding principle of a government or business, intended to influence and determine decisions, actions, and other matters.
Premium Service	A service designed on a specific route for a specific trip purpose. A premium service generally offers a higher level of service than a non-premium service.
Redundancy Conditions	A condition which occurs when a necessary part of the AFC system is not operating as planned, such as when the system for loading cash on the card is down, or when the electricity supply is interrupted and the uninterrupted power supply (provided as backup) fails, or where the electricity supply is interrupted for an extended period resulting in the power in the uninterrupted power supply being depleted. It could also be due to a corrupted server and data is lost.
Regulations	Refers to the Regulations relating to integrated fare systems published in the Government Gazette on 17 June 2011 in terms of the National Land Transport Act, No 5 of 2009.
Ridership	In public transport terms, patronage or ridership is a type of forecasting or statistic for studying the average quantity of passengers ("patrons") carried per certain time period in a mode of a public transport system. The concept should not be confused with the maximum loading capacity of one particular vehicle or the whole public transport system. The gathered or predicted ridership data is usually used in transport planning to align a route and determine the kind of vehicles that should be employed.
Seamless Travel	Travel from origin to destination, which attempts to improve the ease of transfer between modes.

Smartcard	A contactless card CiPurse, a South African National Roads Agency Limited (SANRAL) recommended payment media, complying with National Department of Transport (NDoT) specifications and conforming to the requirements of the NDoT data structure, as prescribed in the Regulations. A user can use the Smartcard in two ways: (a) as an Electronic Purse, with value to be loaded as required, regarding which the user must pay load fees to the SANRAL (which load fees are deducted from value loaded and which load fees are payable in addition to the fees above), with Fares being paid from this purse by checking in (currently there is only checking in though the Bus Validator) on the Leeto La Polokwane system; and (b) to load and use a Travel Package issued by the Municipality.
Tariff	A Municipal Tariff means a tariff (price) for services which a municipality may set for the provision of a service to the local community and includes a surcharge on such tariff.
Transit points	Transit points are a transit product that offer prepaid value covering the bank load fees and enabling the traveller 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	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: • Promote Higher Vehicle Occupancies. • Roll out programmes for large employers to encourage alternative transport options (Travel Smart programme). • Develop supporting Policies and Tax incentives. • Market TDM and Public Transport. • Develop a Congestion Pricing Strategy and focus on Intelligent Transport System applications to inform drivers.

Travel Package	Travel Packages are a transit product that offer prepaid discounted payment options and give added benefits such as covering the bank load fees and enabling the discounted Travel Fare to be charged compared to single trip Fares. Travel Packages load points equivalent to the rand value. Savings are provided on purchases of Travel Packages compared to loading cash without purchasing a Travel Package. Travel Packages are offered at a discount, through various Travel Fares. This is intended to encourage bulk purchase and frequent use of the system as well as the purchasing of the Travel Packages as opposed to loading cash. The costs of the various Travel Packages are defined in the associated tariffs as applicable per financial year.
Trip	Travel from one point to another per mode of travel. A single journey may be made up of multiple trips for example in a home to work public transport journey, a traveller may walk to a taxi or feeder bus stop (one walking trip), catch a taxi or feeder bus to a BRT station (one taxi or feeder bus trip), travel by BRT to a taxi or feeder bus stop (one BRT trip), catch a taxi or feeder bus to an approximate final destination (an additional taxi or feeder bus trip) and walk the rest of the way to the final destination (additional walking trip). This typical journey would therefore consist of 5 trips.

ACRONYMSACRONYM	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.

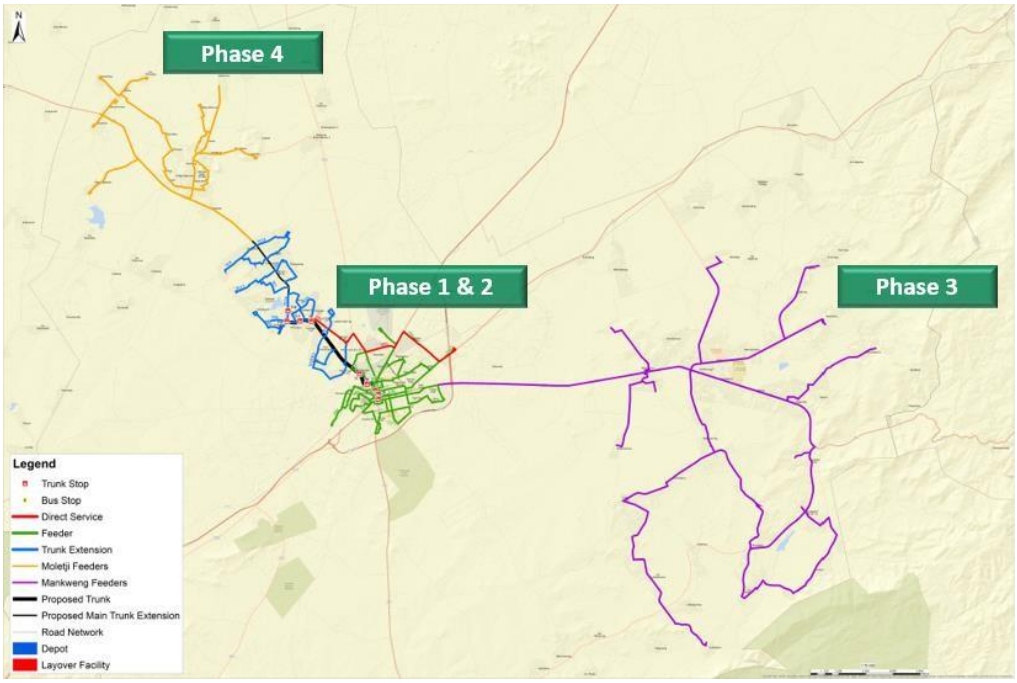
Three fundamental parameters are related to decisions taken about Fares namely,

- 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-Moletji 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 Westenburg 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, on-board validation is most feasible from an operational efficiency perspective due to space constraints. An audible or visual sign should be given to indicate whether the transaction has been successful. There could also be an additional warning provided if funds are running low as a way to prompt users to top up the card. To discourage users from being dishonest there may be penalties charged for non-payment of a Fare.

Apart from disallowing a passenger who has no funds available, on-board validation by an inspector can be useful to ensure compliance with the Fare rules. It would not be necessary for all buses to carry inspectors, but rather inspectors would be deployed on buses where theoretical Fare calculations are proving to be different to the actual collections.

Consideration may have to be given to electronic verification of passenger volumes. Turnstiles in buses are used elsewhere in the world but are extremely problematic for people with disabilities or people using baby pushchairs. Verification by electronic means (e.g. counters at the doors) 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 QR Code

The City designed and implemented a QR ode-based option as an alternative to the physical smart card system on the Leeto la Polokwane BRT.

This digital payment method is intended to broaden the access to the public transport system by accommodating passenger who do not possess the cards or who may have lost their cards.

The introduction of QR odes shall enhance the convenience, support the contactless transactions, reduce barriers to the system entry and contribute to increased passenger uptake and overall ridership across the Leeto la Polokwane BRT network.

2.3 Mobile APP

The City designed and implement the mobile App as an official channel for passengers to utilise the Leeto la Polokwane BRT service at their convenience.

The mobile Application provides functionality for digital fare payment, journey planning and real-time service notification.

The introduction of the mobile application enhances customer experience, improve accessibility to the public transport system, support contactless and cashless transactions and contribute to the increased passenger uptake and overall ridership information

2.4 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 analysing 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.

2.5 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).

2.6 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.

2.7 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.

2.8 Single trip tickets

Provision will be made for passengers who are not regular travellers 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.

2.9 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.

2.10 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 tripmaking 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.

Description	Price
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

CITY OF Polokwane

NATURALLY PROGRESSIVE

DRAFT
FUNDING & RESERVES POLICY

2026/2027

INDEX

1.	**INTRODUCTION AND OBJECTIVE ……..**	**3**
2.	**SECTION A: FUNDING POLICY ……..**	**3**
	2.1 LEGISLATIVE REQUIREMENTS ……...	3
	2.2 STANDARD OF CARE ……	3
	2.3 STATEMENT OF INTENT ……..	4
	2.4 CASH MANAGEMENT ……..	4
	2.5 LIABILITY MANAGEMENT …….	4
	2.6 FUNDING THE OPERATING BUDGET …….	4
	2.7 FUNDING THE CAPITAL BUDGET ……	5
	2.8 FUNDING COMPLIANCE MEASUREMENT ……	6
3.	**SECTION B: RESERVES POLICY ……**	**9**
	3.1 INTRODUCTION ……	9
	3.2 LEGAL REQUIREMENTS …….	10
	3.3 TYPES OF RESERVES ……..	10
	3.4 ACCOUNTING FOR RESERVES ……..	10
4.	**SECTION C: REVIEW OF THE POLICY ……**	**11**

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 2026 and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.

CITY OF Polokwane

NATURALLY PROGRESSIVE

DRAFT

INDIGENT AND SOCIAL SUPPORT POLICY

2026/2027

TABLE OF CONTENTS

Preamble

1. Legislative Framework
2. Definitions
3. Introduction
4. Objectives
5. Principles
6. Criteria for Indigent Households
7. Criteria for Pensioners
8. Subsidy
9. Application for a Subsidy
10. Awareness Campaigns and Publication of Names of Qualifying Applicants
11. False Information
12. Information Audit/Verification
13. Duration of Subsidy
14. Termination of Indigent Subsidy
15. Amount in Arrears
16. Reporting and Register
17. Dispute Resolution and Appeals
18. Indigent Levy
19. Short Title
20. Implementation and Review of Policy

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:

Authorized representative	The person or instance legally appointed by the Council to act or to fulfil a duty on its behalf.
Basic service	The amount or level of any municipal service that is necessary to ensure human dignity and a reasonable quality of life and which, if not provided, could endanger public health or safety of the environment. For the purpose of this Policy basic services will be restricted to electricity, refuse, sewerage, water and any other rebates or exemptions as approved by Council.

Chief Financial Officer	An officer of the municipality appointed as the Head of the Budget and Treasury Directorate and includes any person acting in such position
Council or Municipal Council	A municipal council referred to in section 18 of the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998) and for purposes of this policy, the municipal council of the Municipality of Polokwane.
Customer	Any occupier of any property to which the Municipality has agreed to supply services or already supplies services to, or if there is no occupier, then the owner of the property.
Defaulter	A person who owes money in respect of a municipal account after the due date for payment has expired.
Household	A Property and all its occupants.
Interest	A levy with the same legal priority as service fees and calculated on all amounts in arrears at a standard rate as approved by Council.
Municipal account	The proper and formal notification by means of a statement of account, to persons liable for monies levied and indicating the net accumulated balance of the account, specifying charges levied by the Municipality.
The Act	The Local Government: Municipal Systems Act, 2000 (Act No. 32 of 2000) as amended from time to time.
Indigent	A poor / needy household unable to make monetary contribution towards basic services and qualifies in accordance to this policy.
Indigent Levy	A fixed charge payable by qualifying Indigent households levied on a monthly basis.
Subsidy	The financial relief granted to qualifying indigent households
Pensioner	refers to a person who is 60 years of age and older in receipt of a total monthly income from all sources (including the income of the spouse of the owner) not exceeding an amount to be determined by the Council annually;

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, basic charges on sewage and refuse.

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 CAMPAINGS

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 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 1st July 2026 and shall be reviewed on an annual basis to ensure that is in line with the municipality's strategic objectives and with legislation.

DRAFT

INVENTORY MANAGEMENT POLICY

2026/2027

TABLE OF CONTENTS

Section	Description
1	Inventory
2	Objective of Inventory Management Policy
3	Inventory Management
4	Status Quo of the System used to record Inventory movement
5	Access to Stores
6	Procedures and Internal Control Measures
7	Review of Stock Levels
8	Purchase Requisition for Stock Items
9	Expediting of Orders
10	Receiving and Issuing of Stock Materials
11	Coding of Stock Items
12	Damaged Goods
13	Stores and Warehouse Management
14	Safeguarding of Inventory
15	Vendor Performance
16	Reporting
17	Effective date.

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** mad 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.

6.1 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.

6.2 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 or delegated official 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

10.2.1 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 materials, the responsible official must verify the accuracy of the requested quantities and item descriptions. Both the issuing and receiving officials must sign the requisition.
- ❖ The signed requisitions after issuing are filed for record keeping and audit purposes.

10.2.2 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 were items already had been identified as obsolete and redundant stock, but not been removed from the registers (financial system), these items must remain in their bin locations and be counted as part of the annual stock take.
- all items must be in correct bins and that the description on the corresponds with the items in the bins.

(b) the stock controller responsible for the stores will ensure the following are in place before the official stock take:

- that there is enough manpower (officials) for the stock take consisting of two officials per team.
- that the logistics management of stores to notify all heads of sections and council's external auditors of the stock take date.
- black pens and stickers for stock counts (no pencil figures will be accepted) to be issued to each stock counter team before counting.
- if there is any possibility of overtime, the stock controller must ensure authorization for overtime is approved before the stock take.

(c) during the stock take the following procedures must be adhered to and the stock controller will be responsible for all processes.

- Counting teams be listed and sign an attendance register and each team will consist of two officials.
- Each counting team will receive a count list printed from financial system on the day the stock take commences for the section they are responsible for that is numbered against the officials' names on the list. E.g. Section 01 must be numbered on the list as 1 against the first team – List 2, the second team - List 3 etc.
- All counting teams must start simultaneously with the first count.
- All quantities counted must be written in the space provided next to the item on the financial system list in ball point pen.
- Each page counted must be signed by both officials responsible for counting on the list as well as the date of the count.
- The Stock controller will do spot check counts and will write the figures in red pen on the list in his /her possession and sign against each count. The Stock controller will check his counts against the counted items by the teams as control to ensure correct counts. The Stock controller must on a continuous basis ensure that all procedures and processes set out in this procedure are strictly adhered to and where deviations are identified to be rectified immediately.
- The Stock controller will be responsible for the stock take and must continually be aware of all problems during the count.
- If the stock count takes place over a few days all stock count lists will be kept by the Stock controller at the end of each counting day.

(d) During /after the first count had been done, the Stock controller must ensure a discrepancy list are generated for second count and the recount must be done by different counting team that did the first count of the specific section location.

(e) After the second count the figures must again be compared with the fist count and the differences report.

(f) If the second count corresponds with the system, then the second count is accepted as correct.

- If the second count differs from the system but correspond with the first count, the counted figures are accepted as correct and indicated as surplus or shortage.
- If the second count and the first count differ from the system, the items must be indicated on a new count list for a third count.

(g) If the third count must be done, the stock controller with the senior storekeeper and storekeeper will do it. The third count must be done according to the same procedure as stated above.

(h) The third count will again be compared with the differences report and the first two counts.

- If the third count corresponds with the system, the count is accepted as correct.
- If the third count corresponds with either of the first two counts, the corresponding figures counted will be accepted as correct and the difference between the counted figure and the system figure must be shown as a surplus or a shortage.
- If the third count differences still occurs the item must be investigated further to identify the problem until a proper solution for the continuous discrepancies are found.

(i) The final list of all counts (1, 2 and 3) of all surpluses and shortages must be signed by the Senior storekeeper, Storekeeper of the stores and Auditors as confirmation of all parties involved that the figures counted are correct and is the final figures counted, be handed to Chief Financial Officer.

- The final list of surpluses and shortages will not be left in the possession of any party involved in the count for further investigations.
- The Senior Storekeeper and Storekeeper Can ask for copies of the list direct after the final count.
- The Stock Controller will after finalizing of the count, take all counting lists, all differences reports, attendance registers with the final stock take list and file all documentation in the file.

(j) After the stock take a report of such surpluses and shortages has to be generated and be submitted to council for adjustment of the surpluses and shortages or for further steps to be taken, if necessary and/ or authorise stock as redundant or obsolete.

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 continues 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.

17. IMPLEMENTATION AND REVIEW OF POLICY

This policy shall be implemented on 1st July 2026 and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.

CITY OF Polokwane

NATURALLY PROGRESSIVE

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DRAFT LEAVE POLICY

2026/2027

INDEX

CLAUSE	PAGE
1. PURPOSE	3
2. OBJECTIVES OF THE POLICY	3
3. SCOPE OF THE POLICY	3
4. DEFINITIONS	3
5. LEGISLATIVE FRAMEWORK	5
6. TYPES OF LEAVE COVERED BY THE POLICY	5
7. PRINCIPLES	6
8. ANNUAL LEAVE	8
9. SICK LEAVE	10
10. FAMILY RESPONSIBILITY LEAVE	11
11. MATERNITY, ADOPTION AND SURROGACY LEAVE	12
12. PARENTAL LEAVE	13
13. SPECIAL LEAVE FOR INJURY ON DUTY CASES AND OCCUPATIONAL DISEASES	13
14. SICK LEAVE WITHOUT PAY	14
15. SPECIAL LEAVE	14
16. SPECIAL LEAVE FOR ADHOC INSTANCES	16
17. LEAVE FOR PURPOSES OF TIME-OFF IN LIEU OF OVERTIME	17
18. ADDITIONAL LEAVE FOR LONG SERVICE RECOGNITION	17
19. LEAVE WITHOUT PAY/UNPAID LEAVE	18
20. UNAUTHORISED ABSENCE FROM DUTY	19
21. RESUMPTION OF DUTY BEFORE LEAVE HAS EXPIRED	19

DRAFT

22. LEAVE OF ABSENCE GRANTED IN EXCESS	**19**
23. TERMINATION OF PERMANENT SERVICE AND RE-EMPLOYMENT	**19**
24. IMPLEMENTATION OF THE POLICY	**19**
25. COMMUNICATION	**19**
26. POLICY REVIEW	**19**
27. PENALTIES	**19**
28. IMPLEMENTATION AND REVIEW OF POLICY	**19**

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1. PURPOSE:

The purpose of the policy is to regulate leave matters of employees of the Municipality of Polokwane (the Municipality).

2. OBJECTIVES OF THE POLICY:

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

3. SCOPE OF THE POLICY:

This Leave Policy will apply to all Employees regulated under the South African Local Government Bargaining Council.

Leave for the Municipal Manager and Managers reporting directly to the Municipal Manager as contemplated in terms of Section 56 and 57 of the Local Government: Municipal Systems Act, 2000 (Act32 of 2000) as amended shall be regulated by Government Gazette No 37245 - Local Government: Municipal Systems Act, 2000 (Act32 of 2000): Local Government: regulations on Appointment and conditions of employment of Senior Managers.

4. DEFINITIONS:

"**Annual leave cycle"**	means the period of twelve (12) month's employment with the same employer immediately following an employee's commencement of employment or following the completion of that employee's existing leave cycle.
"BCEA"	Basic Conditions of Employment Act, 1997 (Act 75 of 1997) as amended from time to time.
"**Calendar Year"**	starts on 1st January and ends on 31st December annually.
"**Employee"**	any person, who works for Polokwane Municipality and who receives any remuneration and any other person who in any manner assists in carrying on or conducting the business of the employer excluding an independent contractor.
"**Employer"**	refers to Polokwane Municipality
"**Leave"**	is considered as time off / away from the workplace where the employee is not able to avail him/herself to executing duties and tasks as normally done by the employee.
"**Leave year"**	refers to a period of continuous service of 12 months and such leave year normally should start on the date of the appointment of the employee. (See also elaboration on "year of service" further down.)

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"**Medical practitioner**"	means a medical practitioner, dentist or traditional healer registered in terms of legislation.
""**Year of service**"	is the period of 12 months' continuous service from the date of appointment to the next date of appointment, and this date may be extended with any periods of absence of 20 working days or longer in any leave year.
"**SALGBC"**	means the South African Local Government Bargaining Council;
"Special leave"	means leave in addition to normal leave
"the Municipality"	refers to Polokwane Municipality
"Working day"	means any day on which an employee is normally required to work according to the service requirement applicable to the employee's post and as agreed to in the SALGBC

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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 (Act32 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.

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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.

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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).

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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 [*the designated electronic self-service system for leave applications (ESS)*].

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.

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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.

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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.

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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.

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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.

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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.

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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.

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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.)

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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 changes 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.

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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 en-chased 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

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18.2. An employee who was appointed before 1st 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 1st 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 1st of February, but the employee was absent without payment for the period middle April to middle May for a period of 20 working days, then the employee's date of allocation will be moved to March annually. The service year in this instance will thus run from beginning February to end February the next year, which may sound like a 13-month employment period, but it is not as the employee was absent without pay for one month.]

19.5. Unpaid leave must be captured on an employee's leave record and must also be informed to the payroll to ensure that the necessary adjustments to salary payment(s) are made.

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20. UNAUTHORISED ABSENCE FROM DUTY

20.1. Unauthorised absence from duty shall, without prejudice to the rights of the employer with regard to disciplinary measures against an employee, be deemed to be special leave without payment, unless the Municipality decides otherwise.

21. RESUMPTION OF DUTY BEFORE LEAVE HAS EXPIRED

21.1. Except with the Municipality's approval in terms of delegated authority, an employee shall not resume duties before the leave granted to him/her has expired.

22. LEAVE OF ABSENCE GRANTED IN EXCESS

22.1. When more paid leave of absence that has been granted to an employee inadvertently but in good faith, and been taken by him / her, the leave granted in excess may be deducted from leave which may accrue to him / her or the value thereof may be claimed from him / her, whichever the employee may prefer.

23. TERMINATION OF PERMANENT SERVICE AND RE-EMPLOYMENT

23.1. If a permanent employee whose service is terminated for any reason whatsoever is re-employed, such re-employment shall for leave purposes be regarded as a new appointment.

24. IMPLEMENTATION OF THE POLICY

This policy will be implemented and effective once approved by Council.

25. COMMUNICATION

This policy will be communicated to all Municipal employees using the full range of communication methods available to the municipality.

26. POLICY REVIEW

This policy will be reviewed annually and revised as necessary.

27. PENALTIES

Non-compliance to any of the stipulations contained in this policy will be regarded as misconduct, which will be dealt with in terms of the Disciplinary Code.

28. IMPLEMENTATION AND REVIEW OF POLICY

This policy shall be implemented on 1st July 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.

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ORGANISATIONAL AND SENIOR MANAGERS PERFORMANCE MANAGEMENT POLICY

2026/2027

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CONTENTS

SECTION A: ORGANIZATIONAL PERFORMANCE 7

1. INTRODUCTION 7

2. THE LEGISLATIVE FRAMEWORK FOR PERFORMANCE MANAGEMENT 7

3. PERFORMANCE MANAGEMENT AND MEASURES AT VARIOUS LEVELS 8

4. OBJECTIVES OF THE PERFORMANCE MANAGEMENT SYSTEM 9

5. PRINCIPLES GOVERNING THE PMS OF POLOKWANE MUNICIPALITY 10

6. PREFERRED PERFORMANCE MANAGEMENT MODEL FOR POLOKWANE MUNICIPALITY 10

7. THE PROCESS OF MANAGING PERFORMANCE 11

8. THE AUDITING OFPERFORMANCE MEASURES 20

9. GENERAL ISSUES RELATING TO PERFORMANCE MANAGEMENT 23

10. STANDARD OPERATING PROCEDURE 25

11. TECHNICAL INDICATOR DESCRIPTION MANUAL 25

12. INFORMATION TECHNOLOGY TOOLS FOR PERFORMANCE MANAGEMENT (AUTOMATED PERFORMANCE MANAGEMENT SYSTEM) 26

13. CONCLUSION 26

SECTION B: INDIVIDUAL PERFORMANCE OF SENIOR MANAGERS 27

14. PREAMBLE 27

15. PURPOSE OF SENIOR MANAGEMENT PMS POLICY 28

16. THE EXPECTED OUTCOME OF THE POLICY 28

17. SCOPE OF APPLICATION 30

18. OBLIGATIONS OF THE EMPLOYER 30

19. DEFINITION OF EMPLOYEE PERFORMANCE MANAGEMENT 31

20. OBJECTIVES OF THE ORGANISATIONAL AND INDIVIDUAL PERFORMANCE MANAGEMENT SYSTEM 31

21. KEY ROLE-PLAYERS IN SENIOR MANAGERS PERFORMANCE 32

22. PLANNING AND REVIEW 36

23. PERFORMANCE CONTRACTS 37

24. PERFORMANCE AGREEMENTS 37

25. PERSONAL DEVELOPMENT PLANS 40

26. MID-YEAR REVIEW 42

27. PERFORMANCE MONITORING AND ASSESSMENT 43
28. DATA MANAGEMENT AND PORTFOLIO OF EVIDENCE DEVELOPMENT 43
29. SCHEDULE PERFORMANCE ASSESSMENTS 44
30. PERFORMANCE ASSESSMENTS 45
31. REPORTING AND COACHING 47
32. MANAGE POOR PERFORMANCE 47
33. EVALUATION AND REWARD 48
34. APPEALS AND DISPUTES 49
35. EXIT/TERMINATION/CANCELLATION CLAUSE 49
36. THE PERFORMANCE AUDIT AND REMUNERATION COMMITTEE 50
37. PRINCIPLES OF GOOD ASSESSMENT 51
38. IMPLEMENTATION AND REVIEW OF POLICY 51

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,

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

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

SECTION A: ORGANIZATIONAL PERFORMANCE

1. INTRODUCTION

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

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

2. THE LEGISLATIVE FRAMEWORK FOR PERFORMANCE MANAGEMENT

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

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

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

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

3. PERFORMANCE MANAGEMENT AND MEASURES AT VARIOUS LEVELS

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

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

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

By cascading performance measures from organizational to departmental level, both the IDP and the SDBIP, forms the link to individual performance management. This ensures that performance management at the various levels relate to one another which is a requirement of the 2001 Municipal Planning and Performance Regulations. The MFMA specifically requires that the annual performance agreements of 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
Citizens and Communities	• Be consulted on needs • Develop the long term vision for the area • Influence the identification of priorities • Influence the choice of indicators and setting of targets		Be given the opportunity to review municipal performance and suggest new indicators and targets
Council	• Facilitate the development of a long-term vision. • Develop strategies to achieve vision • Identify priorities • Adopt indicators and set targets		Review municipal performance annually
Mayoral Committee,	• Play the leading role in giving		Conduct the major reviews of municipal

Stakeholders	Performance Planning	Measurement and Analysis	Performance Reporting and Reviews
Portfolio Committee and the IDP Steering Committee	strategic direction and developing strategies and policies for the organization • Manage the development of an IDP • Approve and adopt indicators and set targets • Communicate the plan to other stakeholders		performance, determining where goals had or had not been met, what the causal reasons were and to adopt response strategies
Municipal Manager and Directors (Senior Managers)	Assist the Executive Committee in • providing strategic direction and developing strategies and policies for the organization • Manage the development of the IDP • Ensure that the plan is	• Regularly monitor the implementation of the IDP, identifying risks early • Ensure that regular monitoring (measurement, analysis and reporting) is happening in the organization • Intervene in	• Conduct regular reviews of performance • Ensure that performance reviews at the political level are organized • Ensure the availability of information • Propose response strategies to the Executive

Stakeholders	Performance Planning	Measurement and Analysis	Performance Reporting and Reviews
	integrated • Identify and propose indicators and targets • Communicate the plan to other stakeholders	performance problems on a daily operational basis	Committee
SBU Managers	• Develop service plans for integration with other sectors within the strategy of the organization	• Measure performance according to agreed indicators, analyze and report regularly • Manage implementation and intervene where necessary • Inform decision-makers of risks to service delivery timeously	• Conduct reviews of service performance against plan before other reviews

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

Performance Planning

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

Performance Monitoring

Performance monitoring is an ongoing process by which the 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 OFPERFORMANCE 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 thefollowing:

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

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

- **Functionality**

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

- **Compliance**

  To comply can be defined as to act in the way that someone else has commanded or whished (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 C ycle

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/collection of data	Method of calculation	Data limitation	Type of Indicator	Reporting Cycle	Indicator Responsible Person/Directorate

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:

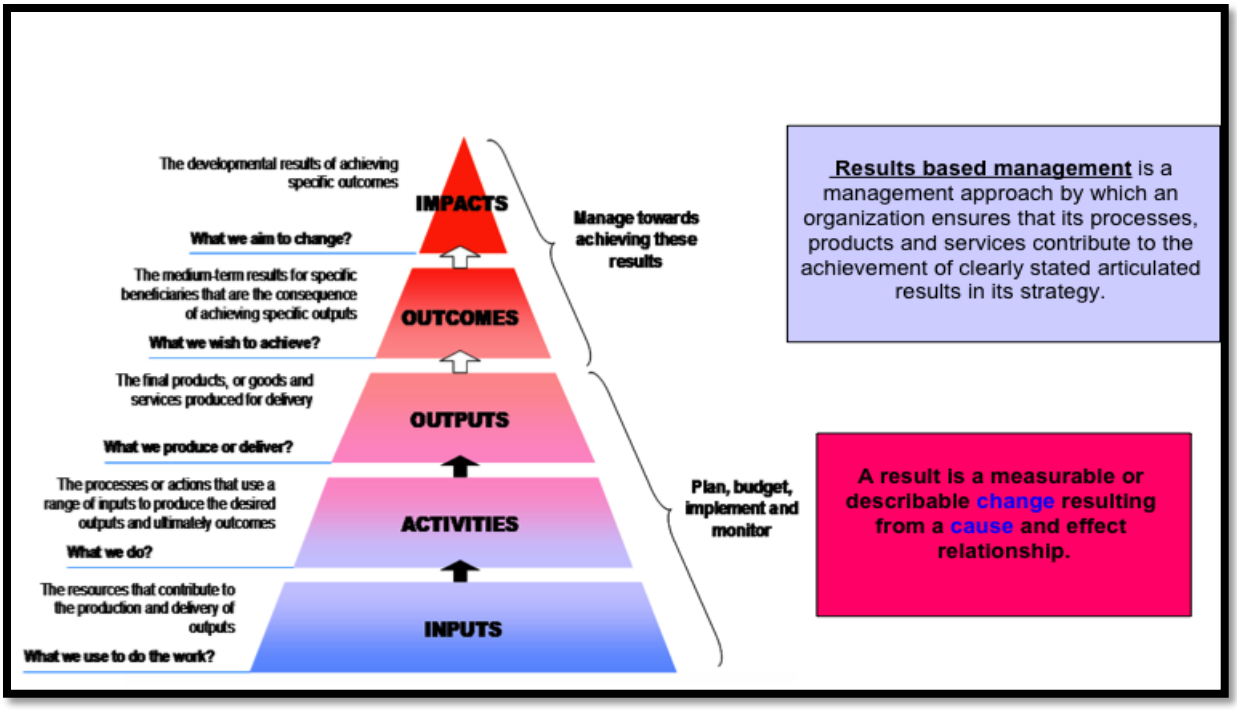
- ✓ The Integrated Development Plan (IDP) will be interpreted in the Organizational, Departmental and Strategic Business Unit Scorecards;
- ✓ Employees of the Municipality will collectively execute their obligation towards the community as expressed in the Integrated Development Plan (IDP) and Organizational, 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
Executive Mayor	The Executive Mayor may assign the management of performance (organizational and employee) to the Municipal Manager. The Mayor is responsible for dispute resolution regarding performance management matters

Role Player	Role
	(nature of performance agreement and performance evaluation) of the Municipal Manager and Managers directly accountable to the Municipal Manager.
Municipal Manager	It is the responsibility of the Municipal Manager to ensure the effective and efficient design, development and implementation of an Organizational and Employee Performance Management System. The Municipal Manager will accept overall accountability for service delivery of the agreed performance indicators as stipulated in the IDP and SDBIP of the organization, and will be accountable to the Executive Mayor at agreed intervals. In addition, the Municipal Manager is responsible for ensuring proper monitoring, assessment and review of the Organizational and Employee Performance Management System. The Municipal Manager will delegate responsibility and accountability to Directors and Managers.
Directors/Senior Managers	✓ Taking responsibility for the standard of his/her own performance by improving output quality ✓ Developing and implementing action plans so that set objectives can be achieved ✓ Asking their manager for information, help or advice to assist them in meeting set targets ✓ Making suggestions on how they can improve their performance
Human Resources	The Human Resource Department is responsible for providing secretariat services during the individual performance assessments of senior managers.
Strategic Planning, Monitoring & Evaluation	The Strategic Planning, Monitoring & Evaluation oversees and provides guidance on the development and implementation of the Municipal Organizational and Employee Performance Management System of senior managers. Strategic Planning, Monitoring & Evaluation is the custodian of Performance Management on behalf of Senior Management and has to work closely with the Human Resources Unit.
Assessment/ Evaluation	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
Panel and Moderator	Assessment/Evaluation panels to conduct the assessment of the Municipal Manager and Managers directly accountable to the Municipal Manager.
Internal Audit	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). 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.
Audit and Performance Audit Committee	Provide Independent audit on legal compliance. Audit of municipal performance and communicate directly with the Council, Municipal Manager as well as internal and external auditors
Municipal Public Accounts Committee (MPAC)	The role is to provide oversight over the activities of Council as the Municipal Council is vested with both legislative and executive authority. Oversight and accountability helps to ensure that the executive implements programmes and plans in a way consistent with policy, legislation and the dictates of the Constitution.

Table 2: Individual Performance Management Phases

Phases	Explanation
Planning/Review:	It encompasses the compilation of Performance Agreements inclusive of Performance and Personal Development Plans.

Phases	Explanation
	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.
Monitoring and Assessment:	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. 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. 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.
Reporting and Coaching:	Reporting on findings of the assessment process occurs in this phase. Based on findings, a coaching and/or disciplinary action plan is to be

Phases	Explanation
	put in place to ensure improvement of performance – where necessary. 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.
Evaluation and Reward:	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. Annual performance evaluations also involve the provision of rewards in cases where performance exceeded expectations.

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

Core competency requirements for Municipal Manager and Managers Directly Accountable to the Municipal Manager		
Core Managerial and Occupational Competencies:	**Indicate Choice**	**Weight**

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

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

- ✓ 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:

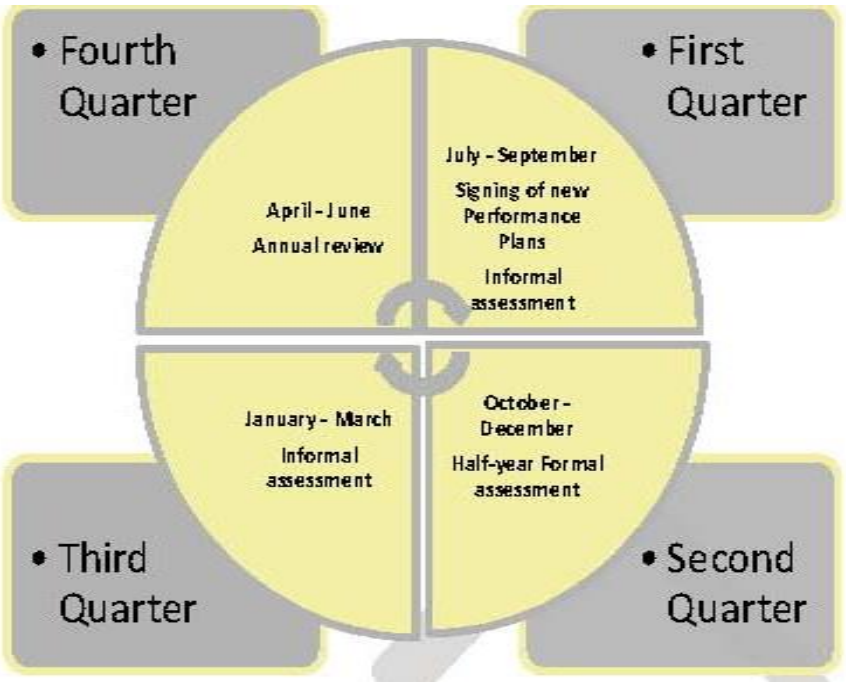
- ✓ Determine the data to be collected for each performance element, the source of the data and whether to collect all the data or just a sample (already clearly defined in the Performance Plan of each employee);
- ✓ Determine when to collect the data (frequency); and
- ✓ Review existing data and create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

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

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 processed 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 1st July 2026 and shall be reviewed on an annual basis to ensure that is in line with the municipality's strategic objectives and with legislation.

CITY OF Polokwane

NATURALLY PROGRESSIVE

PETTY CASH PROCEDURE MANUAL

2026/2027

1 Introduction and background 2
2 Definitions 2
3 Adoption of Petty Cash Procedure Manual 2
4 Purpose 2
5 Scope and Application 2
6 Objectives 2
7 General permission and restrictions 3
8 Petty cash payments prohibited 4
9 Petty cash reporting 4
10 Deviations from the procedure manual 5
11 Review of procedure manual 5
12 Effective date 5

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 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 procedure manual is consistent with the Act and the gazetted framework.

2 Definitions

Act means the Local Government Municipal Finance Management Act, (Act No.56 of 2003)

GL means General ledger

NT means National Treasury

3 Adoption of Petty Cash Procedure Manual

The Municipality must formally adopt a petty cash procedure which shall be consistent with the Act and its regulations.

The effective date of this procedure manual, or any amendments thereto, shall be the date of its adoption by Council.

4 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.

5 Scope and Application

The procedure manual is applicable to all officials and councillors of this municipality. This procedure manual must still be read in conjunction with other relevant policies and petty cash purchases should still adhere to the conditions of these other policies.

6 Objectives

The objectives of this procedure manual are –

6.1 to ensure compliance with the relevant legal and statutory requirements relating to petty cash management

6.2 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.

7 General permission and restrictions

The conditions for the procurement of goods and services by means of petty cash purchases, include the following:

7.1 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);

7.2 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.

7.3 Goods and services may only be procured by way of petty cash purchases, up to a maximum transaction value of R2 000 (VAT included);

7.4 The use of petty cash should be strictly confined to an individual cash purchases of up to the maximum of R2 000;

7.5 The expenditure with regard to petty cash shall not be deliberately split into more than one transaction to avoid the said limit;

7.6 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;

7.7 All petty cash purchases should be budgeted for and segment enquiry attached to each transaction;

7.8 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;

7.9 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;

7.10 All purchase requirements utilizing petty cash shall be approved by the relevant Director on the petty cash expenditure voucher within the petty cash book;

7.11 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;

7.12 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;

7.13 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;

7.14 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.

8 Petty cash payments prohibited

8.1 Petty cash advances must not be used to provide change, to give salary advances to employees or to cash cheques.

8.2 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.

8.3 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.

8.4 No payment will be made for lost receipts or invoice.

8.5 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

9 Petty cash reporting

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.

9.1 The report should have all details of the transaction, the vote which was used the date the amount and the description of the purchases.

9.2 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

10 Deviations from the procedure manual

Any deviations from this procedure manual must be approved in writing by the Accounting Officer.

11 Review of procedure manual

This procedure manual on petty cash will be reviewed as and when amendments are required. Any changes to the petty cash procedure manual must be adopted by Council and be consistent with the Act and any National Treasury regulations.

12 Effective date

The effective date of this procedure manual, or any amendments thereto, shall be the 1st of July 2026.

CITY OF Polokwane

NATURALLY PROGRESSIVE

DRAFT

PROPERTY RATES POLICY

2026/2027

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Contents

1. PREAMBLE 2
2. DEFINITIONS 3
3. BACKGROUND 9
3.1 INTRODUCTION 9
3.2 GUIDING PRINCIPLES 9
3.3 STRATEGIC FOCUS 10
3.4 OBJECTIVES OF THE POLICY 10
4. ANNUAL OPERATING BUDGET AND POLICY REVIEW 11
5. LEVYING OF RATES 11
5.1 RATE TO BE LEVIED ON ALL RATEABLE PROPERTIES 11
5.2 PERIOD FOR WHICH RATES MAY BE LEVIED 11
5.3 THE EFFECTIVE DATE OF THE RATES POLICY: 12
6. DIFFERENT CATEGORIES OF PROPERTIES 12
7. CATEGORIES OF OWNERS OF PROPERTY AND CATEGORIES OF PROPERTIES FOR PURPOSES OF EXEMPTIONS, REDUCTIONS AND REBATES. 13
7.1 RESIDENTIAL 14
7.2 INDIGENT OWNERS AND CHILD HEADED HOUSEHOLDS 14
7.3 PENSIONERS 14
7.4 OWNERS OF BUSINESS OR INDUSTRIAL PROPERTY WITH HIGH MARKET VALUES 14
8. SPECIAL RATING AREAS 16
9. LIABILITY FOR RATES: 16
9.1 PROPERTY RATES PAYABLE BY OWNERS 16
9.2 METHOD AND TIME OF PAYMENT: 16
9.3 PAYMENT AND RECOVERY OF RATES: 16
9.4 FREQUENCY OF VALUATIONS 16
9.5 ERRORS OR OMMISSIONS 17
9.6 SECTION 78 APPLICATIONS 17
10. SHORT TITLE 17
11. DATE OF IMPLEMENTATION 17

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:

"Act"	means the Local Government: Municipal Property Rates Act, No. 6 of 2004 (Act No. 6 of 2004) as amended;
"Agricultural property"	means a property that is used primarily for agricultural purposes but, without derogating from section 9, excludes any portion thereof that is used commercially for the hospitality of guests, and excludes the use of a property for the purpose of eco-tourism or for the trading in or hunting of game includes the remainder of town. Farm properties and agricultural holdings smaller than 5 hectare may be categorised as residential.
"Annually"	means once every financial year;
"Bona fide farmer"	means a farmer who is carrying on farming operations where his/her actions as well as his/her intentions are genuine intentions to develop land as a farming proposition.
"Business and commercial"	means the activity of trade in goods or services and includes any office or other accommodation on the same erf, the use of which is incidental to such business, with the exclusion of the business of mining, agriculture, farming, or inter alia, any other business consisting of cultivation of soils, the gathering in of crops or the rearing of livestock or consisting of the propagation and harvesting of fish or other aquatic organisms.
"Category"	(a) in relation to property, means a category of properties determined in terms of Section 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.
"Child-headed household"	means a household where the main caregiver of the said household is younger than 18 years of age. Child-headed household means a household headed by a child as defined in the section 28(3) of the Constitution.

"Exemption"	in relation to the payment of a rate, means an exemption granted by a Municipality in terms of Section 15 of the Act;
"Illegal use"	means a use that is inconsistent with or in contravention with the permitted use of the property.
"Industrial"	means a branch of trade or manufacturing, production assembling or processing of finished or partially finished products from raw materials or fabricated part, on so large scale that capital and labour are significantly involved. This may include grain silos, factories and any office or other accommodation on the same property, the use of which is incidental to the use of such property.
"Indigent"	means an indigent person referred to in the Indigent Support Policy of the Polokwane Municipal Council
"Multiple purposes"	in relation to a property, means the use of a property for more than one purpose, subject to section 9 of the Act.
"Municipal properties"	means those properties of which the municipality is the registered owner.
"Mining"	means any operation or activity for the purpose of extracting any mineral on, in or under the earth, water or any residue deposit, whether by underground or open working or otherwise and includes any operation or activity incidental thereto; as defined in the Mineral and Petroleum Resources Development Act, 2002 (Act No. 28 of 2002);
"Owner"	*(a)* in relation to a property referred to in paragraph (*a*) of the definition of "*property*", means a person in whose name ownership of the property is registered; *(b)* in relation to a right to in paragraph (*b*) of the definition of "*property*", means a person in whose name the right is registered; *(b*A*)* 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; *(b*B*) in relation to a* share block company, the share block company as defined in the Share Block Control Act, 1980 (Act No. 59 of 1980); *(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; *(c)* in relation to a land tenure right referred to in paragraph (*c*) of the definition of "*property*", means a person in whose name the right is registered or to whom it was granted in terms of legislation; or (*d*) in relation to public service infrastructure referred to in paragraph (*d*) of the definition of "*property*", means the organ of state which owns or controls that public service infrastructure as envisaged in the definition of "*publicly controlled":* *P*rovided 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: (i) a trustee, in the case of a property in a trust excluding state trust land; (ii) an executor or administrator, in the case of a property in a deceased estate; (iii) a trustee or liquidator, in the case of a property in an insolvent estate or in liquidation; (iv) a judicial manager, in the case of a property in the estate of a person under judicial management; (v) a curator, in the case of a property in the estate of a person under curatorship; (vi) a person in whose name a usufruct or other personal servitude is registered, in the case of a property that is subject to a usufruct or other personal servitude; (vii) a lessee, in the case of a property that is registered in the name of a municipality and is leased by it; (viiA) a lessee, in the case of property to which a land tenure right applies and which is leased by the holder of such right; or (viii) a buyer, in the case of a property that was sold by a municipality and of which possession was given to the buyer pending registration of ownership in the name of the buyer;
"Permitted Use"	Means the limited purposes for which the property may be used in terms of: (a) any restrictions imposed by - I. A condition of title.

	II. A provision of the Polokwane applicable Town Planning or land use scheme as amended from time to time. III. Any legislation applicable to any specific property or properties. (b) any alleviation of any such restrictions;
"person"	includes an organ of state;
"Pensioner"	refers to a person who is at least 60 years of age and is in receipt of a total monthly income from all sources (including the income of the spouse of the owner) not exceeding an amount to be determined by the Council;
"Primary Property"	means the primary residential property where a person has his or her permanent principal home to which he or she returns or intends to return.
"Property"	means: (a) immovable property registered in the name of a person, including, in the case of a sectional title scheme, a sectional title unit registered in the name of a person; (b) a right registered against immovable property in the name of a person, excluding a mortgage bond registered against the property; (c) a land tenure right registered in the name of a person or granted to a person in terms of legislation; or (d) public service infrastructure
"Public benefit organisation"	means property owned by public benefit organisations and used for any specific public benefit activity listed in item 1 (welfare and humanitarian), item 2 (health care), and item 3 (education and development) of part 1 of the Income Tax Act
"Private open space"	means land that is owned and used for practising of sport, play- or leisure facilities or used as a botanical garden, private park, cemetery or nature area or roads.
"Publicly controlled"	means owned by or otherwise under the control of an organ of state, including: (a) a public entity listed in the Public Finance Management Act 1999 (Act No 1 of 1999); (b) a municipality; or (c) a municipal entity as defined in the Municipal Systems Act 32 of 2000
"Public service infrastructure"	means publicly controlled infrastructure of the following kinds: (a) national, provincial or other public roads on which goods, services or labour move across a municipal boundary;

	(b) water or sewer pipes, ducts or other conduits, dams, water supply reservoirs, water treatment plants or water pumps forming part of a water or sewer scheme serving the public; (c) power stations, power substations or power lines forming part of an electricity scheme serving the public; (d) gas or liquid fuel plants or refineries or pipelines for gas or liquid fuels, forming part of a scheme for transporting such fuels; (e) railway lines forming part of a national railway system; (f) communication towers, masts, exchanges or lines forming part of a communications system serving the public; (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; (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; (i) any other public controlled infrastructure as may be prescribed; or (j) a right registered against immovable property in connection with infrastructure mentioned in paragraphs (a) to (i);
"public service purposes",	in relation to the use of a property, means property owned and used by an organ of state as- *(a) H*ospitals and clinics; *(b) schools, pre-schools, early childhood development centres or further* education and training colleges; *(c) national and provincial libraries and archives;* *(d)* police stations; *(e)* correctional facilities; or *(f)* courts of law, but excludes property contemplated in the definition of "public service infrastructure";
"Place of Worship"	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: - (a) registered in the name of a religious community; (b) registered in the name of a trust established for the sole benefit of a religious community; or (c) subject to land tenure right

"Rate"	means a municipal rate on property envisaged in Section 229(1)(a) of the Constitution;
"Rateable property"	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;
"Ratio"	in relation to section 19 of the Act, means the relationship between the cent amount in the rand applicable to residential properties and different categories of non-residential properties: Provided that the two relevant cent amounts in the Rand are inclusive of any relief measures that amount to rebates of general application to all properties within a property category;
"Rebate"	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;
"Reduction"	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;
"Residential property"	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;
"Organ of State"	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 2026 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 for property rates, basic charges on sewage and refuse, 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 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	3% rebate
Market Value R 500 000 000 and above	5% 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

1.1 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.

1.2 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 ratepayers 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 ratepayer 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 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.

9.3 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.

9.4 FREQUENCY OF VALUATIONS

The Municipality shall prepare a new valuation roll every five (5) years of all rateable Properties within its jurisdiction and at least one supplementary valuation every twelve (12) months as required by the Act.

9.5 ERRORS OR OMMISSIONS

9.5.1 Errors resulting from an administrative error by the Municipality will be billed to the customer's account in accordance with the provisions of the MPRA.

9.5.2 Any back charge billed to the customer's account in terms of paragraph 9.5.1 of this policy may qualify for a rebate of the billed amount which may be corrected to a maximum of five years, limited to two years of the previous valuation roll.

9.6 SECTION 78 APPLICATIONS

Applications for review lodged after the timeframe contemplated in Section 78 of the Act will attract a non-refundable administration fee, payable in accordance with the Municipality's approved Tariff Structure.

10. SHORT TITLE

This policy shall be called the Property Rates Policy of the Polokwane Municipality for the financial year 2026/2027.

11. DATE OF IMPLEMENTATION

This policy shall be implemented on 1st July 2026 and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.

CITY OF Polokwane

NATURALLY PROGRESSIVE

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DRAFT SUBSISTENCE AND TRAVELLING POLICY

2026-2027

DIRECTORATE CORPORATE AND SHARED SERVICES

BUSINESS UNIT: HUMAN RESOURCES

ITEM:
REF NO:

REVISED SUBSISTENCE AND TRAVELLING ALLOWANCE POLICY

Report of the Manager Human Resources

PURPOSE

The purpose of the report is to obtain approval of the revised Subsistence and Travelling Allowance Policy.

DISCUSSION

Council resolved in 2008 to update the Subsistence and Travel (S & T) Allowance policy by agreeing on new tariffs. The S&T Policy differs from the travelling allowance that is paid to officials for using their personal vehicles to perform duties for the Municipality.

The rates that were approved in 2008 are reviewed annually and are adjusted in line with standard applicable procedures and guidelines (e.g. SARS annual guidelines applicable to S & T and MFMA Circular **97**)**.**

The rates are as follows:

DESCRIPTION	**PREVIOUS**	**NEW REVISED**
*Day Allowance : Incidental Costs	R169.00	R176.00
Overnight Allowance – own booking (D,B&B incl)	R885.00(Inclusive)	R925.00(Inclusive)
Meals:	**MFMA Circular 97**	**MFMA Circular 97**
* Breakfast	R110(Band 1)	R110(Band 1)
* Lunch	R160(Band 1, 2 & 3)	R160(Band 1, 2 & 3)
* Dinner	R180(Band 1 & 2)	R180(Band 1 & 2)
* The above rates are applicable only where accommodation is arranged by Council but meals are not provided for in the package or where employees made their own accommodation arrangements		
*Traveling outside border SA: Non adjacent Countries	Prescribed amount applicable to the relevant country(SARS guidelines, PAYE-GEN-01-G03-A02 – Subsistence Allowance – Foreign Travel)	Prescribed amount applicable to the relevant country(SARS guidelines, PAYE-GEN-01-G03-A02 – Subsistence Allowance – Foreign Travel)
Traveling outside border SA: Adjacent Countries		
*Prescribed rate per kilometer:	Tariffs for the use of Motor Transport (**Department of Transport**)	Tariffs for the use of Motor Transport (**Department of Transport**)
NB = In all instances amounts exceeding the above must be supported by proof of actual payments / documentation or else ONLY the amounts reflected above will be paid.		

***Foot Note: The items marked with an asterisk will be amended annually in terms of the SARS Guidelines as attached marked "Annexure C" and/or applicable MFMA Circulars, e.g. MFMA Circular 97**

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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 (**longer** than 6 hours away from base)	**MFMA Circular 97**	**MFMA Circular 97**
Meals:		
* Breakfast	R110(Band 1)	R110(Band 1)
* Lunch	R160(Band 1, 2 & 3)	R160(Band 1, 2 & 3)
* Dinner	R180(Band 1 & 2)	R180(Band 1 & 2)
* The above rates are applicable only where accommodation is arranged by Council but meals are not provided for in the package.		
*Prescribed rate per kilometer:	Tariffs for the use of Motor Transport (**Department of Transport**)	Tariffs for the use of Motor Transport (**Department of Transport**)
NB = In all instances amounts exceeding the above must be supported by proof of actual payments / documentation or else ONLY the amounts reflected above will be paid.		

2. Where the person travelling pays for his own costs.
In scenario 2 the person will be getting an overnight allowance only for the days away from his home base. The difference between the current and the proposed is as follows:

DESCRIPTION	PREVIOUS	NEW REVISED
Overnight Allowance – own booking (D,B&B incl)	R885.00(Inclusive)	R925.00(Inclusive)
Day away (for every day)	R169.00	R176.00
Day of return (**longer** than 6 hours away from base)	**MFMA Circular 97**	**MFMA Circular 97**
Meals:		
* Breakfast	**-**	**-**
* Lunch	**-**	**-**
* Dinner	**-**	**-**
* The above rates are applicable only where accommodation is arranged by Council but meals are not provided for in the package.		
*Prescribed rate per kilometer:	Tariffs for the use of Motor Transport (**Department of Transport**)	Tariffs for the use of Motor Transport (**Department of Transport**)
NB = In all instances amounts exceeding the above must be supported by proof of actual payments / documentation or else ONLY the amounts reflected above will be paid.		

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International Allowance

It is recommended that an all-inclusive amount per day applicable to the relevant country, be paid for meals and incidental cost allowances for visits to countries outside the Republic of South Africa as stipulated in the SARS Guide for Employers in respect of Allowances (Subsistence Allowance – Foreign Travel).

It is the responsibility of the employee to keep documentation in respect of expenditure incurred for tax purposes.

Travel Allowance

DESCRIPTION	PREVIOUS	NEW REVISED
Travel Costs	Tariffs for the use of Motor Transport (**Department of Transport**)	Tariffs for the use of Motor Transport (**Department of Transport**)
Toll Fees	Will be paid on submitting proof of payment	Will be paid on submitting proof of payment
Parking Fees	Will be paid on submitting proof of payment	Will be paid on submitting proof of payment

Comments: Chief Financial Officer

RECOMMEND

1. That Council approves the Revised Subsistence and Travelling Allowance Policy attached as Annexure "A", S & T Procedures attached as Annexure "B" and the Claim form attached as Annexure "D'.

2. That Council approves Subsistence and Travelling allowances as to be paid follows:

DESCRIPTION	PREVIOUS	NEW REVISED
*Day Allowance : Incidental Costs	R169.00	R176.00
Overnight Allowance – own booking (D,B&B incl)	R885.00(Inclusive)	R925.00(Inclusive)
Meals:	**MFMA Circular 97**	**MFMA Circular 97**
* Breakfast	R110(Band 1)	R110(Band 1)
* Lunch	R160(Band 1, 2 & 3)	R160(Band 1, 2 & 3)
* Dinner	R180(Band 1 & 2)	R180(Band 1 & 2)
* The above rates are applicable only where accommodation is arranged by Council but meals are not provided for in the package.		
*Traveling outside border SA: Non adjacent Countries	Prescribed amount applicable to the relevant country(SARS guidelines, PAYE-GEN-01-G03-A02 – Subsistence Allowance – Foreign Travel)	Prescribed amount applicable to the relevant country(SARS guidelines, PAYE-GEN-01-G03-A02 – Subsistence Allowance – Foreign Travel)
Traveling outside border SA: Adjacent Countries		
*Prescribed rate per kilometer:	Tariffs for the use of Motor Transport (**Department of Transport**)	Tariffs for the use of Motor Transport (**Department of Transport**)
NB = In all instances amounts exceeding the above must be supported by proof of actual payments / documentation or else ONLY the amounts reflected above will be paid.		

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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 (**longer** than 6 hours away from base)	**MFMA Circular 97**	**MFMA Circular 97**
Meals:		
* Breakfast	R110(Band 1)	R110(Band 1)
* Lunch	R160(Band 1, 2 & 3)	R160(Band 1, 2 & 3)
* Dinner	R180(Band 1 & 2)	R180(Band 1 & 2)
* The above rates are applicable only where accommodation is arranged by Council but meals are not provided for in the package.		
*Prescribed rate per kilometer:	Tariffs for the use of Motor Transport (**Department of Transport**)	Tariffs for the use of Motor Transport (**Department of Transport**)
NB = In all instances amounts exceeding the above must be supported by proof of actual payments / documentation or else ONLY the amounts reflected above will be paid.		

Day allowance / Overnight allowance: (Where the person travels at his/her own costs):

DESCRIPTION	PREVIOUS	NEW REVISED
Overnight Allowance - own booking(D,B&B incl)	R885.00(Inclusive)	R925.00(Inclusive)
Day away (for every day)	R169.00	R176.00
Day of return (**longer** than 6 hours away from base)	**MFMA Circular 97**	**MFMA Circular 97**
Meals:		
* Breakfast	-	-
* Lunch	-	-
* Dinner	-	-
* The above rates are applicable only where accommodation is arranged by Council but meals are not provided for in the package.		
*Prescribed rate per kilometer:	Tariffs for the use of Motor Transport (**Department of Transport**)	Tariffs for the use of Motor Transport (**Department of Transport**)
NB = In all instances amounts exceeding the above must be supported by proof of actual payments / documentation or else ONLY the amounts reflected above will be paid.		

Travel Allowance

DESCRIPTION	PREVIOUS	NEW REVISED
Travel Costs	Tariffs for the use of Motor Transport (**Department of Transport**)	Tariffs for the use of Motor Transport (**Department of Transport**)
Toll Fees	Will be paid on submitting proof of payment	Will be paid on submitting proof of payment
Parking Fees	Will be paid on submitting proof of payment	Will be paid on submitting proof of payment

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3. That all accommodation be booked in hotels or other accommodation in line with the policy.

4. That the allowances in respect of Day Allowance, Overnight Allowance – own booking, Breakfast, Lunch, Dinner, travelling inside and outside RSA borders and Prescribed rate per kilometer be amended annually in terms of the SARS Guide for employers in respect of allowances attached as Annexure "C", and/or applicable MFMA Circulars, e.g. MFMA Circular 97; the inflation rate with specific reference to Overnight allowance – own booking and Tariffs for the Use of Motor Transport (**Department of Transport**); and that the amendments be effective from 1st July of each year.

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ANNEXURE "A"

POLICY FOR TRAVELLING AND SUBSISTENCE ALLOWANCES

INDEX

CLAUSE	PAGE
1. POLICY VISION	7
2. AIM	7
3. OBJECTIVES	7
4. DEFINITIONS	7
5. DELEGATIONS	8
6. CONDITIONS AND IMPLEMENTATION	9
7. HOTEL ACCOMODATION(DOMESTIC)	11
8. FLIGHT("CLASS" CATEGORY OF FLIGHT TICKETS)	12
9. VEHICLE RENTAL	13
10. ALLOWANCES: INTERNATIONAL	14
11. FLIGHT	14
12. VEHICLE RENTAL(INTERNATIONAL)	14
13. VISAS	15
14. PAYMENT OF TRAVELLING AND SUBSITENCE ALLOWANCE TO CANDIDATES ATTENDING INTERVIEWS FOR VACANT POSITIONS AND EXTERNAL PARTICIPANTS FOR DISCIPLINARY HEARINGS	15
15. HOTEL ACCOMODATION FOR INTERVIEW CANDIDATES AND EXTERNAL PARTICIPANTS FOR DISCIPLINARY HEARINGS	15
16. PROCEDURE	15
17. RESPONSIBILITY	16
18. DEVIATIONS FROM THE POLICY	16
19. GENERAL	16
20. IMPLEMENTATION AND REVIEW OF POLICY	16

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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:

OCCASIONS:	Any occasions outside the area of jurisdiction of the Polokwane Municipality geographical area where an employee is required or expected to attend a meeting, Conference, Congress, seminar, Training course, Training program, Workshop, Discussions or any other occasion to which a person is delegated to by the Council.
WEEKENDS:	Saturdays and Sundays except when an occasion takes place on a Saturday or a Sunday in which case it shall be deemed as a weekday
BARGAINING: COUNCIL	The Bargaining Council for the Local Government undertaking
OFFICIAL:	A person appointed by the Council or duly elected and appointed Councilors.
COUNCIL:	Polokwane Municipality, its Executive Committee or any employees of the Council acting in accordance with delegated authority.
SUBSISTANCE: ALLOWANCE	An allowance as determined from time to time by the Council and which differentiates between an overnight allowance and a day allowance.
WEEKDAYS :	Mondays to Fridays as well as single days over weekends on which occasions take place.

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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.

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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.

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6.3. Subsistence allowance during weekends

6.3.1. The payment of subsistence allowance during week days is ***mutatis mutandis*** applicable to the payment of subsistence during weekends.

6.3.2. Subsistence is not payable for those weekends wherefore in terms of sub clause 6.1.5 a locomotion allowance is payable in order to enable him to visit his/her home in the duration of the occasion.

6.4. **Council has the choice between traveling costs and subsistence during weekends**.

Council reserves the right regarding the decision whether a person should be compensated for travelling costs to his/her home or subsistence costs in order to enable the person to stay over the weekend should the duration of an occasion include a weekend.

6.5. **Delegation of officials to the funeral of a deceased colleague**.

6.5.1. If an employee in the service of Council dies, a maximum of four officials can be delegated to attend the funeral in an official capacity.

6.5.2. A maximum of one night and two days be paid to the officials delegated by Council within the rules as indicated in above clauses.

6.5.3. That only one vehicle be used and that travelling allowance be paid for one vehicle only.

6.5.4. That the travelling allowance as contemplated in 6.5.3 above be calculated as determined in 5.5.

6.6. **Approval of Delegation**

6.6.1 That authority to delegate Councilors and officials to attend an occasion resides the following authority**.**

DELEGATED PERSON	**APPROVAL**
a. Executive Mayor, Chief Whip and Councilors	Speaker
b. Speaker	Executive Mayor
c. Municipal Manager	Executive Mayor
d. Directors/ CFO	Municipal Manager
e. Manager	Director/ CFO
f. Officials	SBU Manager

(The acting or delegated Municipal officer cannot sign his/ her own claim).

6.6.2. It is the responsibility of each Manager to ensure that all costs incurred because of travelling will be within the budget allocated to that Directorate.

6.6.3. Budget adjustments for over expenditure on the vote for travelling and subsistence can only be done with the approval of the Municipal Manager on recommendations of the Chief Financial Officer.

6.6.4. All travelling arrangements and payment thereof will only be done once the permission/claim is approved by the delegated approving person.

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7. HOTEL ACCOMODATION(DOMESTIC)

7.1. Actual cost limited to an amount as determined by MFMA **Circular 97** per night to cover the cost of bed and breakfast.

7.2. Polokwane Municipality to be invoiced for accommodation by travelling agency on hotel groups / guests houses, before departure.

7.3. Where a block booking is done Polokwane Municipality is to be invoiced by the coordinating organization before departure.

7.4. Alternatively, the official may prefer to stay privately, for which he can claim an amount as determined by the inflation rate on costs per night. The limited amount per night, bed and breakfast as determined by Council will apply in all other cases.

7.5. A daily allowance as determined by SARS guidelines for incidental expenses and meals as determined my MFMA Circular 97 will be paid by the Polokwane Municipality for traveling outside the area of jurisdiction. This allowance will be calculated from the date of departure up to and including the date of arrival back to Polokwane Municipality

7.6. The Accounting Officer must ensure that costs incurred for domestic accommodation and meals are in accordance with the maximum allowable rates for domestic accommodation and meals as communicated from time to time by the National Treasury though a notice.

7.7. Overnight accommodation may only be booked where the return trip exceeds 500 kilometers.

7.8. National Treasury has established maximum allowable rates for domestic accommodation. When sourcing accommodation for officials, municipalities and municipal entities should find options that are equal to or lower than the rates in Table 1, as contained in Annexure A to MFMA Circular 97, depending on the allowable star grading and the band. Competition and cost effectiveness must remain a key principle.

TABLE 1: RATES SET FOR DOMESTIC HOTEL ACCOMMODATION

Accommodation Grid			
Voucher Includes	**BAND 1**	**BAND 2**	**BAND 3**
↳	Room Only Tourism Levy VAT	Bed & Breakfast Tourism Levy VAT	Dinner, Bed and Breakfast Tourism Levy VAT 2 x soft Drink at Dinner
Graded Hotel, Boutique Hotel, Lodge or Resort			
	BAND 1	**BAND 2**	**BAND 3**
1 Star	R590	R730	R855
2 Star	R920	R1 050	R1 230
3 Star	R1,120	R1,230	R1,400
4 Star	R1,275	R1,380	R1,550
5 Star	R2,140	R2,250	R2,500

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Bed & Breakfast, Country House or Guest house			
	BAND 1	**BAND 2**	**BAND 3**
1 Star 2 Star 3 Star 4 Star 5 Star	R 350 R 510 R 920 R 1020 R 1225	R495.00 R670.00 R1080.00 R1180.00 R1385.00	R630.00 R830.00 R1230.00 R1330.00 R1530.00
Self-Catering*			
	BAND 1	**BAND 2**	**BAND 3**
1 Star 2 Star 3 Star 4 Star 5 Star	R 590 R 920 R 1 120 R 1 275 R 1 475		
Meals**			
	BAND 1	**BAND 2**	**BAND 3**
Breakfast Lunch Dinner	R110 R160 R180	- R160 R180	- R160 -
Total	**R450**	**R340**	**R160**

Accommodation costs are assumed to be inclusive of Parking and WI-FI (if available), and exclusive of Laundry Expenses.
**Including Exclusive and Shared Facilities. Exclusive facilities offer travellers a sole occupancy unit consisting of one or more bedrooms and self-contained public areas e.g. kitchen, dining area and lounge.*
Shared Facilities consisting of one or more bedrooms and self-contained shared public areas e.g. kitchen, dining area and lounge.
***Maximum amounts that can be claimed for meals. The claim for the actual amounts must be supported by a receipt.*

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:

a. The higher star graded facility is the only available option due to location and availability; or
b. The municipality has negotiated lower rates with the higher star graded facility.

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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.

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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.

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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.

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17. RESPONSIBILITY

It is the responsibility of Directors/SBU Managers to ensure that Council's Policy with regard to accommodation and subsistence allowance is adhered to and that it shall at all times be scientifically funded and that all statutory provisions be adhered to.

It is the responsibility of each individual to inform the CFO if an occasion was cancelled and to repay any monies received in advance within two days of becoming aware.

18. DEVIATIONS FROM THE POLICY

18.1. Specific circumstances necessitate deviations from the approved policy. These relate to:
- No time for prior travel booking through travel agencies.
- Where accommodation cannot be arranged within the cost limit as stipulated in the policy.
- Vehicles as stipulated not available.

18.2. In order to manage the travel and subsistence policy it is of most importance that any deviation be limited to exceptional circumstances. Should there be any deviations from the Subsistence and Travelling Allowance Policy it is recommended that prior written approval have to be granted as follows:
- Officials by the Director/ CFO and Municipal Manager
- Municipal Manager by the Executive Mayor
- Councilors and Members of the Mayoral Committee by the Executive Mayor
- Executive Mayor by the Speaker.

Any deviation from the Subsistence and Travelling Allowance Policy should be submitted to Municipal Manager for consideration and approval prior to any visit.

19. GENERAL

- Any travel arrangements should only be made after approval in terms of the approved set of delegations.
- Travel arrangements should be made timely in order to ensure that the maximum discount is received thereby minimizing the cost to the municipality.
- Prescribed rates per kilometer will be amended in line with Tariffs for the use of Motor Transport (Department of Transport).

20. IMPLEMENTATION AND REVIEW OF POLICY

- This policy shall be implemented on 1st July 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.

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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:

Meal Type:	Time:
Breakfast	06h00 to 11h00
Lunch	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.

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SUPPLY CHAIN

MANAGEMENT POLICY

2026/2027

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.

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

TABLE OF CONTENTS

1.	**Definitions**	**7**
	CHAPTER 1:	
	ESTABLISHMENT AND IMPLEMENTATION OF SUPPLY CHAIN MANAGEMENT POLICY	
2.	**Supply chain management policy**	**13**
3.	**Adoption and amendment of supply chain management policy**	**14**
4.	**Delegation of supply chain management powers and duties**	**15**
5.	**Sub-delegations**	**15**
6.	**Oversight role of council**	**16**
7.	**Supply chain management units**	**17**
8.	**Training of supply chain management officials**	**17**
	CHAPTER 2:	
	FRAMEWORK FOR SUPPLY CHAIN MANAGEMENT POLICY	
9.	**Format of supply chain management policy**	**17**
	Part 1: Demand management	
10.	**System of demand management**	**17**
	Part 2: Acquisition management	
11.	**System of acquisition management**	**18**
12.	**Range of procurement processes**	**18**
13.	**General preconditions for consideration of written quotations or bids**	**19**
14.	**Lists of accredited prospective providers**	**20**
15.	**Petty cash purchases**	**20**
16.	**Written quotations**	**21**
17.	**Formal Written quotations**	**22**
18.	**Procedures for procuring goods or services through formal written Price quotations**	**22**
19.	**Competitive bidding process**	**23**
20.	**Process for competitive bidding**	**23**

21.	**Bid documentation for competitive bids**	**24**
22.	**Public invitation for competitive bids**	**26**
23.	**Procedure for handling, opening and recording of bids**	**27**
24.	**Negotiations with preferred bidders and communication with prospective providers and bidders**	**29**
25.	**Two-stage bidding process**	**30**
26.	**Committee system for competitive bids**	**30**
27.	**Bid specification committees**	**31**
28.	**Bid evaluation committees**	**31**
29.	**Bid adjudication committees**	**32**
30.	**Procurement of banking services**	**34**
31.	**Procurement of Information- and Communication Technology (ICT) related goods or services**	**35**
32.	**Procurement of goods and services under contracts secured by other organs of state**	**35**
33.	**Procurement of goods necessitating special safety arrangements**	**36**
34.	**Proudly SA Campaign**	**36**
35.	**Appointment of consultants**	**36**
36.	**Deviation from, and ratification of minor breaches of, procurement processes**	**36**
37.	**Unsolicited bids**	**38**
38.	**Combating of abuse of supply chain management system**	**39**

Part 3:

Logistics, Disposal, Risk and Performance Management

39.	**Logistics management**	**41**
40.	**Disposal management**	**41**
41.	**Risk management**	**41**
42.	**Performance management**	**42**

Part 4:

Other matters

43.	**Prohibition on awards to persons whose tax matters are not in order**	**42**
44.	**Prohibition on awards to persons in the service of the state**	**42**
45.	**Awards to close family members of persons in the service of the State**	**42**
46.	**Ethical standards**	**42**
47.	**Inducements, rewards, gifts and favours**	**44**
48.	**Sponsorships**	**44**
49.	**Objections and complaints**	**44**
50.	**Resolution of disputes, objections, complaints and queries**	**45**
51.	**Contracts providing for compensation based on turnover**	**45**
52.	**Payment of sub-contractors / JV Partners**	**46**
53.	**Extending and varying a contract**	**46**
54.	**Contracts having budgetary implications beyond three financial years**	**46**
55.	**Short title and commencement**	**46**

Part 5: Annexures

ANNEXURE A -	General Principles Governing the Municipality in its Interaction with Bidders
ANNEXURE B -	Criteria to Evaluate Technical and Financial Ability
ANNEXURE C -	The Code of Conduct for Supply Chain Management Practitioners and Other Role Players
ANNEXURE D -	Delegations

1. Definitions

In this Policy, unless the context otherwise indicates, a word or expression to which a meaning has been assigned in the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003) has the same meaning as in the Act, and –

Accounting Officer	means a person appointed by the Municipality in terms of Section 82 of the Local Government: Municipal Structures Act. 1998 (Act No. 117 of 1998) and who is the head of administration and also the Municipal Manager for the Municipality.
Act" or "MFMA	means the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003);
Days	means any day of the week except Saturday, Sunday and public holidays as determined in the Public Holidays Act, 1994 (Act No. 36 of 1994)
CFO	means Chief Financial Officer of the Municipality.
CIDB	means Construction Industry Development Board.
Close Family Member	means (a) Spouse or partner (b) Parent (c) Children
Closing Date	means the time and day specified in the bid documents and/or advertisement for the receipt of bids.
Competitive Bidding Process	means a competitive bidding process referred to in clause 12 (1) (f) of this Policy.
Competitive Bid	means A bid in terms of a competitive bidding process.
Contract	means the agreement that results from the acceptance of a bid by the Municipality.
Disability	means 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.
Delegation	means in relation to a duty, includes an instruction or a request to perform or assist in performing the duty.
Emergency	means an unforeseeable and sudden event with harmful or potentially harmful consequences for the municipality which requires urgent action.

Emerging Enterprise	means an enterprise owned, managed, and controlled by previously disadvantaged persons overcoming business impediments arising from apartheid.
Final Award	means the final decision on which bid or quote to accept.
Financial Interest	means where a municipal staff member is a close family member of a person who is the owner, partner, shareholder, member, manager, or board director of a tendering enterprise.
Formal Written Price Quotation	means quotations referred to in clause 12 (1) (d) & (e) of this Policy.
Highest Acceptable Tender	means a tender submission that meets all requirements and evaluation criteria while offering the highest price in a procurement process.
Historically Disadvantaged Individual (HDI)	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.
IDP	means Integrated Development Plan.
In the Service of the State	means to be – a) a member of – i) any municipal council; ii) any provincial legislature; or iii) the National Assembly or the National Council of Provinces; b) a member of the board of directors of any municipal entity; c) an official of any municipality or municipal entity; d) an official of any national or provincial department, national or provincial public entity or institution within the meaning of the Public Finance Management Act, 1999 (Act No.1 of 1999); e) a member of the accounting authority of any national or provincial public entity; or f) an employee of Parliament or a provincial legislature;
Long-Term Contract	means a contract with a duration exceeding three years.
Lowest Acceptable Tender	means a tender that complies with all specifications and conditions and has the lowest price compared to other tenders.
List of Accredited Prospective Providers	means the list of accredited prospective providers which the Polokwane Municipality must keep in terms of clause 14 of this policy.

Micro-Enterprise	means a very small business, often involving only the owner, some family members and at the most one or two paid employees. They usually lack `formality` in terms of business 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.
Other Applicable Legislation	means any other legislation applicable to municipal supply chain management, including – a) the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000); b) the Broad-Based Black Economic Empowerment Act, 2003 (Act No. 53 of 2003); c) the Construction Industry Development Board Act, 2000 (Act No.38 of 2000); d) the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003); e) the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000); f) the Local Government: Municipal Structures Act, 1998 (Act No. 117 of 1998); g) the Prevention and Combating of Corrupt Activities Act, 2000 (Act No. 12 of 2004); h) the Local Government: Municipal Finance Management Act, 2003 (Act No. 56 of 2003): Municipal Supply Chain Management Regulations; i) the Preferential Procurement Regulations, 2022.
Policy	means the Supply Chain Management Policy of the Polokwane Municipality.
Quotation	means a formal statement provided by the supplier that includes the price and details of goods or services they offer..

Regulations	means the Local Government: Municipal Finance Management Act, 2003, Municipal Supply Chain Management Regulations published by Government Notice 868 of 30 May 2005.
SDBIP	means Service Delivery and Budget Implementation Plan.
Single Provider	means a sole supplier, meaning the only provider of certain goods or services in South Africa, with no competition.
Specific goals	Means specific goals as contemplated in section 2(1)(d) of the preferential procurement 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
Tender for income-generating contracts	Means a written offer in the form determined by an organ of state in response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of state and a third party that produces revenue for the organ of state, and includes, but is not limited to, leasing and disposal of assets and concession contracts, excluding direct sales and disposal of assets through public auctions
practitioners"	Include the Chief Financial Officer, Deputy Chief Financial Officer, the Supply Chain Manager, and SCM practitioners
"survivalist enterprise"	means a business set up by people unable to find a paid job or get into an economic sector of their choice. Income generated from these activities usually falls far short of even a minimum income standard, with little capital invested, virtually no skills training in the particular field and only limited opportunities for growth into a viable business. This category is characterized by poverty and the attempt to survive.

"tender"	means a competitive bidding process used by a municipality or public entity to procure goods, services, or infrastructure above a specified monetary threshold";
"tender box"	means the specified tender box at the offices of Polokwane Municipality.
"Treasury guidelines"	means any guidelines on supply chain management Issued by the Minister in terms of section 168 of the Act,
"validity period"	means the period for which a bid is to remain valid and binding as stipulated in the relevant tender document.
"written quotations"	means quotations referred to in clause 12(1)(c) of this Policy.

1.1. Words importing the singular shall include the plural and *vice versa* and words importing the masculine gender shall include females and words importing persons shall include companies, closed corporations, and firms, unless the context 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);

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 the Council that differ 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 that 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. 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

6. 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.

7. 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

8. Format of the 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

9. 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

10. 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.

11. 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 more than 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 right to appoint a panel of Service Providers or Contractors for a period not more than 36 months and allocation of work must be done in line with the procedure manual for allocation of work to panellists.

12. 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 member or trustees of the tendering enterprise.

13. 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.

14. 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.

15. Formal 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 as part of deviations;
   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.

16. 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 service providers for the above shall be annually advertised.
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 for R2 000 up to R30 000 above R30 000.

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, the Project Manager and the Secretary**. The Quotations Evaluation Committee must make a recommendation to the Deputy Chief Financial Officer or delegated official for approval.

17. 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

18. 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.

19. Bid documentation for competitive bids

1) The criteria to which bid documentation for a competitive bidding process must comply, and ;

a) consider –

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, 2022and 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. Joint Building Contracts Committee 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 18, 2017 (Act No. 18 of 2017). 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 and 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.

20. 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.

21. 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 reserves the right to extend the validity period through notice to all the bidders who tendered for the relevant project, provided that the notice is made on or before the expiry of the validity period.

22. 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 the sale of land/goods.

e) Hourly rates based project must be agreed upon by the relevant project owner as required, after the BAC has mandated the relevant project owner in writing and the hours must be within budget over the 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:-

i) explaining and verifying declarations made in the bid response;

ii) confirming technical particulars and 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.

23. 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.

24. 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.

25. 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.

26. 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) of this policy;

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.

27. 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 on 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 by the Manager; 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."*

28. 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).

29. 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.

30. 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.

4) MFMA Circular 96 ensures the use of contracts awarded by other organs of state under SCM Regulation 32 without conducting their own tender.

31. 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).

32. 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.

33. 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**.**

34. 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) <u>Circumstances that warrant emergency dispensation, includes but are not limited to -</u>
            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 delegate 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 Department of Trade and Industry;

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.)

35. 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

36. 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

37. 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; and7) monitoring and review of the supply vendor performance to ensure compliance with specifications and contract conditions for particular goods or services.

38. Disposal management

Assets must be disposed of in terms of Council's Asset Management Policy as well as the Immoveable Property Management Policy.

39. 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.

40. 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

41. 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.

42. 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.

43. 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.

44. 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.

45. 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.

46. 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.

47. 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.

48. 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.

49. 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.

50. 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;

51. 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.

52. 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.

53. 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.

54. Short title and commencement

This part of the policy is called the Polokwane Municipality **Supply Chain Management Policy.**

POLOKWANE

MUNICIPALITY

SUPPLY CHAIN MANAGEMENT POLICY

PART B

PREFERENTIAL PROCUREMENT POLICY

PART B

PREFERENTIAL PROCUREMENT POLICY adopted in terms of Section 2 of the Preferential Procurement Policy Framework Act, No. 5 of 2000 and the Preferential Procurement Regulations, 2022.

PREAMBLE

WHEREAS the Polokwane Municipality aims to improve the quality of life of the local community and to free the potential of each person within a framework of facilitating service delivery, through effective governance and the Council takes into account the need for transparent procedures that give the effect to the principle of preferential procurement;

AND WHEREAS local economic development plays a crucial role in creating a prosperous, equitable, stable and democratic society and the overall national vision of economic development is one of decent work and living standards for all in the context of qualitative improved equality in ownership, skills and access to opportunities;

NOW THEREFORE the Council of the Polokwane Municipality resolves in terms of section 2 of the Preferential Procurement Policy Framework Act, No. 5 of 2000 that the principles embodied in the Preferential Procurement Regulations, 2022 are herewith integrated into the Polokwane Municipality's Supply Chain Management Policy to form the basis of the evaluation criteria for quotations and competitive bids.

POLOKWANE MUNICIPALITY

SUPPLY CHAIN MANAGEMENT POLICY – PART B

TABLE OF CONTENTS

PART ONE

DEFINITIONS, APPLICATION, OBJECTIVES AND GENERAL REQUIREMENTS

1.	**Definitions**	**51-55**
2.	**Application, Objectives & General Requirements**	**56**

PART TWO

PLANNING AND STIPULATION OF PREFERENCE POINT SYSTEM TO BE UTILIZED, EVALUATION OF BIDS ON FUNCTIONALITY, PREFERENCE POINT SYSTEM AND SPECIFIC GOALS, AWARD OF CONTRACTS TO TENDERERS 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**	**57**
4.	**Evaluation of bids based on functionality**	**57**
5.	**The 80/20 preference point system for the acquisition of goods, works and / or services up to a Rand value of R50 million**	**58**
6.	**The 90/10 preference point system for the acquisition of goods, works and / or services with a Rand value above R50 million**	**58-59**
7.	**The 80/20 preference points system for tenders for income-generating contracts**	
8.	**with Rand value equal to or below R50 million**	**59**
9.	**The 90/10 preference points system for tenders for income-generating contracts with Rand value equal to or above R50 million**	**59-60**
10.	**Award of contracts to bids not scoring the highest number of points**	**61**
11.	**Criteria for breaking deadlock in scoring**	**61**
12.	**Cancellation and re-invitation of bids**	**61-62**

PART THREE

LOCAL PRODUCTION AND CONTENT, SPECIFIC GOALS, CONDITIONS, DECLARATIONS, REMEDIES, TAX CLEARANCE, MECHANISMS TO SUPPORT PREFERENTIAL PROCUREMENT AND SHORT TITLE

12.	**Local Production and Content**	**63**
13.	**Conditions**	**63**
14.	**Declarations**	**64-65**

15.	**Remedies**	**65**
16.	**Tax Clearance**	**65**
17.	**Mechanisms to support preferential procurement**	**65-67**
18.	**Short title**	**67**

DEFINITIONS AND APPLICATION

1 Definitions

In this policy, unless the context indicates otherwise, a word or expression to which a meaning has been assigned in the Act bears the same meaning, and:

"Act"	means the Preferential Procurement Policy Framework Act, 2000 (Act No. 5 of 2000);
"all applicable taxes"	includes Value-Added Tax, Pay-as-you-Earn, Income Tax, Unemployment Insurance Fund Contributions and Skills Development Levies;
"B-BBEE"	means Broad-Based Black Economic Empowerment as defined in Section 1 of the Broad-Based Black Economic Empowerment Act;
"Broad-Based Black Economic Empowerment Act" (B-BBEEA)	means the Broad-Based Black Economic Empowerment Act, 2003 (Act No.53 of 2003);
"Comparative price"	means the price after the factors of a non-firm price and all unconditional discounts that can be utilised have been taken into consideration;
"Consortium or Joint Venture"	means an association of persons for the purpose of combining their expertise, property, capital, efforts, skill and knowledge in an activity for the execution of a contract;
"Contract"	means the agreement that results from the acceptance of a bid by the Polokwane Municipality;

POLOKWANE MUNICIPALITY
SUPPLY CHAIN MANAGEMENT POLICY – PART B

“designated sector”	means a sector, sub-sector or industry that has been designated by the Department of Trade and Industry in line with national development and industrial policies for local production, where only locally produced services, works or goods or locally manufactured goods meet the stipulated minimum threshold for local production and content;
"Firm price"	is the price that is only subject to adjustments in accordance with the actual increase or decrease resulting from the change, imposition, or abolition of customs or excise duty and any other duty, levy, or tax, which, in terms of a law or regulation, is binding on the contractor and demonstrably has an influence on the price of any supplies, or the rendering costs of any service, for the execution of the contract;
"Functionality"	means the measurement according to predetermined norms, as set out in the tender documents, of a service or commodity that is designed to be practical and useful, working or operating, taking into account, among other factors, the quality, reliability, viability and durability of a service and the technical capacity and ability of a tenderer;
“imported content”	means that portion of the tender price represented by the cost of components, parts or materials which have been or are still to be imported (whether by the supplier or its subcontractors) and which costs are inclusive of the costs abroad, plus freight and direct importation costs, such as landing costs, dock dues, import duty,

	sales duty or other similar tax or duty at the South African port of entry;
“local content”	means that portion of the tender price which is not included in the imported content, provided that local manufacture does take place;
“*Micro-Enterprise*”	means a very small business, often involving only the owner, some family members and at the most one or two paid employees. They usually lack `formality` in terms of business

	licences, value-added tax (VAT) registration, formal business premises, operating permits, operating permits and accounting procedures. Most of them have a limited capital base and only rudimentary technical or business skills among their operators. However, many micro-enterprises advance into viable small businesses. Earning levels of microenterprises differ widely, depending on the particular sector, the growth phase of the business and access to relevant support.
"Non-firm prices"	means all prices other than "firm" prices;
"Person"	includes reference to a juristic person;
"Rand value"	means the total estimated value of a contract in South African currency, calculated at the time of bid invitations and includes all applicable taxes and excise duties;
"stipulated minimum threshold"	means that portion of local production **and content** as determined by the Department of Trade and Industry;
"Sub-Contract"	means the primary contractor's assigning or leasing or making out work to, or employing, another person to support such primary contractor in the execution of part of a project in terms of the contract;
"*Survivalist Enterprise*"	means a business set up by people unable to find a paid job or get into an economic sector of their choice. Income generated from these activities usually falls far short of even a minimum income standard, with little

capital invested, virtually no skills training in the particular field and only limited opportunities for growth into a viable business. This category is characterised by poverty and the attempt to survive.

"Tender" means a written offer in a prescribed or stipulated form in response to an invitation by the Polokwane Municipality for the provision of services, works or goods, through price quotations, advertised competitive bidding processes or proposals;

"Total revenue" bears the same meaning assigned to this expression as in the Codes of Good Practice on Black Economic Empowerment, issued in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act, 2003 and promulgated in the Government Gazette on 9 February 2007;

"Trust" means the arrangement through which the property of one person is made over or bequeathed to a trustee to administer such property for the benefit of another person; and

"Trustee" means any person, including the founder of a trust, to whom property is bequeathed in order for such property to be administered for the benefit of another person.

"Specific goals" means specific goals as contemplated in section 2(1)(d) of the Act which may include contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender and disability including the implementation of programmes of the Reconstruction and Development Programme as published in Government Gazette No. 16085 dated 23 November 1994.

"tender: for income-generating: means that a written offer in the form determined by an organ of the State.

Contracts response to an invitation for the origination of income-generating contracts through any method envisaged in legislation that will result in a legal agreement between the organ of the State and a third party that produces revenue for the organ of the State and includes, but is not limited to, leasing and disposal of the assets and concession contracts, excluding direct sales and disposal of

assets through public auctions.

POLOKWANE MUNICIPALITY

SUPPLY CHAIN MANAGEMENT POLICY – PART B

2 Application, Objectives & General Requirements

2.1 Application

The Polokwane Municipality must, unless the Minister of Finance has directed otherwise, only apply a preferential procurement system which is in accordance with the Regulations.

2.2 Objectives

The objectives of Councils' policy are to:

1) Provide clarity on the municipality's approach to procurement, particularly with regards to requirements of preferential procurement;
2) Provide access to contracts for historical disadvantaged individuals;
3) Promote participation by SMMEs as amended from time to time;
4) Promote capacity development and skills transfer;
5) Promote Local Economic Development.

2.3 General requirements

1) Any specific goal required for consideration in the bidding process must be clearly determined by the Bid Specification Committee and be defined in the bid documentation, taking into account prescriptions of the Construction Industry Development Board [CIDB] in respect of construction related contracts.
2) Outputs required will be quantified and will form part of the contractual arrangement upon awarding of the contract.

PREFERENCE POINT SYSTEM AND SPECIFIC GOALS, EVALUATION OF BIDS ON FUNCTIONALITY, AWARD OF CONTRACTS TO BIDDERS NOT SCORING THE HIGHEST NUMBER OF POINTS AND THE CANCELLATION AND RE-INVITATION OF BIDS

3 Planning and stipulation of preference point system to be utilized

1) The Polokwane Municipality must, prior to making an invitation for bids -
   a) properly plan for, and, as far as possible, accurately estimate the costs of the provision of services, works or goods for which an invitation for bids is to be made; and
   b) determine and stipulate the appropriate preference point system and specific goals to be utilized in the evaluation and adjudication of the bids.
   c) determine whether the services, works or goods for which an invitation is to be made has been designated for local production and content in terms of Clause 9.

3. Specific Goals

Identification of specific goal

Specific goals means specific goals as contemplated in section 2(1)(d) of the Act which may include contracting with persons, or categories of persons, historically disadvantaged by unfair discrimination on the basis of race, gender and disability including the implementation of programmes of the Reconstruction and Development Programme as published in Government Gazette No. 16085 dated 23 November 1994

Preference points for specific goals as follow:

A maximum of 20 points may be awarded to a tender for the specific goal for the tender.

Specific goal specified for the tender for preference point system and attachment.

80/20

Preference points for specific goals	**Means of verification**	**Number of Points**
Black	Identification document	5
Woman	Identification document	5

People with disability	Medical report indicating disability	4
Youth	Identification document	4
Locality	Proof of Residence	2

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	3
Woman	Identification document	3
People with disability	Medical report indicating disability	2
Youth	Identification document	1
Locality	Proof of Residence	1

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.

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):

$$Ps = 80 \left(1 - \frac{Pt - Pmin}{Pmin}\right)$$

Where

Ps = Points scored for comparative price of bid / offer under consideration

Pt = Comparative price of bid / offer under consideration

Pmin = 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.

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

$$Ps = 90\left(1 + \frac{Pt - Pmax}{Pmax}\right)$$

Ps = Points scored for price of tender under consideration;

Pt = Price of tender under consideration; and

Pmax = Price of highest acceptable tender.

(2) A maximum of 10 points may be awarded to a tenderer for the specific goal specified for the tender.

(3) The points scored for the specific goal must be added to the points scored for price and the total must be rounded off to the nearest two decimal places.

(4) Subject to section 2(1)(f) of the Act, the contract must be awarded to the tenderer scoring the highest points

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

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.

15. Remedies

1) If Polokwane Municipality is of the view that a tenderer submitted false information regarding a specific goal, it will: -

(a) inform the tenderer accordingly; and

(b) give the tenderer an opportunity to make representations within 14 days as to why the tender may not be disqualified or, if the tender has already been awarded to the tenderer, the contract should not be terminated in whole or in part.

(2) After considering the representations referred to in subregulation (1)(b), the organ of state may, if it concludes that such information is false—

(a) disqualify the tenderer or terminate the contract in whole or in part; and

(b) if applicable, claim damages from the tenderer.

(c) restrict the tenderer or contractor, its shareholders and directors, or only the shareholders and directors who acted on a fraudulent basis, from obtaining business from any organ of state for a period not exceeding 10 years, after the *audi alteram partem* (hear the other side) rule has been applied; and

(d) forward the matter for criminal prosecution.

16. Tax clearance

No tender may be awarded to any person whose tax matters have not been declared by the South African Revenue Services to be in order.

17. Mechanisms to support preferential procurement

1) Determination of bid requirements in relation to bid value

The municipality will set targets for the supply of goods and services, and link specific requirements relating to enterprise with HDI ownership and/or SMME status.

2) Establishment/maintain a database of SMME service providers

The municipality will establish a database of HDI, SMME and other service providers in order to track their records of services to the municipality.

3) Creation of an enabling environment

The municipality will create an enabling environment to enable SMMEs to become part of the supply chain management process. Steps to be taken include, but are not limited to:

a) Surety Requirements

See the SCM Policy, clause 21(1)(f) regarding the lesser extent that sureties are called for.

b) Access to Bidding Information

Bidding and related information will, where possible and practical, be made available in a simplified and uncomplicated format to assist new and emerging enterprises and any business or organisation bidding for municipal business.

c) Bidding Advice Centre

Assistance will, where practically possible, be provided by the SCM Unit to increase SMME awareness and share in the supply chain and procurement process.

d) Proposed Process

i) Bids shall be packaged into suitably sized segments of subcontractors to target SMMEs wherever possible.

ii) A review of all term (period) contracts shall be undertaken to assess the viability of packaging these into smaller sub-contracts. These bids should be issued in smaller manageable sub-contracts so that preference can be given to local SMMEs.

iii) Appropriate standards, specifications, delivery dates and related contractual obligations shall be employed to help smaller businesses to cope and compete.

e) Standard payment terms

i) All money owed by the municipality must be paid within 30 days of receiving the relevant invoice or statement, unless prescribed otherwise for certain categories of expenditure.

f) Simplification of Tender Documentation

i) Bid submission documents will be rationalised and simplified to make it easier for small businesses to deal with the paperwork involved in tendering.

ii) All bid submission forms shall be regularly reviewed and the various bid/contractual documents shall be standardised as far as possible.

iii) Essential information shall be consolidated and bid forms reformatted in line with the aims of this policy.

h) Retention

i) Retention on Major contracts should be limited to 5% of the tender sum.

Where the value of the surety required has been reduced, or even waived, the usual 10% retention shall apply. The value of retention deducted will therefore be as follows:

a) **Micro and Minor:** 10% of the value of work carried out with no limit, reducing to 5% for the duration of the maintenance period.

b) **Major:** 10% of the value of the work carried out, up to a limit of 5% of the tender sum, with no reduction for the duration of the maintenance period.

ii) Retention in respect of the procurement of goods and services will not generally be called for, but where required, will be in accordance with the limits described above.

iii) For turnkey/design and construction projects, the above retention limits may be reviewed by the Municipality's Director: Infrastructure and Planning.

i) Bid Advertising

In order to reach the largest number of HDI owned and SMME service providers possible, the Municipality will advertise invitations to bid through a range of media.

a) The Municipality will provide an appropriate time period within which bidders can request additional clarification and will be sensitive to the issues of language in this regard.

18. SHORT TITLE

This part of the policy is called the Preferential Procurement Policy of the Polokwane Municipality.

POLOKWANE MUNICIPALITY
SUPPLY CHAIN MANAGEMENT POLICY – PART B

GENERAL PRINCIPLES GOVERNING THE MUNICIPALITY IN ITS INTERACTION WITH BIDDERS

In dealing with bidders bidding for municipal work, the municipality will adhere to the basic principles of:

1 Efficiency

a) The municipal officials must administer the procurement process in the most efficient manner possible, avoiding time delays and duplication of activities.

b) Where such delays are unavoidable, the municipal officials must inform all bidders of the nature of the delay and the revised time frames.

2 Courtesy

All staff members of the Municipality will deal with bidders in a courteous and respectful manner.

3 Transparency

a) All bid processes will be open to the legal scrutiny of the public and interested parties.

b) The Municipality will take all reasonable steps to ensure that the processes are clearly defined and understandable to all interested parties.

4 Access to information

The Municipality will take reasonable steps to ensure that all bidders have equal access to information on the goods or services to be bid for, as well as the bid process itself.

5 Fair distribution of work

The Municipality will take reasonable steps to make sure that the procurement of goods or services is fairly distributed amongst the service providers in the event of equality of bids. This will be done to avoid the excessive procurement of goods or services from one provider/supplier only.

6 Competition

The municipality will encourage fair competition between suppliers that provide goods and services to it.

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

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.

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;

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.

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.

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

Contents

Scop
e
Terms, definitions and abbreviations
2.1 Terms and definitions
2.2 Abbreviations
General requirements
3.1 Delegations
Implementation of the Standard for Infrastructure Procurement and Delivery
3.2 Management
3.3 Supervision of the infrastructure delivery management unit
3.4 Objections and complaints
3.5 Resolution of disputes, objections, complaints and queries
Control framework for infrastructure delivery management
Assignment of responsibilities for approving or accepting end of stage
4.1 deliverables
4.2 Additional gates
4.3 Additional requirements
4.4 Gateway reviews
4.4.1 Gateway reviews for major capital projects above a threshold
4.4.2 Elective gateway reviews
Control framework for infrastructure procurement
Infrastructure delivery management requirements
6.1 Institutional arrangements
6.1.1 Committee system for procurement
6.1.2 Actions of an authorised person relating to the award of a contract or an order
6.1.3 Conduct of those engaged in infrastructure delivery
6.1.4 Measures to prevent abuse of the infrastructure delivery system
6.1.5 Awards to persons in the service of the state
6.1.6 Collusive tendering
6.1.7 Placing of contractors under restrictions
6.1.8 Complaints
.2 Acquisition management
6.2.1 Unsolicited proposal
6.2.2 Tax and rates compliance
6.2.3 Declarations of interest
6.2.4 Invitations to submit expressions of interest or tender offers
6.2.5 Publication of submissions received and the award of contracts
6.2.6 Disposal committee
6.3 Reporting of infrastructure delivery management information
Infrastructure procurement
7.1 Usage of procurement procedures
7.2 Procurement documents

7

7.3 Developmental procurement policy
7.4 Payment of contractors
7.5 Approval to utilise specific procurement procedures
7.6 Receipt and safeguarding of submissions
7.7 Opening of submissions
7.8 Use of another organ of state's framework agreement
7.9 Insurances
7.9.1 Contractors shall be required to take out all insurances required in terms of the contract.
7.10 Written reasons for actions taken
7.11 Request for access to information

1 Scope

This policy establishes the Polokwane Municipality's policy for infrastructure procurement and delivery management in accordance with the provisions of the regulatory frameworks for procurement and supply chain management. It includes the procurement of goods and services necessary for a new facility to be occupied and used as a functional entity but excludes:

a) the storage of goods and equipment following their delivery to Polokwane Municipality which are stored and issued to contractors or to employees;

b) the disposal or letting of land;

c) the conclusion of any form of land availability agreement;

d) the leasing or rental of moveable assets; and

e) Public private partnerships.

2 Terms, definitions and abbreviations

2.1 Terms and definitions

For the purposes of this document, the definitions and terms given in the standard and the following apply:

Agent: person or organization that is not an employee of Polokwane that acts on the Polokwane's behalf in the application of this document

Authorised person: the municipal manager or chief executive or the appropriately delegated authority to award, cancel, amend, extend or transfer a contract or order

Conflict of interest: any situation in which:

a) someone in a position of trust has competing professional or personal interests which make it difficult for him to fulfil his duties impartially,

b) an individual or organization is in a position to exploit a professional or official capacity in some way for his personal or for corporate benefit, or

c) incompatibility or contradictory interests exist between an employee and the organization which employs that employee

Contract manager: person responsible for administering a package on behalf of the employer and performing duties relating to the overall management of such contract from the implementer's point of view

family member: a person's spouse, whether in a marriage or in a customary union according to indigenous law, domestic partner in a civil union, or child, parent, brother, sister, whether such a relationship results from birth, marriage or adoption

Framework agreement: an agreement between an organ of state and one or more contractors, the purpose of which is to establish the terms governing orders to be awarded during a given period, in particular with regard to price and, where appropriate, the quantity envisaged

Gate: a control point at the end of a process where a decision is required before proceeding to the next process or activity

Gateway review: an independent review of the available information at a gate upon which a decision to proceed or not to the next process is based
Gratification: an inducement to perform an improper act

Infrastructure delivery: the combination of all planning, technical, administrative and managerial actions associated with the construction, supply, renovation, rehabilitation, alteration, maintenance, operation or disposal of infrastructure

Infrastructure procurement: the procurement of goods or services including any combination thereof associated with the acquisition, renovation, rehabilitation, alteration, maintenance, operation or disposal of infrastructure

Maintenance: the combination of all technical and associated administrative actions during an item's service life to retain it in a state in which it can satisfactorily perform its required function

Operation: combination of all technical, administrative and managerial actions, other than maintenance actions, that results in the item being in use

Order: an instruction to provide goods, services or any combination thereof under a framework agreement

Organ of state: an organ of state as defined in section 239 of the Constitution of the Republic of South Africa

Procurement document: documentation used to initiate or conclude (or both) a contract or the issuing of an order

principal: a natural person who is a partner in a partnership, a sole proprietor, a director a company established in terms of the Companies Act of 2008 (Act No. 71 of 2008) or a member of a close corporation registered in terms of the Close Corporation Act, 1984, (Act No. 69 of 1984)

Standard: the latest edition of the Standard for Infrastructure Procurement and Delivery Management as published by National Treasury

Working day: any day of a week on which is not a Sunday, Saturday or public holiday

2.2 Abbreviations

For the purposes of this document, the following abbreviations apply

CIDB: Construction Industry Development Board

SARS: South African Revenue Services

3 General requirements

3.1 Delegations

3.1.1 The **Council** of **Polokwane** hereby delegates all powers and duties to the Municipal Manager which are necessary to enable the Municipal Manager to:

a) Discharge the supply chain management responsibilities conferred on accounting officers in terms of Chapter 8 or 10 of the Local Government Municipal Finance Management Act of 2003 and this document;

b) Maximise administrative and operational efficiency in the implementation of this document;

c) Enforce reasonable cost-effective measures for the prevention of fraud, corruption, favouritism and unfair and irregular practices in the implementation of this document and;

d) Comply with his or her responsibilities in terms of section 115 and other applicable provisions of the Local Government Municipal Finance Management Act of 2003 Act.

1.1.2 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 if the National Treasury Standard for Infrastructure Procurement and Delivery Management.[5]

3.2.2 Pre-feasibility and feasibility reports are required on 15 June 2016

3.3 Supervision of the infrastructure delivery management unit

The Infrastructure Delivery Management Unit shall be directly supervised by the Chief Financial Officer.

3.4 Objections and complaints

Persons aggrieved by decisions or actions taken in the implementation of this policy, may lodge within 14 days of the decision or action, a written objection or complaint against the decision or action.

3.5 Resolution of disputes, objections, complaints and queries

3.5.1 The **Municipal Manager** shall appoint an independent and impartial person, not directly involved in the infrastructure delivery management processes to assist in the resolution of dispute between the Municipality and other persons regarding :-

a) any decisions or actions taken in the implementation of the supply chain management system;

b) any matter arising from a contract awarded within the Polokwane Municipality's infrastructure delivery management system; or

c) to deal with objections, complaints or queries regarding any such decisions or actions or any matters arising from such contract.

3.5.2 The Designated person shall assist the person appointed in terms of 3.5.1 to perform his or her functions effectively.

3.5.3 The person appointed in terms of 3.5.1 shall:

a) strive to resolve promptly all disputes, objections, complaints or queries received; and

b) submit monthly reports to the Municipal Manager on all disputes, objections, complaints or queries received, attended to or resolved.

3.5.4 A dispute, objection, complaint or query may be referred to the **Limpopo Treasury** if:

a) the dispute, objection, complaint or query is not resolved within 60 days; or

b) no response is forthcoming within 60 days.

3.5.5 If the **Limpopo treasury** does not or cannot resolve the matter, the dispute, objection, complaint or query may be referred to the National Treasury for resolution.

4 Control framework for infrastructure delivery management

4.1 Assignment of responsibilities for approving or accepting end of stage deliverables[12]

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**		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

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 *[Designated person]* accepts the close out report

5 Control framework for infrastructure procurement

5.1 The responsibilities for taking the key actions associated with the formation and conclusion of contracts including framework agreements above the quotation threshold shall be as stated in Table 2.

5.2 The responsibilities for taking the key actions associated with the quotation procedure and the negotiation procedure where the value of the contract is less than the threshold set for the quotation procedure shall be as follows:

a) The Municipal Manager shall grant approval for the issuing of the procurement documents, based on the contents of a documentation review report developed in accordance with the provisions of the standard;

b) the authorised person may award the contract if satisfied with the recommendations contained in the evaluation report prepared in accordance with the provisions of the standard.

5.3 The responsibilities for taking the key actions associated with the issuing of an order in terms of a framework agreement shall be as stated in Table 3.

6 Infrastructure delivery management requirements

6.1 Institutional arrangements

6.1.1 Committee system for procurement

6.1.1.1 General

6.1.1.1.1 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

Activity		**Sub-Activity** (see Table 3 of the standard)		**Key action**	**Person assigned responsibility to perform key action**
1*	Establish what is to be procured	1.3 **PG1**	Obtain permission to start with the procurement process	Make a decision to proceed / not to proceed with the procurement based on the broad scope of work and the financial estimates.	Municipal Manager
2*	Decide on procurement strategy	2.5 **PG2**	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 **PG3**	Obtain approval for procurement documents	Grant approval for the issuing of the procurement documents	Procurement documentation committee
		3.3 **PG4**	Confirm that budgets are in place	Confirm that finance is available for the procurement to take place	Chief Financial Officer
		4.2 **PG5**	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 **PG6**	Confirm recommendations contained in the tender evaluation report	Review recommendations of the evaluation committee and refer back to evaluation committee for reconsideration or make recommendation for award	Tender committee
5	Award contract	5.3 **PG7**	Award contract	Formally accept the tender offer in writing and issue the contractor with a signed copy of the contract	Municipal Manager
		5.5 **GF1**	Upload data in financial management and payment system	Verify data and upload contractor's particulars and data associated with the contract or order	Chief Financial Officer

Table 2 (concluded)

Activity		**Sub-Activity**		**Key action**	**Person assigned responsibility to** **perform key action**
6	Administer contracts and confirm compliance with requirements	6.4 **PG8A**	Obtain approval to waive penalties or low performance damages.	Approve waiver of penalties or low performance damages	Municipal Manager
		6.5 **PG8B**	Obtain approval to notify and refer a dispute to an adjudicator	Grant permission for the referral of a dispute to an adjudicator or for final settlement to an arbitrator or court of law	Municipal Manager
		6.6 **PG8C**	Obtain approval to increase the total of prices, excluding contingencies and price adjustment for inflation, or the time for completion at the award of a contract or the issuing of an order up to a specified percentage[21]	Approve amount of time and cost overruns up to the threshold	Municipal Manager
		6.7 **PG8D**	Obtain approval to exceed the total of prices, excluding contingencies and price adjustment for inflation, or the time for completion at award of a contract or the issuing of an order by more than 20% and 30%, respectively	Approve amount of time and cost overruns above a the threshold	Municipal Manager

		6.8 **PG8E**	Obtain approval to cancel or terminate a contract	Approve amount	Municipal Manager
		6.9 **PG8F**	Obtain approval to amend a contract	Approve proposed amendment to contract	Municipal Manager

Table 3: Procurement activities and gates associated with the issuing of an order above the quotation threshold in terms of a framework agreement

6.1.1.3

Activity		**Key action**	**Person assigned responsibility to perform key action**
1 **FG1**	Confirm justifiable reasons for selecting a framework contactor where there is more than one framework agreement covering the same scope of work	Confirm reasons submitted for not requiring competition amongst framework contractors or instruct that quotations be invited	Municipal Manager
3 **FG2**	Obtain approval for procurement documents	Grant approval for the issuing of the procurement documents	Municipal Manager
4 **FG3**	Confirm that budgets are in place	Confirm that finance is available so that the order may be issued	Chief Financial Officer
6 **FG4**	Authorise the issuing of the order	If applicable, review evaluation report and confirm or reject Recommendations. Formally accept the offer in writing and issue the contractor with a signed copy of the order	Chief Financial Officer

Evaluation committee

6.1.1.3.1 The **Municipal Manager** shall appoint on a procurement by procurement basis in writing:

a) the persons to prepare the evaluation and, where applicable, the quality evaluations, in accordance with clauses 4.2.3.2 and 4.2.3.4 of the standard, respectively; and

b) the members of the evaluation committee.

6.1.1.3.2 The evaluation committee shall comprise not less than three people. The chairperson shall be an employee of Polokwane Municipality with requisite skills. Other members shall include a supply chain management practitioner and, where relevant, include an official from the department requiring infrastructure delivery.

6.1.1.3.3 The evaluation committee shall review the evaluation reports prepared in accordance with sub clause 4.2.3 of the standard and as a minimum verify the following in respect of the recommended tenderer:

a) the capability and capacity of a tenderer to perform the contract;

b) the tenderer's tax and municipal rates and taxes compliance status;

c) confirm that the tenderer's municipal rates and taxes and municipal service charges are not in arrears;

d) the Compulsory Declaration has been completed; and

e) the tenderer is not listed in the National Treasury's Register for Tender Defaulters or the List of
Restricted Suppliers.

6.1.1.3.4 No tender submitted by a member of, or technical adviser or subject matter expert who participates in the work of the procurement documentation committee or a family member or associate of such a member, may be considered by the evaluation committee.

6.1.1.3.5 The chairperson of the evaluation committee shall promptly notify the Chief Financial Officer of any respondent or tenderer who is disqualified for having engaged in fraudulent or corrupt practices during the tender process.

6.1.1.4 Tender committee[23]

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.

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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 renderer 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

CITY OF POLOKWANE

NATURALLY PROGRESSIVE

DRAFT

TARIFF BY-LAW

2026/2027

Contents

1. PREAMBLE 3
2. DEFINITIONS 4
3. PURPOSE OF POLICY 6
4. TARIFF PRINCIPLES 6
5. CATEGORIES OF CONSUMERS 7
6. INCENTIVE POLICY. 8
7. PROPERTY RATES POLICY. 8
8. INDIGENT RELIEF. 8
12. NOTIFICATION OF TARIFFS, FEES AND SERVICE CHARGES. 21
13. IMPLEMENTING AND PHASING-IN OF THE POLICY. 21
14. PROCEDURES AND ACCOUNTABILITY. 21
15. SHORT TITLE. 22
16. IMPLEMENTATION AND REVIEW OF POLICY 22

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 –

"basic service"	means the amount or level of any municipal service that is necessary to ensure an acceptable and reasonable quality of life and which, if not provided, could endanger public health or safety of the environment and for the purposes of this policy are restricted to electricity, refuse, sewage and water services;
"break even"	means the financial situation where the income derived by the Municipality from the supply of a service is equal to the aggregate of the fixed and the variable costs associated with the provision of the service concerned;
"*capital contributions*"	means the tariffs payable in respect of the water, electricity, sewage, storm water, roads and refuse removal infrastructure of the Municipality and which amounts exclude amounts payable towards the operational and maintenance costs of such infrastructure;
"Commercial Unit/Erf"	means a self-contained or lettable section within a building or a group of buildings on the same plot excluding short term residential accommodation establishments for e.g. hotels, bed & breakfast, guest houses etc. An owner of a commercial property may annually choose between being levied either per erf or per commercial unit for water and sewage basic charges. This choice must be applied on or before 30 September of each financial year.
"community services"	means the services referred to in paragraph 5(1)(c) and in respect of which the tariffs are set at a level that the costs of the services are not recovered fully from public service charges and are of a regulatory nature;
"consumer, customer, owner, occupier, account holder"	means individuals and other legal entities against whom a tariff, fee, charge or other levy specific to identifiable services are levied. The levying of tariffs, fees, charges, etc depends on statutory clauses, approved tariffs in terms of by-laws, contracts, agreements or tacit uses of services in certain circumstances. Such levies are payable on presentation of any invoice or monthly statement issued by the Municipal Manager. Payments are due by the date indicated for the transaction in an agreement, contract or on an invoice or monthly statement, as the case may be;
"Council"* or *"municipal council"	means a municipal council referred to in section 18 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) and for purposes of this policy, the municipal council of the Municipality of Polokwane;
"economic services"	means services that the Council has classified as such and the tariffs have been compiled with the intention that the total costs of the services are recovered from customers;
"lifeline"	Available to pre-paid consumers whose connection is ≤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;
"fixed costs"	means costs which do not vary with consumption or volume produced;
"multi-purpose"	In relation to a property, means the use of a property for more than one purpose;
Illegal reconnection	Unauthorised connection of services.
"Municipality"	the institution that is responsible for the collection of funds and the provision of services to the customers of Polokwane;
"Municipal Manager"	means the accounting officer appointed in terms of section 82 of the Local Government: Municipal Structures Act, 1998 (Act No 117 of 1998) and being the head of administration and accounting officer in terms of section 55 of the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000) and includes any person:- (a) acting in such position; and (b) to whom the Municipal Manager has delegated a power, function or duty in respective of such a delegated power, function or duty;
"resident "	means a person who normally resides in the municipal area;

"residential unit"	Means a single residential erven, flats, townhouse and group development, retirement villages, guest houses, bed and breakfast and households related consumers that do not fall in one of the above household consumer categories;
"Non Residential "	Means any property or erven not zoned Res1 to Res 4, in terms of Polokwane municipality Town planning scheme unless in exceptional circumstances.
"the Act"	means the Local Government: Municipal Systems Act, 2000 (Act No 32 of 2000);
"total cost"	means the sum of all fixed and variable costs associated with a service;
"trading services"	means services that the Council has classified as such and the tariffs have been compiled with the intention that the Council makes a profit from the delivery of the services;
variable costs"	means costs that vary with consumption or volume produced;
"wet Industry"	Defined as an industry using water as essential and fundamental input in the production process.

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: -

CATEGORY OF CONSUMER	**TARIFF COMPONENTS**				
	Basic/Demand/. Service Charge (Rand/consumer/ month)	**Active Energy Charge (cent/ kWh/ month)**	**Seasonally Time-of-use Energy Charge Peak / Standard /Off-peak (sent/kWh/month)**	**Level of consumption**	**Capacity Charge (Rand/KVA/ month**
Single Phase: (Domestic Prepaid /Conventional meters)	**X**	**X**		**IBT BLOCK** 1) 0 - 50 kWh 2) 51 – 350 kWh 3) 351-600 kWh 4) > 600kWh	
Single Phase: (Domestic Pre-paid meters)	X	X		**IBT BLOCK** 1) 0 - 50 kWh 2) 51 – 350 kWh 3) 351-600 kWh 4) > 600kWh	

Single Phase: (Commercial)	**X**	**X**		Flat rate	
Single Phase: (Commercial Pre –Paid meter)	**X**	**X**		Flat rate	
Three Phase: (Domestic Pre-paid meter) ≤ 100A	**X**	**X**		**IBT BLOCK** 1) 0 - 50 kWh 2) 51 – 350 kWh 3) 351-600 kWh 4) > 600kWh	
Three Phase: (Commercial conventional and prepaid meter) ≤ 100A	**X**	**X**		Flat rate	
Three Phase: (Commercial Pre-Paid meter) ≤100A	**X**	**X**		Flat rate	
Bulk:					
> 100 A	**X**	**X**		Flat rate	X
Time of Use based on Ruraflex Munic for LV or MV			**X**	Flat rate	X
Departmental (Municipality)		**X**			

(a) A basic level of service will be provided free to qualifying households with a total gross income level which is below a determined amount, and according to further specified criteria, as determined by Council from time to time.

(b) Where a property or unit is not connected to the electricity reticulation system, but can reasonably be so connected, an availability tariff will be payable.

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.

CATEGORY OF CONSUMER	LEVEL OF CHARGE (RAND MONTH)
1. BASIC CHARGE Basic charge per month on any erf, stand premises or other area per month. **2. ADDITIONAL CHARGE** **2.1 Residential** 1.Dwelling houses, churches and church halls which are used for that purpose and 2.Flats	**2.1** (a) On an erf with a surface area not exceeding 500m² (b) All erven with a surface area more than 500m² (i)For the first 500m² of the surface area of the erf (ii)Thereafter, for the following 500m² or part thereof, of the surface area of the erf (iii) Thereafter, per 500m² or part thereof, of the surface area of the erf . 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 000m²)
	Flat Rate per 1m³ container

Non-residential With improvements.	(i) For the first 300 m² or part thereof, of the surface area of the erf (ii) Thereafter, per 300 m² or part thereof, up to 9 300 m² of the surface area of the erf. (iii) Thereafter, per 1 000 m² or part thereof of the erf. 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
Other Services	
For the removal of domestic refuse where a mass container is specifically supplied for use by a specific premises	Flat Rate per mass container per removal
CATEGORY OF CONSUMER	**LEVEL OF CHARGE (RAND MONTH)**
For the removal of garden refuse other than placed in plastic bags, per removal	Flat Rate per removal
For the removal of non-perishable refuse, excluding garden refuse	Estimated cost + 10%
Occasional Services:	Flat Rate per removal
Weltevreden Landfill Site Weighbridge.	Flat Rate per ton or part thereof.
Carcass removal and disposal thereof	Flat Rate per removal category

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: -

CATEGORY OF CONSUMER	LEVEL OF CHARGE
1. Availability charges	
1.2 All other erven	(i) For the first 500m² or part thereof, of surface area of the erf: (ii) Thereafter, per 500m² or part thereof, up to 2 000m² of the surface area of the erf: (iii) Thereafter, per 1 000m² or part thereof, of the surface area of the erf: (iv) Additional charge per unimproved erf: (v) Maximum charge (887 000m²):
3. Additional charges	
1.Dwelling-houses, churches, church halls	(i) For the first dwelling-house, church, church hall or other building mentioned in 2(1) above erected on any erf or piece of land, per building (ii) For the second or subsequent dwelling-house, church, church hall or other building mentioned in 2(1) above, per building
3. Flats – per flat	Flat Rate
4. Non-Residential properties 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.	
4.1 **Basic charge** 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:	Applicable on all non-residential properties
4.2 **Additional charges** The owner of any non-residential erf or piece of land, with 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:	(i) For the first 500 m² or part thereof, of the surface area of the erf. (ii) Thereafter, per 500 m² or part thereof, up to 8 000 m² of the surface area of the erf
	(iii)Thereafter, per 1 000 m² or part thereof, of the surface area of the erf.
Phase in rebates for non-residential tariffs	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

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:-**

A	Administration	▪ Access to information ▪ Administration Costs ▪ Advertisements ▪ Bank cost on foreign accounts ▪ Deposit Consultation ▪ Duplicate Accounts ▪ Facsimiles ▪ Interest on Arrear Accounts ▪ Interest on Arrear Accounts	▪ Management consultation ▪ Photocopies ▪ Placard / Poster Costs ▪ Section 62 Appeals ▪ Tender Objections ▪ Tender Participation Costs ▪ Top Management Consultation ▪ Trace of Direct Deposits
B	Building Control	▪ Administration storage fee ▪ Alterations ▪ Building Plans ▪ Contravention Levy ▪ Demolition Fees ▪ Deposits ▪ Encroachments ▪ Heritage Investigations	▪ Inspection Fees ▪ Land Use Planning ▪ Photocopies of Building Plans ▪ Plan Printing Fees ▪ Plan Scrutiny Fees` ▪ Re-inspection fees ▪ Searching Fees
C	Cemeteries	▪ Garden of Remembrance ▪ Grave-sites	▪ Indication of grave
D	Commercial Filming/Photographing	▪ Permits	
E	Credit Control & Debt Collecting	▪ Administration fee ▪ Notices	▪ Sheriff fee ▪ Tracing fee
F	Dog Tax	▪ Licenses	
		▪ Builders connection	▪ Meter Verification

G	Electricity	▪ Bulk Service Development Fees ▪ Call-out fee ▪ Cancellation Fee ▪ Capital Contributions ▪ Certificates ▪ Change from Bulk to Time of use ▪ Change of Circuit Breaker ▪ Commission of Bulk Meter ▪ Connection and Disconnection of ▪ Service ▪ Illegal re-connection ▪ Penalties ▪ Consumer Deposits ▪ Contractor Inspection ▪ Conversion of meters ▪ Credit Control and Debt ▪ Collection ▪ Damaged meter ▪ Disconnection ▪ Extension Fee ▪ Fee recalculation – no access ▪ Meter Testing	▪ MV Switching ▪ New Service Connections ▪ Reconnection ▪ Remedial Action Fee ▪ Removal of meter ▪ Rental of Equipment ▪ Repair of Cables or Additional ▪ Joints ▪ Repositioning of Meter ▪ Service Connections ▪ Special Meter Readings ▪ Still-off" inspections ▪ Street Lighting ▪ Sundry Services ▪ Tariff change ▪ Unsafe/illegal leads per visit ▪ Upgrading extension Fee ▪ Verification of meter reading ▪ Way leave ▪ Wheeling
H	Fire Services & Disaster Management	▪ Plot Clearing	▪ Re-inspection Fee under the ▪ Bylaw
I	Housing	▪ Administration	▪ Rental
J	Law Enforcement	▪ Business Licenses ▪ Bylaw on outdoor advertising ▪ Impoundment of Hawkers goods	▪ Inspection Fees ▪ Pound fee Dogs and Cats ▪ Pound fee other animals
K	Libraries	▪ Deposits ▪ Facsimiles ▪ Photocopies ▪ Scanning ▪ Internet Usage ▪ Lost Cards	▪ Penalty for Late Return ▪ Rental of Library Amenities ▪ Reservations ▪ Special Requests ▪ Subscription ▪ Visitors Fee
L	Municipal Buildings	▪ Deposits ▪ Rental of Amenities	▪ Rental of Equipment
M	Operational Cost	▪ Street Signage	▪
		▪	▪
O	Property Administration	▪ Application lease/purchase ▪ Encroachment Fee	▪ Memorial Benches ▪ Radio Mask
P	Public Works	▪ Felling and Pruning of Trees ▪ Private Work ▪ Sale of Miscellaneous Items	▪ Street Signage ▪ Tar and Patch Work ▪ Vehicle Entrances

		▪ Storm Water Drainage	
Q	Recreational Amenities	▪ Boat Launching ▪ Boat License/Permits ▪ Caravan Parks ▪ Community Halls ▪ Deposit ▪ Hawker Stalls Lagoons ▪ Lagoons	▪ Office Rental ▪ Open Spaces ▪ Public Open Space ▪ Schuss Houses ▪ Spaces for Sport ▪ Sport Events ▪ Swimming pool
R	Roads	Capital Contributions	▪ Bulk Service Development Fee
S	Refuse Removal	▪ Capital Contributions ▪ Deposits ▪ Mass Containers	▪ Refuse Bins ▪ Rental of Bulk Containers ▪ Replacement of Bulk Containers ▪ Self Dumping
T	Sewage	▪ Bulk Service Development Fee ▪ Capital Contributions ▪ Connection of tanks ▪ Disposal	▪ Service Connections ▪ Tank Services ▪ Testing of tanks
U	Stony Point	▪ Annual Permit	▪ Visitors
V	Swimming Pool	▪ Entrance Fee ▪ Galas	▪ Training session
W	Town Planning	▪ Advertising Cost ▪ Application Fee ▪ Contravention Levy ▪ Departure Fee ▪ Extension of Time ▪ Land use planning Fee	▪ Registered Letter ▪ Removal of Title Deed ▪ Restrictions ▪ Spatial Development Framework ▪ Sub-division ▪ Zoning Fee
X	Traffic	▪ Deposits ▪ Disabled Parking Tokens ▪ Driver's Licenses ▪ Escorting and Other Services ▪ Leaner's Licenses ▪ Parking Meters ▪ Professional Driver's Permits	▪ Removal of Vehicles ▪ Roadworthy Certificates ▪ Storage Fees ▪ Taxi Rank Tokens ▪ Towing Charge ▪ Vehicle Registration ▪ Wheel clamping fee
y	Valuation	▪ Access to Information ▪ Clearance Certificates ▪ Deeds Office Registrations ▪ Impact studies	▪ Revaluation ▪ Valuation Certificates ▪ Valuation Roll ▪ Voters' Roll
Z	Water	▪ Bulk Service Development ▪ Call-out Fee ▪ Capital Contributions ▪ Connection & Disconnection ▪ Consumer Deposits	▪ New Service Connections ▪ Registration of borehole ▪ Remedial Action Fee ▪ Rental of Equipment ▪ Repair of meter

		▪ Convert to flow restrictor meter ▪ Credit Control and Debt ▪ Collection ▪ Damaged Water Meter ▪ Fee recalculation – no access ▪ Final meter reading ▪ Irrigation Water ▪ Meter Testing ▪ Meter verification ▪ Illegal re-connection ▪ Penalties	▪ Repositioning of meter ▪ Service Connections ▪ Special Meter Readings ▪ Still-off" inspections ▪ Sundry Services ▪ Temporary connections ▪ Verification of meter reading

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 2026 and shall be reviewed on an annual basis to ensure that it is in line with the municipality's strategic objectives and with legislation.

Unauthorised, Irregular,

Fruitless and Wasteful Expenditure Policy

2026/2027

Contents

ABBREVIATIONS/ACRONYMS 3

2 OBJECTIVE 4

3 **ENABLING LEGISLATION** 5

4 APPLICATION OF THIS POLICY 5

5 DEFINITIONS 5

6 UNAUTHORISED EXPENDITURE 8

7 IRREGULAR EXPENDITURE 10

8 FRUITLESS AND WASTEFUL EXPENDITURE 11

9 REPORTING ON UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE 13

10 MAINTAINING OF REGISTER FOR UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE 14

11 INVESTIGATION OF UNAUTHORISED AND IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE 14

12 DISCIPLINARY AND CRIMINAL CHARGES FOR UIF IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE 15

13. RECOVERY UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE 16

14 CONSEQUENCES OF NON-COMPLIANCE 17

15 PROTECTIONS OF OFFICIALS OR COUNCILLORS WHO HAVE REPORTED UNAUTHORIZED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE 17

16 REVIEW OF POLICY 17

17 DATE OF IMPLEMENTATION 17

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 confidentially.

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 2026 and will be reviewed annually during the budgetary process of the Municipality.

CITY OF POLOKWANE
NATURALLY PROGRESSIVE

RESOLUTION OF THE COUNCIL OF POLOKWANE LOCAL MUNICIPALITY

DATE OF RESOLUTION: 29 JANUARY 2026

RESOLUTION NO: CR193/01/26

ITEM – 8.2.5

REPORT ON THE PROPOSAL TO REVIEW THE DANGER ALLOWANCE POLICY

RESOLVED THAT:

(a) The report on the review of the Danger Allowance Policy be approved.

(b) The current Danger Allowance Policy be reviewed to include the matrix with detailed risk scoring, exposure frequency, and severity ratings to ensure fairness and transparency.

(c) It be noted that review of the Policy and enhancement of the current matrix to align it with recognized occupational risk assessment standards will assist fairness in terms of allocation of danger allowance to qualifying positions.

(d) Both the Policy and identified positions be approved.

(e) Implementation be effective February 2026, immediately after the Adjustments Budget.

CLLR KOBELA WELHEMINA MODIBA
COUNCIL SPEAKER

2026/01/29
DATE

POLOKWANE MUNICIPALITY
OFFICE OF THE SPEAKER
2026 -01- 29
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POLOKWANE MUNICIPALITY

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CITY OF Polokwane
NATURALLY PROGRESSIVE

DIRECTORATE: CORPORATE AND SHARED SERVICES

TO : COUNCIL

DATE : 29 JANUARY 2026

FROM : MAYORAL COMMITTEE

SUBJECT: REPORT ON THE PROPOSAL TO REVIEW THE DANGER ALLOWANCE POLICY

1. PURPOSE OF THE REPORT

The purpose of this report is to request approval of the review of Danger Allowance Policy adopted by Council on the 29 July 2022 for implementation.

2. BACKGROUND

In 2022 Council approved the Danger Allowance Policy (CR/03/07/22) based on the report that indicated that the South African Local Government Bargaining Council (SALGBC) in its Circular 02/2021 acknowledged that the Main Collective Agreement does not cover Danger Allowance and the allowance cannot and should not be negotiated at any Division of the SALGBC.

Polokwane Municipality Management together with leadership of IMATU and SAMWU through the Local Labour Forum (LLF) have held numerous engagements on the implementation of the council approved policy and consideration in the engagements considered the issue of affordability as well as identification process and procedure for the positions to qualify for the Danger Allowance.

After numerous engagements, where Management and LLF could not find each other on the best way to implement the danger allowance, the Executive Management resolved to establish a task team which was formed by Executive Directors and OHS Team to finalize the submitted proposed positions to receive the Danger Allowance.

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The Task Team had meetings and as part of deliberations, the adopted Danger Allowance Policy was used as a referral and the proposed lists of positions with motivations were also considered.

As part of the engagements the Task Team assessed the existing matrix used to determine employee eligibility and considered the policy provisions in relation to Danger Allowance. During this process, it was found that the matrix lacked comprehensive calculation parameters and measurable indicators, such as risk exposure levels, frequency, and severity. This has made it difficult to apply the policy consistently and objectively across different SBUs.

The Policy has an approved amount of R500 as Danger Allowance compensation whilst there are various levels of danger and exposure to various positions which will be an inconsistent application should similar amount be applied to all positions while they vary with severity and level of dangers exposed to.

3. FINDINGS OF THE TASK TEAM

The review revealed that:

- The current matrix does not contain quantifiable risk assessment criteria.
- There is insufficient guidance on how to calculate or weigh various risk factors.
- These limitations hinder the Task Team's ability to fairly and accurately identify eligible employees.
- The blanket approach to allocate same amounts for all positions may be found to be inconsistent and unfair.

4. RECOMMENDATIONS OF THE TASK TEAM

The Task Team therefore recommended that:

- The current Policy be reviewed to include the matrix which properly guides how positions should be identified for Danger Allowance,
- The matrix should include guidance to calculate or weigh various risks factors,
- The amount attached to the current policy be reviewed, i.e. allocation of R500 be for High Riks and Medium Risk positions be allocated R300,
- Low Risk identified positions to not be compensated with Danger Allowance as per the nature of their risk exposure, and
- That all positions allocated and/or identified be reviewed annually to assess the risk mitigation levels

5. RISK APPETITE AND TOLERANCE

The City of Polokwane Risk Appetite and Tolerance Framework was utilized to determine and reflect the level of risk exposure categories in line with the guideline issued on Determination and Directive on Danger Allowance in the Public Service, the Municipality shall pay the standard Danger Allowance to an employee per month, who in the course of her or his employment experiences a genuine risk to her or his life and due to the nature of their employment/duties.

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6. STANDARD RISK MATRIX

The **Standard Risk Matrix** that the Task Team suggested be used and in accordance with the Policy is presented below:

TABLE. 6. 1:

Risk Magnitude	Nature of work	Occupation requiring health and safety precautions	Frequency of use of health and safety and or/ precautionary measures the Employer has implemented to mitigate the risks	Frequency of visit/ close contacts with the public.	Frequency of exposure to the identified occupational risks
Very High Exposure Risk Jobs	Fieldwork and/or Chemical exposure areas	Yes	Daily	Daily	Daily
High Exposure Risk	Fieldwork and/or Chemical exposure areas	Yes	Weekly	Weekly	Weekly
Medium Exposure Risk	Workstation based (Visit the site as when required)	As and when required (Monthly)	As and when required (Monthly)	As and when required (Monthly)	As and when required (Monthly)
Lower Exposure Risk	Workstation based	No	No	No	No

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TABLE: 6.2

Risk Magnitude	Risk Acceptability	Proposed mitigating steps	Proposed Danger Allowance Amount per month.
Very High Exposure Risk Jobs Level 1	Unacceptable risk	Take action to reduce risk with highest priority	R 00.00
High Exposure Risk Level 2	Unacceptable risk	Take action to reduce risk with highest priority	R 500.00
Medium risk Level 3	Unacceptable risk	Take action to reduce risk, inform management e.g. PPE, equipment, they don't work on live wires.	R 300.00
Low risk: Level 4	Accept Risk	Monitor closely – control, monitor, inform management	R0.00
Minimum risk: Level 5	Accept Risk	No risk reduction – control, monitor, inform management	R0.00

TABLE 6.3 Risk Rating Key

Risk Level	Scoring Range	Action Required
Low (Green)	1-4	Acceptable Maintain Control
Medium (Yellow)	5-9	Monitor and Improve Control
High Risk 2 (Red)	10-15	Immediate action requires Senior Management attention
High Risk 1 (Dark Red)	15- 20	Stop activity until risk is reduced. Urgent management intervention

7. DANGER ALLOWANCE ELIGIBILITY

The following categories of employees as per Directorate/SBU shall be eligible to Danger Allowance:

7.1. DIRECTORATE: PUBLIC SAFETY

7.1.1. SBU: DISASTER MANAGEMENT

SUB SECTION: FIRE SERVICES (OPERATIONAL, SAFETY AND TRAINING PERSONNEL)

NO	Job Title	Danger Risk	Impact	Likelihood	IXL	Risk Index	Tolerance & Appetite
1.	1. Junior Fireman 2.Senior Fireman 3.Leading Fireman 4.Station Officers 5.Divisional Officers 6.Deputy Chief Fire Officer 7.Chief Fire Officer **No:80**	Loss of life/injury during fire quenching	5	3	15	High Risk 2	Unacceptable

SUB SECTION: DISASTER MANAGEMENT

NO	Job Title	Danger Risk	Impact	Likelihood	IXL	Risk Index	Tolerance & Appetite
1.	1 x Chief Disaster Management	Floodwaters, unstable terrain, Hazardous chemicals, Collapsed buildings and unstable structures, Extreme weather conditions	4	2	08	Medium Risk	Unacceptable

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2.	1 x Senior Disaster Management Officer	Floodwaters, unstable terrain, Hazardous chemicals, Collapsed buildings and unstable structures, Extreme weather conditions	4	2	08	Medium Risk:	Unacceptable
3.	1 x Disaster Management Officer	Floodwaters, unstable terrain, Hazardous chemicals, Collapsed buildings and unstable structures, Extreme weather conditions	4	2	08	Medium: Risk	Unacceptable
4.	4 x Assistant Disaster Management Officers	Floodwaters, unstable terrain, Hazardous chemicals, Collapsed buildings and unstable structures, Extreme weather conditions	4	4	08	Medium Risk:	Unacceptable

7.1.2. SBU: TRAFFIC AND LICENSING

NO	Job Title	Danger Risk	Impact	Likelihood	IXL	Risk Index	Tolerance & Appetite
1.	Traffic services and By-Laws enforcement: Traffic Chiefs, Assistant Chiefs, Senior Superintendents, Superintendents Traffic, Traffic Officers and Traffic Wardens **No:97**	Moving vehicles extreme weather Aggressive motorist crowed control biochemical exposure – roadside position hazards	5	3	15	High Risk 2	Unacceptable

7.1.3. SBU: BY LAW ENFORCEMENT & SECURITY (OPERATIONAL, SAFETY AND TRAINING PERSONNEL)

NO	Job Title	Danger Risk	Impact	Likelihood	IXL	Risk Index	Tolerance & Appetite
1	Security Officers Law Enforcement Officers Snr Security Officers Assistant Chief Asset Protection Assistant Chief Public Order Control Superintendent Asset Protection Superintendent Asset Protection Chief Security Officer **No:69**	Assaults and physical attached, Armed Confrontation, Vehicle road accident, Foot patrol Hazards, Biological Hazards, Exposure to weather conditions, Ambush Robberies and Violent Crimes.	5	3	15	High Risk 2	Unacceptable

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7.2. DIRECTORATE: ENERGY SERVICES

7.2.1. SBU: ENERGY SERVICES: OPERATIONS AND MAINTENANCE

NO	Job Title	Danger Risk	Impact	Likelihood	IXL	Risk Index	Tolerance & Appetite
01	Senior Technical Assistant x 1	Electrical Shock, Arch Flash and Arch Blast, falls from Heights, Working in confine spacing, Exposure to Hazardous substances, Manual handling.	5	3	15	High Risk 2	Unacceptable
02	Superintendent x 2	Electrical Shock, Arch Flash and Arch Blast, falls from Heights, Working in confine spacing, Exposure to Hazardous substances, Manual handling.	5	3	15	High Risk 2	Unacceptable
03	Technicians x 5	Electrical Shock, Arch Flash and Arch Blast, falls from Heights, Working in confine spacing, Exposure to Hazardous substances, Manual handling.	5	3	15	High Risk 2	Unacceptable
04	Inspector x 2	Electrical Shock, Arch Flash and Arch Blast, falls from Heights, Working in confine spacing, Exposure to Hazardous substances, Manual handling.	5	3	15	High Risk 2	Unacceptable
05	Electrician x 33	Electrical Shock, Arch Flash and Arch Blast, falls from Heights, Working in confine spacing, Exposure to Hazardous substances, Manual handling.	5	3	15	High Risk 2	Unacceptable

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06	Linesmen x 17	Electrical Shock, Arch Flash and Arch Blast, falls from Heights, Working in confine spacing, Exposure to Hazardous substances, Manual handling.	5	3	15	High Risk 2	Unacceptable
07	Special Worksman x 12	Electrical Shock, Arch Flash and Arch Blast, falls from Heights, Working in confine spacing, Exposure to Hazardous substances, Manual handling.	5	3	15	High Risk 2	Unacceptable
08	Artisan Assistant x 38	Electrical Shock, Arch Flash and Arch Blast, falls from Heights, Working in confine spacing, Exposure to Hazardous substances, Manual handling.	5	3	15	High Risk 2	Unacceptable
09	General Worker x 65	Electrical Shock, Arch Flash and Arch Blast, falls from Heights, Working in confine spacing, Exposure to Hazardous substances, Manual handling.	5	3	15	High Risk 2	Unacceptable

7.3. DIRECTORATE: WATER AND SANITATION

7.3.1. SBU: WATER PLANT OPERATIONS & QUALITY MANAGEMENT

NO	Job Title	Danger Risk	Impact	Likelihood	IXL	Risk Index	Tolerance & Appetite
01	Artisan Electrician x 2	Electrical Shock, Arch Flash and Arch Blast, falls from Heights, Exposure to Hazardous substances, Manual handling	5	3	15	High Risk 2	Unacceptable
02	Assistant Operator x 15	Chemical hazards, Biological, Physical and Mechanical, Electrical and Fire Risk, drowning, Manual Handling	5	3	15	High Risk 2	Unacceptable
03	Fitter and Turner x 3	Chemical and fire risk, Confine spaces, Public Aggression and Assault, Equipment and Operational Risks, Physical and Mechanical Risk	5	3	15	High Risk 2	Unacceptable
04	Lab Analyst x 4	Chemical and Biological Risk	5	3	15	High Risk 2	Unacceptable
05	Lab Assistant x 1	Physical and Mechanicals Risk	5	3	15	High Risk 2	Unacceptable
06	Lab Technician x 2	Physical and Mechanicals Risk, Noise Exposure, Fire and Explosion	5	3	15	High Risk 2	Unacceptable
07	Millwright x 1	Electrical and Energy Hazards, Physical and Mechanical Risk, Environmental and Chemical Risk	5	3	15	High Risk 2	Unacceptable
08	Plant Supervisor x 5	Chemical hazards, Biological, Physical and Mechanical, Electrical and Fire Risk, drowning, Manual Handling	5	3	15	High Risk 2	Unacceptable

09	Process Controller x 4	Chemical hazards, Biological, Physical and Mechanical, Electrical and Fire Risk, drowning, Manual Handling	5	3	15	High Risk 2	Unacceptable
10	General Worker x 4	Electrical Shock, Arch Flash and Arch Blast, falls from Heights, Exposure to Hazardous substances, Manual handling.	5	3	15	High Risk 2	Unacceptable

8. DIRECTORATES WITHOUT IDENTIFIED POSITIONS FOR DANGER ALLOWANCE CONSIDERATION:

- Corporate and Shared Services
- Planning and Economic Development
- Budget and Treasury
- Transportation Services
- Roads Services
- Chief Operations Office

9. FINANCIAL IMPLICATIONS/GCFO's COMMENTS

Danger Allowance is in the form of monetary value and will be payable to a qualifying position in the amount of **R500.00 per month** for **High Risk 2,** and **R300.00 per month** for **Medium Risk.**

The total number of positions who qualify for Danger Allowance per directorate are as set out in the table hereunder:

DIRECTORATE	HIGH RISK 2 @ R500/month		MEDIUM RISK @ R300/month		MONTHLY TOTAL	
	Positions	Amount	Positions	Amount	Positions	Amount
Community Services/Public Safety	246	123 000	7	2 100	253	125 100
Energy Services	175	87 500	0	0	175	87 500
Water and Sanitation	41	20 500	0	0	41	20 500
MONTHLY TOTAL	**462**	**231 000**	**7**	**2 100**	**469**	**233 100**

A budget of **R 233 100.00** will be required for **469 (462 High Risk 2** and **07 Medium Risk)** recommended/qualifying employees per month, which translates to **R2 797 200.00** per year/annum, therefore savings from Employees Performance Bonus budget will be adjusted to cater for Danger Allowance.

Recommendations are supported.

10. LEGAL IMPLICATIONS/MANAGER LEGAL COMMENTS:

From the report of the Corporate and Shared Services directorate it is evident that the adopted and current Danger/Hazard Allowance Policy, approved by council in 2022, lacks vital

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directives concerning the risk assessment of positions covered by the Policy which directly impacts negatively on calculation of danger allowances in a fair and equitable manner.

The report-back from the appointed municipal task team could not progress in determining qualifying risk categories to be included and compensated in the ambit of the Danger/Hazard Allowance Policy, because it was found that the information contained in the policy lacked comprehensive risk calculation parameters and measurable indicators, such as risk exposure levels, frequency, and severity.

In short a proper Occupational Health and Safety risk assessment of each identified occupational position flagged for potentially receiving a danger allowance has to be done prior to finalisation of the policy and determination of the danger allowance proposed to be paid.

In August 2021, the Minister for Public Service and Administration published the *DETERMINATION AND DIRECTIVE ON DANGER ALLOWANCE IN THE PUBLIC SERVICE*, which document deals with occupational categories possibly posing risk to life of the incumbents in public service excluding the South African Police Service.

The said directive contains the following principles for each one of the potential occupational categories proposed to receive a danger allowance, which have to be identified through a risk assessment exercise and taken into account for each position in order to determine a fair and equitable danger allowance:

4.1.1. the nature of their duties and the work environment;

4.1.2. the nature and extent of the risk to which they are exposed;

4.1.3 the frequency of the risk, i.e. when do the Employees experience a genuine risk to their life during the course of their employment or during training;

4.1.4. the health and safety and/or precautionary measures the employer has implemented to mitigate the risks;

4.1.5. if mitigating measures are in place, the degree to which the risk could be mitigated. If not mitigated or partially mitigated the reasons that the risk persists and the degree to which it continues to present a genuine life-threatening risk to the employee; and

4.1.6. substantive motivation provided by the Employer where the risks cannot be mitigated through safety and/or precautionary measures.

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It is evident that review of the current Danger Allowance Policy will in all probability be a cumbersome process which has to be subjected to an intensive OHS risk assessment and comparison with other industry-related norms and standards.

Subsequently it is doubtful whether it will be possible to implement the proposed Policy by February 2026.

Save for recommendation 11.5, the recommendations are supported.

11. CONSULTATION

The Admin and Governance portfolio committee was duly consulted on this submission for its oversight role. The committee supported the report on its meeting held on the 20th of January 2026.

12. RECOMMENDATIONS:

(a) That the report on the review of the Danger Allowance Policy be approved.
(b) That the current Danger Allowance Policy be reviewed to include the matrix with detailed risk scoring, exposure frequency and severity ratings to ensure fair, transparency.
(c) Review of the policy and enhancement of the current matrix to align it with recognized occupational risk assessment standards will assist fairness in terms of allocation of danger allowance to qualifying positions.
(d) That both the policy and identified positions be approved.
(e) That implementation be effective February 2026, immediately after budget adjustment.

pp T.N.

CLLR JOHN MPE
EXECUTIVE MAYOR

23/01/2026

DATE

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CITY OF Polokwane

NATURALLY PROGRESSIVE

DRAFT

DANGER/ HAZARD ALLOWANCE

POLICY

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INDEX

CLAUSE	PAGE
1. PREAMBLE	2
2. DEFINITIONS	2
3. SCOPE	2
4. COMMENCEMENT DATE	2
5. PRINCIPLES	3
6. RISK MATRIX ANALYSIS	3
7. CATEGORIZATION	4
8. RISK TABLE	5
9. STANDARD RISK MATRIX	6
10. ELIGIBILITY	8
11. PAYMENT OF DANGER/HAZARD ALLOWANCE	8
12. VIOLATION AND ENFORCEMENT	9
13. REVIEW OF THE POLICY	9

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DRAFT DANGER/HAZARD ALLOWANCE POLICY

1. PREAMBLE

1.1. The South African Local Government Bargaining Council (SALGBC) in its Circular 02/2021 acknowledges that:

1.2. The Main Collective Agreement does not cover Danger allowance and the allowance cannot and should not be negotiated at any Division of the SALGBC.

1.3. The SALGBC, advised that municipalities without Danger Allowance policy must with their senior municipal management and identified leadership of IMATU and SAMWU discuss the matter in order to arrive at an amicable resolution of which employees in the essential designation are indeed exposed to dangers or hazards and what procedure for those so identified needs to be applied to compensate them through the payment of a danger allowance subject to municipalities fulfilling their compliance in giving effect to this.

1.4. Therefore, the Danger allowance policy shall be an agreement between the parties at the Local Labour Forum between IMATU, SAMWU and Polokwane Municipality

2. DEFINITIONS

"Danger" is when your life is at risk of a possibility of losing life or limp permanently or partially and may lead to death or disability.

"Hazard" is any source of potential damage, harm or adverse health effects on something or someone.

"Danger allowance" is the additional compensation paid to employees who are working under hazardous/dangerous conditions or in extreme physical discomfort or distress.

3. SCOPE OF APPLICATION

3.1. This policy shall apply to all employees of Polokwane municipality falling within the registered scope of the SALGBC and are also eligible to receive the allowance **in terms of clause 5 below.**

3.2. This policy shall not apply to Councillors.

4. COMMENCEMENT DATE

The policy shall come into effect on a date determined by council as an effective date of the policy.

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5. PRINCIPLES

5.1. Payment of the Danger/Hazard Allowance shall take into consideration the following: -

5.1.1. The nature of their duties and the work environment

5.1.2. The nature and the extent at which they are exposed to the danger or the hazard

5.1.3. The frequency of the danger or the hazard that is when do employees experience a genuine danger or hazard to their life during their employment.

5.1.4. The health and safety measures and/or precautionary measures the Employer has put in place.

5.1.5. If mitigating measures are in place, the degree to which the danger/hazard could be mitigated.

5.1.6. If not mitigated or partially mitigated the reasons that the danger/hazard persist and the degree to which it continues to present a genuine life-threatening situation to the employee

5.1.7. Substantive motivation provided by the Employer where the danger/hazard cannot be mitigated through safety and or precautionary measures, a motivation should be submitted.

6. RISK MATRIX ANALYSIS

The following occupational categories were identified for a risk matrix analysis through hazard categories.

6.1. In line with OHS there are six primary **hazard categories** namely:

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- Physical hazards
- Chemical hazards
- Biological hazards
- Safety hazards
- Ergonomic hazards
- Psychosocial hazards

6.1.1. Biological
Biological hazards include viruses, bacteria, insects, animals, etc., that can cause adverse health impacts. For example, mould, blood and other bodily fluids, harmful plants, sewage, dust, and vermin.

6.1.2. Chemical
Chemical hazards are hazardous substances that can cause harm. These hazards can result in both health and physical impacts, such as skin irritation, respiratory system irritation, blindness, corrosion, and explosions.

6.1.3. Physical
Physical hazards are environmental factors that can harm an employee without necessarily touching them, including heights, noise, radiation, and pressure.

6.1.4. Safety
These are hazards that create unsafe working conditions. For example, exposed wires or a damaged carpet might result in a tripping hazard. *These are sometimes included under the category of physical hazards.*

6.1.5. Ergonomic
Ergonomic hazards are a result of physical factors that can result in musculoskeletal injuries. For example, a poor workstation setup in an office, poor posture, and manual handling.

6.1.6. Psychosocial
Psychosocial hazards include those that can have an adverse effect on an employee's mental health or wellbeing. For example, sexual harassment, victimisation, stress, and workplace violence.

7. CATEGORIZATION

7.1. Very High-Risk Category

Very high exposure risk jobs are those with high potential and likely to result in failure, harm, or injury.

7.2. High Risk Category

High risk exposure

High exposure risk jobs are those with high potential and likely to result in failure, harm, or injury.

7.3. Medium Risk Category

Medium Exposure Risk

Medium exposure risk jobs include the chance or probability that a person will be harmed or experience an adverse health effect if exposed to a hazard.

7.4. Low Risk Category

Lower Exposure Risk

Lower exposure risk (caution) jobs are those not likely to result in failure, harm, or injury: not having a lot of risk.

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8. RISK TABLE

Severity	Meaning	Probability	Risk Category
Catastrophic	• Multiple death • Multiple Injury • Equipment destroyed	Frequent Occasional Remote Improbable Extremely probable	Very High
Hazardous	• Large reduction in safety margin or workload such that operational perform their task accurately. • Serious injury Major equipment destroyed.	Frequent Occasional Remote Improbable Extremely probable	High
Major	• A significant reduction in safety margins, a reduction in the ability of operation and the ability of being operational. • Personnel to cope with adverse operations conditions workload as a result of an increase in workload and as a result of conditions impairing their efficiency. • Serious incident. Injury to personnel	Frequent Occasional Remote Improbable Extremely probable	Medium
Minor	• Minor incidents • Nuisance • Operating Limitations. Use of emergency procedures.	Frequent Occasional Remote Improbable Extremely probable	Lower
Negligible	Few consequences.	Frequent Occasional Remote Improbable Extremely probable	

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9. STANDARD RISK MATRIX

TABLE. 9.1:

Risk Magnitude	Nature of work	Occupation requiring health and safety precautions	Frequency of use of health and safety and or/ precautionary measures the Employer has implemented to mitigate the risks	Frequency of visit/ close contacts with the public.	Frequency of exposure to the identified occupational risks
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TABLE: 9.2

Risk Magnitude	Risk Accept ability	Proposed mitigating steps	Proposed Danger Allowance Amount per month.
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Low risk: Level 4	Accept Risk	Monitor closely – control, monitor, inform management	R0.00
Minimum risk: Level 5	Accept Risk	No risk reduction – control, monitor, inform management	R0.00

TABLE 9.3 Risk Rating Key

Risk Level	Scoring Range	Action Required
Low (Green)	1-4	Acceptable Maintain Control
Medium (Yellow)	5-9	Monitor and Improve Control
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10. ELIGIBILITY

10.1. A qualifying employee will be entitled to receive a monthly danger/hazard allowance on condition:

i) The employee is not absent without leave (AWOL) during the 30 days of the calendar month.

ii) Has not taken more than 30 days of leave within calendar month.

iii) Has not engaged in unprotected industrial action / strike.

iv) The employee remains appointed to designation classified as qualifying designation

10.2. For a designation to qualify to be classified as very high or high risk the following criterion must be met:

i) The designation must be within a strategic business unit / section / unit designated / classified as high, medium, or low risk function.

ii) It must be informed and supported by a comprehensive danger risks exposures assessment report *compiled in consultation with line management, approved* by Accounting Officer.

iii) The risk assessment report must identify specific or class of danger/hazard risks exposures associated / inherent in the position / designation including available mitigatory options.

iv) A determination must be made by the recommending and approving authority that the specific or class of danger risks exposures associated / inherent in the position / designation have not been adequately mitigated or cannot be proactively eliminated with the use of reasonable protective measures / equipment.

v) That the factors giving rise to a danger/hazard risks exposure are consistent (not of an ad hoc in nature) and may occur unexpectedly.

11. PAYMENT OF DANGER/HAZARD ALLOWANCE

11.1. Danger/Hazard Allowance shall be paid monthly to employees who qualify in terms of the eligibility and applicable tax prescripts shall apply;

11.2. The monthly taxable benefit shall be **R 500.00** for **High Risk Exposure** and **R300** for **Medium Risk Exposure;** with due consideration to:

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- *The nature of their duties and the work environment,*
- *The nature and extent of the risk to which they are exposed,*
- *The frequency of the risk, i.e., when do the Employees experience a genuine risk to their life during their employment, and*
- *The health and safety and /or precautionary measures the employer has implemented to mitigate the risk*
- *If mitigating measures are in place, the degree to which the risk could be mitigated. If not mitigated or partially mitigated the reasons that the risk persists and the degree to which it continues to present a genuine life-threatening risk to the employee.*

11.3. **Approval of the payment shall be sought from the Accounting Officer after submission of an assessment report with a clear motivation by the Line Manager.**

12. VIOLATION AND ENFORCEMENT

The violation of the policy may lead to disciplinary measures being taken against any person who is deemed to have violated the policy.

13. REVIEW OF THE POLICY

This Policy will be reviewed after every three years or when there is a change in legislation affecting it and considering feedback received from the various stakeholders and role players. Where necessary, the required amendments will be made and submitted to Council for approval.

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7/2/7B (6)

14 → Maggy Matshivha.

EXTRACT FROM THE MINUTES OF THE COUNCIL MEETING HELD ON 29/07/2022

CR/03/07/22	A	*PORTFOLIO: ADMIN AND GOVERNANCE.* *DATE: 20/07/2022* *ITEM:13* *PAGE:3 (Vol 2)* *REF:*	*MAYORAL COMMITTEE* *DATE: 25/07/2022* *ITEM: 6* *PAGE:183*	*COUNCIL* *DATE: 29/07/2022* *ITEM: 6* *PAGE:184*

REPORT ON RISK/DANGER ALLOWANCE POLICY

RESOLVED

1. That Municipal Council take note of the report on Risk/Danger Allowance Policy;

2. That Municipal Council approves the Danger/Risk Allowance Policy and implementation thereof.

Action **Director Corporate and Shared Services**

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AGENDA

EXTRACT FROM THE AGENDA OF THE COUNCIL MEETING HELD ON THE 29/07/2022

ITEM 6	A	*PORTFOLIO: ADMIN AND GOVERNANCE.* *DATE: 20/07/2022* *ITEM:13* *PAGE:3 (Vol 2)* *REF;*	*MAYORAL COMMITTEE* *DATE: 25/07/2022* *ITEM: 6* *PAGE:183*	*COUNCIL* *DATE:* *ITEM:* *PAGE:*

REPORT ON RISK/DANGER ALLOWANCE POLICY

RECOMMEND

1. That Municipal Council take note of the report on Risk/Danger Allowance Policy;
2. That Municipal Council approves the Danger/Risk Allowance Policy and implementation thereof.

Action **Director Corporate and Shared Services**

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DIRECTORATE: CORPORATE AND SHARED SERVICES

ITEM:

REFERENCE:

REPORT OF THE DIRECTOR CORPORATE AND SHARED SERVICE

REPORT ON RISK/DANGER ALLOWANCE.

Purpose of the Report

To request Municipal Council to note the Risk/Danger Allowance Policy and approve recommendations thereof.

BACKGROUND

The South African Local Government Bargaining Council (SALGBC) in its circular 02/2021 acknowledged that the Main Collective Agreement does not cover Danger allowance and the allowance cannot and should not be negotiated at any Division of the SALGBC.

The SALGBC then advised that municipalities without Danger allowance policy must with their senior municipal management and identified leadership of IMATU and SAMWU discuss the matter in order to arrive at an amicable resolution of which employees in the essential designation are indeed exposed to dangers or hazards and what procedure for those so identified needs to be applied to compensate them through the payment of a danger allowance subject to municipalities fulfilling their compliance in giving effect to this.

DISCUSSION

Polokwane Municipality does not have a Danger/ Risk Allowance policy in place. Following Circular number 02/2021, a Draft Danger/Risk Allowance Policy was presented and Discussed at the LLF Level as part of consultation with Organised Labour (IMATU AND SAMWU)

The draft policy was discussed at the Local Labour Forum and parties have agreed that the Draft Policy follow all Council process for adoption.

The following policy principles have been addressed in the policy,

1. Danger/risk allowance shall be paid monthly to employees who qualify in terms of the definition and policy principles.
2. The monthly tax inclusive allowance of **R500** shall be payable to qualifying employees.
3. **Approval of the payment shall be sought from the Accounting Officer after submission of an assessment report with a clear motivation by the line manager.**

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4. The motivation must include, nature of their duties and the work environment,
5. The nature and extent of the risk to which they are exposed
6. The frequency of the risk, i.e., when do the Employees experience a genuine risk to their life during their employment.
7. The health and safety and /or precautionary measures the employer has implemented to mitigate the risk
8. If mitigating measures are in place, the degree to which the risk could be mitigated. If not mitigated or partially mitigated the reasons that the risk persists and the degree to which it continues to present a genuine life-threatening risk to the employee.

COMMENTS OF THE MANAGER LEGAL SERVICES

Occupational Health and Safety Act, 85 of 1993 (OHSA) requires the employer to provide and maintain as far as reasonably practicable, a working environment that is safe and without risks to the health of workers and to take such steps as may be reasonably practical to eliminate or mitigate the hazard or potential hazards.

The Act further requires employers, to ensure, as far as is reasonably practicable, that all persons who may be directly affected by their activities (such as customers, clients or contractors and their workers who enter their workplace or come into contact with their employees) are not exposed to hazards to their health or safety.

The Municipality does not have a Danger Allowance Policy in place should employees be exposed to any form of risk or danger which could spell catastrophic.

Circular number 02/2021 issued by the SALGBC gives Municipalities the powers to negotiate with Organized Labour / Trade Union a Danger Allowance Policy which shall be applicable to employees within the designated essential service who may be exposed to Risk / Danger in their line of work.

The Draft Policy is in accordance with SALGBC Circular number 02 of 2021 and therefore supported.

COMMENTS BY THE CHIEF FINANCIAL OFFICER

The Budget has not been allocated in the current budget as a separate line item required by MSCOA, however budget will be prioritized during the budget adjustment process.

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RECOMMENDATIONS

1. That Municipal Council take note of the report on Risk/Danger Allowance Policy.
2. That Municipal Council approves the Danger/Risk Allowance Policy.

MRS. MM MATSHIVHA
DIRECTOR CORPORATE AND SHARED SERVICES

22/07/2025
DATE

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CITY OF

Polokwane

NATURALLY PROGRESSIVE

DRAFT DANGER/ HAZARD ALLOWANCE POLICY

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DRAFT DANGER/HAZARD ALLOWANCE POLICY

1. PREAMBLE

1.1 The South African Local Government Bargaining Council (SALGBC) in its circular 02/2021 acknowledges that:

1.2 The Main Collective Agreement does not cover Danger allowance and the allowance cannot and should not be negotiated at any Division of the SALGBC.

1.3 The SALGBC, advised that municipalities without Danger allowance policy must with their senior municipal management and identified leadership of IMATU and SAMWU discuss the matter in order to arrive at an amicable resolution of which employees in the essential designation are indeed exposed to dangers or hazards and what procedure for those so identified needs to be applied to compensate them through the payment of a danger allowance subject to municipalities fulfilling their compliance in giving effect to this.

1.4 Therefore, the Danger allowance policy shall be an agreement between the parties at the Local Labour Forum between IMATU, SAMWU and Polokwane Municipality

2. DEFINITIONS

"Danger" is when your life is at risk of a possibility of losing life or limp permanently or partially and may lead to death or disability.

"Hazard" is any source of potential damage, harm or adverse health effects on something or someone.

"Danger allowance" is the additional compensation paid to employees who are working under hazardous/dangerous conditions or in extreme physical discomfort or distress.

3. SCOPE OF APPLICATION

3.1 This policy shall apply to all employees of Polokwane municipality falling within the registered scope of the SALGBC and are also eligible to receive the allowance **in terms of clause 5 below**.

3.2 This policy shall not apply to the Councillors.

4. COMMENCEMENT DATE

The policy shall come into effect on a date determined by council as an effective date of the policy.

5.PRINCIPLES

5.1 Payment of the danger/hazard allowance shall take into consideration the following: -

5.1.1 The nature of their duties and the work environment

5.1.2 The nature and the extent at which they are exposed to the danger or the hazard

5.1.3 The frequency of the danger or the hazard that is when do employees experience a genuine danger or hazard to their life during their employment.

5.1.4 The health and safety measures and/or precautionary measures the Employer has put in place.

5.1.5 If mitigating measures are in place, the degree to which the danger/hazard could be mitigated.

5.1.6 If not mitigated or partially mitigated the reasons that the danger/hazard persist and the degree to which it continues to present a genuine life-threatening situation to the employee

5.1.7. Substantive motivation provided by the Employer where the danger/hazard cannot be mitigated through safety and or precautionary measures, a motivation should be submitted.

6.The following occupational categories were identified for a risk matrix analysis though hazard categories.

6.1. In line with OHS there are six primary **hazard categories** namely:

- Physical hazards
- Chemical hazards
- Biological hazards
- Safety hazards
- Ergonomic hazards
- Psychosocial hazards

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- **Biological.** Biological hazards include viruses, bacteria, insects, animals, etc., that can cause adverse health impacts. For example, mould, blood and other bodily fluids, harmful plants, sewage, dust, and vermin.
- **Chemical.** Chemical hazards are hazardous substances that can cause harm. These hazards can result in both health and physical impacts, such as skin irritation, respiratory system irritation, blindness, corrosion, and explosions.
- **Physical.** Physical hazards are environmental factors that can harm an employee without necessarily touching them, including heights, noise, radiation, and pressure.

- **Safety.**.These are hazards that create unsafe working conditions. For example, exposed wires or a damaged carpet might result in a tripping hazard. *These are sometimes included under the category of physical hazards.*
- **Ergonomic.** Ergonomic hazards are a result of physical factors that can result in musculoskeletal injuries. For example, a poor workstation setup in an office, poor posture, and manual handling.
- **Psychosocial.** Psychosocial hazards include those that can have an adverse effect on an employee's mental health or wellbeing. For example, sexual harassment, victimisation, stress, and workplace violence.

7. Categorization

7.1. Very High-Risk Category

Very high exposure risk jobs are those with high potential and likely to result in failure, harm, or injury.

7. 2. High Risk Category

High risk exposure

High exposure risk jobs are those with high potential and likely to result in failure, harm, or injury.

7.3. Medium Risk Category

Medium Exposure Risk

Medium exposure risk jobs include the chance or probability that a person will be harmed or experience an adverse health effect if exposed to a hazard.

7.4. Low Risk Category

Lower Exposure Risk

Lower exposure risk (caution) jobs are those not likely to result in failure, harm, or injury: not having a lot of risk.

8.Risk Table

Severity	Meaning	Probability	Risk Category
*Catastr*ophic	• Multiple death • Multiple Injury • Equipment destroyed	Frequent Occasional Remote Improbable	Very High

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		Extremely probable	
Hazardous	• Large reduction in safety margin or workload such that operational perform their task accurately. • Serious injury Major equipment destroyed	Frequent Occasional Remote Improbable Extremely probable	High
Major	• A significant reduction in safety margins, a reduction in the ability of operation and the ability of being operational. • Personnel to cope with adverse operations conditions workload as a result of an increase in workload and as a result of conditions impairing their efficiency. • Serious incident. Injury to personnel	Frequent Occasional Remote Improbable Extremely probable	Medium
Minor	• Minor incidents • Nuisance • Operating Limitations. Use of emergency procedures.	Frequent Occasional Remote Improbable Extremely probable	Lower
Negligible	Few consequences.	Frequent Occasional Remote Improbable Extremely probable	

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9. ELIGIBILITY

9.1 A qualifying employee will be entitled to receive a monthly danger/hazard allowance on condition:

i) The employee is not absent without leave (AWOL) during the 30 days of the calendar month.

ii) Has not taken more than 30 days of leave within calendar month.

iii) Has not engaged in unprotected industrial action / strike.

iv) The employee remains appointed to designation classified as qualifying designation

9.2 For a designation to qualify to be classified as very high or high risk the following criterion must be met:

i) The designation must be within a strategic business unit / section / unit designated / classified as high, medium, or low risk function.

ii) It must be informed and supported by a comprehensive danger risks exposures assessment report compiled in consultation with line management, approved by the Municipal Manager.

iii) The risk assessment report must identify specific or class of danger/hazard risks exposures associated / inherent in the position / designation including available mitigatory options.

iv) A determination must be made by the recommending and approving authority that the specific or class of danger risks exposures associated / inherent in the position / designation have not been adequately mitigated or cannot be proactively eliminated with the use of reasonable protective measures / equipment.

v) That the factors giving rise to a danger/hazard risks exposure are consistent (not of an ad hoc in nature) and may occur unexpectedly.

10. PRINCIPLES

10.1. Danger/risk allowance shall be paid monthly to employees who qualify in terms of the definition and applicable tax prescripts shall apply during the term of the lock down.

10.2 The monthly tax inclusive benefit shall be as follows, **R 500.00.**

- *The nature of their duties and the work environment*
- *The nature and extent of the risk to which they are exposed*

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- *The frequency of the risk, i.e., when do the Employees experience a genuine risk to their life during their employment.*

- *The health and safety and /or precautionary measures the employer has implemented to mitigate the risk*

- *If mitigating measures are in place, the degree to which the risk could be mitigated. If not mitigated or partially mitigated the reasons that the risk persists and the degree to which it continues to present a genuine life-threatening risk to the employee.*

- ***Approval of the payment shall be sought from the Accounting Officer after submission of an assessment report with a clear motivation by the line manager.***

11. Violation and enforcement

The violation of the policy may lead to disciplinary measures being taken against any person who is deemed to have violated the policy.

12. REVIEW OF THE POLICY

This Policy will be reviewed after every three years or when there is a change in legislation affecting it and considering feedback received from the various stakeholders and role players. Where necessary, the required amendments will be made and submitted to Council for approval.

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HEAD OFFICE

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Web-site: www.salgbc.org.za

17 March 2021

TO: ALL MUNICIPAL MANAGERS
ALL CHIEF FINANCIAL OFFICERS
ALL HUMAN RESOURCES DIRECTORS

THE PARTIES:		
SALGA	Mr. X George	(012) 369 8001
SAMWU	Mr. K D Magagula	Per Email
IMATU	Mr. J Koen	(012) 460 8444
REGIONAL SECRETARIES:		
Gauteng/Johannesburg/Tshwane Division	Ms. E Sekgweleo	(012) 665 1014
Eastern Cape Division	Mr. C. Gqeke	(041) 581 3648
Western Cape/Cape Metro Division	Ms. W Brink	(021) 917 1145
Northern Cape/Free State Division	Mr. T Mqobongo	(053) 831 3608
North West/Mpumalanga/Limpopo Division	Ms N Hlangwani	(012) 342 7015
KwaZulu-Natal/eThekwini Division	Mr. V Nzuza	(031) 201 9752

Circular 02/2021

Information Required by the parties for the Negotiations - Compensatory Framework for Essential Service Employees on duty during the Lockdown.

1. The purpose of this circular is two-fold:

   a) Firstly, the parties to the Council at Central Council seek to clarify and distinguish between the compensatory framework and the danger allowance.

   b) Secondly, the Council requests municipalities to submit information as per Annexure A to assist the parties at Central Council level when they negotiate the compensatory framework.

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2. The context of this circular follows:

When Circular 5/2020 was issued in April 2020 the parties found themselves dealing with the COVID 19 that confronted the sector during Lockdown Level 5 at a time when the constituencies of each party were faced with the harsh reality of the pandemic, not having dealt with a similar situation before.

The compensatory framework was an idea that was conceived during Lockdown Level 5 at a meeting of the authorized party representatives held on 8 April 2020.

The parties have since April 2020 discussed the matter at various Executive Committee meetings on 23 July 2020, 30 September 2020, and 15 December 2020. The parties at Central Council therefore clarify the two issues below.

3. Compensatory Framework to be Negotiated at Central Council level

The first issue that needs to be clarified is that the parties now agree that the compensatory framework in the form of an ex-gratia payment will be negotiated at the Central Council level of the SALGBC.

The compensatory framework is not an instrument to measure the danger faced by employees but rather it is a gesture for employees who worked during the lockdown for the full duration, from Lockdown Level 5 to Lockdown Level 1.

The Executive Committee on 30 September 2020 resolved that municipalities must provide information to the bargaining council which will assist the bargaining partners when they negotiate the compensatory framework, the resolution is as follows:

a) The SALGBC shall gather information from municipalities in respect of the number of essential service employees (name and details of essential service employees), as per the Disaster Management Regulations, that reported for duty from Lockdown Level 5 to Lockdown Level 1, excluding those essential service employees who did not report for duty due to a comorbidity or some other reason. The purpose of this information is to assist the parties to assess which employees are eligible for the compensatory framework.

b) The negotiations in respect of the compensatory framework will commence after the lockdown is over.

4. Danger Allowance to be discussed at Municipal level or LLF level.

a) The second issue that needs to be clarified is that the danger allowance must be discussed at the municipal level or LLF Level. From the report's parties have received

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thus far, these discussions have commenced at some municipalities, at municipal level. These discussions must be guided by the following:

- The MCA does not cover a danger allowance.
- If a municipality has a policy which regulates a danger allowance, then the issue must be managed in terms of the relevant municipal policy.
- If there is no policy at a municipality, the senior municipal management and identified leadership of IMATU and SAMWU must discuss the matter. The parties must discuss the matter in order to arrive at an amicable resolution of which employees in the essential designation are indeed exposed to dangers or hazards and what procedure for those so identified needs to be applied to compensate them through the payment of a danger allowance subject to municipalities fulfilling their compliance in giving effect to this.

The danger allowance cannot and should not be negotiated at any Division of the SALGBC.

5. The Municipality must complete the attached Annexure A, in respect of the data required for the negotiations of the **compensatory framework** and submit same by not later than 26 April 2021 to **data@salgbc.org.za.**

   All enquiries must be via email and can be submitted to: data@salgbc.org.za

   The list of designated essential services is the same as listed in the SALGBC Framework Agreement on Essential Services.

   Attached is the list of essential services, Annexure B, as Gazetted on 29 April 2020.

   This circular and the word version of the form is available on the SALGBC website.

Yours faithfully

SS GOVENDER
GENERAL SECRETARY

Encl: Annexure A (Pages 1-2)
Annexure B (Pages 1-3)

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ANNEXURE A

Information Required by the parties for the Negotiations - Compensatory Framework for Essential Service Employees on duty during the Lockdown

Part A: Details of Municipality

1. Name of Municipality: _____ Province: _____

2. Contact details of person completing this form.

NAME		POSITION	

3.

EMAIL ADDRESS	MOBILE NUMBER	FACSIMILE NUMBER	LANDLINE NUMBER

Part B: Essential Service Employees on Duty during Lockdown

4. Total Number of employees in the municipality: _____

5. Total Number of employees who passed away due to COVID-19 related illness _____

6. Total Number of essential service employees _____

7. Did the municipality keep records or a register of essential service employees? YES | NO

8. Does the municipality have a Minimum Service Agreement (MSA), ratified by the ESC?

YES | NO

Or

Does the municipality have a Minimum Service Determination (MSD), issued by the ESC?

YES | NO

Or

No MSA or MSD

YES

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ANNEXURE A

PART C: Details of Designated Essential (Municipal) Services

The following services provided by the Employer have been designated as essential by the Essential Services Committee (as Gazetted on the 12 September 1997 in Government Gazette 18276, Number 1216):

CATEGORY	NUMBER OF ESSENTIAL SERVICE EMPLOYEES REPORTED FOR DUTY	NUMBER OF ESSENTIAL SERVICE EMPLOYEES WITH COMORBIDITIES WHO DID NOT REPORT FOR DUTY	NUMBER OF ESSENTIAL SERVICE EMPLOYEES WHO WERE SUPPOSED TO REPORT FOR DUTY AND DID NOT REPORT FOR DUTY
Municipal Traffic Services and Policing			
Municipal Health			
Municipal Security			
The Supply and Distribution of Water			
The Generation, Transmission and Distribution of Power			
Fire-Fighting			
The following parts of sanitation services: (a) The maintenance and operation of water-borne sewerage systems, including pumping stations and the control of discharges of industrial effluent into the system; (b) The maintenance and operation of sewerage purification works; (c) The collection of refuse and organic nature; (d) The collection of infectious refuse from medial and veterinary hospitals or practices; (e) The collection and disposal site; and (f) The collection of refuse left uncollected for 14 (fourteen) days longer, including domestic refuse and refuse on public roads and open spaces.			

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ANNEXURE B

Annexure: Categories of essential services shall be confined to the following services: (as amended by Gazette 43168 of 25 March 2020 and Gazette 43199 of 2 April 2020 and Gazette 43232 of 16 April 2020)

1. Medical, Health (including Mental Health), Laboratory and Medical services and the National Institute for Communicable Diseases; "

2. Disaster Management, Fire Prevention, Fire Fighting and Emergency services.

3.1 (a) The following services necessary to maintain the functioning of a financial system as defined in section 1(1) of the Financial Sector Regulation Act, only when the operation of a place of business or entity is necessary to continue to perform those services:

(i) the banking environment (including the operations of mutual banks,cooperative banks, co-operative financial institutions and the Postbank);
(ii) the payments environment;
(iii) the financial markets (including market infrastructures licensed under the Financial Markets Act, 2012 (Act No. 19 of 2012);
(iv) the insurance environment;
(v) the savings and investment environment;
(vi) pension fund administration;
(vii) outsourced administration;
(viii) medical schemes administration; and
(ix) additional services designated in terms of regulation 11B(4A)(c)(i).
(b) The services listed in paragraph (a) may not be construed to include debt collection services.

3.2 Services necessary for the provision of social grants designated in terms of regulation 11B(4A)(c)(ii).";

4. Production and sale of the goods listed in category A, above.

5. Grocery stores and wholesale produce markets. spaza shops, informal fruit and vegetable sellers and langanas, with written permission from a municipal authority to operate being required in respect of spaza shops and informal fruit and vegetable traders: Provided that all valid permits for spaza shops and informal fruit and vegetable traders issued before or during the declared national state of disaster and which fall due during the said period, will remain valid for a period of one month after the end of the national state of disaster.

6. Electricity (including vital demand management services), water gas and fuel production, supply and maintenance.

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ANNEXURE B

7. Critical jobs for essential government services as determined by Head of National or Provincial Departments in accordance with the guidance of the Department of Public Service and Administration, including Social Grant Payments and pension payments.

8. Birth and death certificates, and replacement identification documents.

9. Essential municipal services.

10. Care services and social relief of distress provided to older persons, mentally ill, persons with disabilities, the sick, and children.

11. Funeral and cremation services, including mortuaries services and the transportation of mortal remains.

12. Wildlife Management, Anti-poaching, Animal Care and Veterinary services.

13. Newspaper, broadcasting and telecommunication infrastructure and services, including call centres critical for the support of such services.

14. Production and sale of any chemicals, hygiene products, pharmaceuticals for the medical or retail sector.

15. Cleaning, sanitation, pest control, sewerage, waste and refuse removal services.

16. Services related to the essential functioning of courts, judicial officers, the Master of the High Court, Sheriffs and legal practitioners required for those services.

17. Essential SARS services defined by the Commissioner of SARS.

18. Police, peace officers, traffic officers, military medical personnel and soldiers, correctional services officials and traffic management services.

19. Postal services and courier services related to transport of medical products.

20. Private security services.

21. Air-traffic Navigation, Civil Aviation Authority, air charters, Cargo Shipping and dockyard services.

22. Gold, gold refinery, coal and mining.

23. Accommodation used for persons rendering essential services, quarantine, isolation and the lockdown.

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ANNEXURE B

24. Production, manufacturing, supply, logistics, transport, delivery, critical maintenance and repair in relation to the rendering of essential services including components and equipment.

25. Transport services for persons rendering essential services and goods, and transportation of patients.

26. Services rendered by the Executive, members of Parliament, Members of the Provincial Legislature, Members of Local Councils, the Judiciary, traditional leaders and National Office Bearers. of Political Parties represented in Parliament.

27.1 Commissioners of the South African Human Rights Commission, Gender Commission, the Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities, the Public Protector and Deputy Public Protector and the Independent Electoral Commission; and

27 .2 Services rendered by the Institutions referred to in item 27.1.

28. Transport and logistics in respect of cargo and goods as set out in Part A to neighbouring countries.

29. Tow trucks and vehicle recovery services.

30. Call centres necessary to provide health, safety, social support, government and financial services, debt restructuring for consumers of retailers. and access to short-term insurance policies as a result of reduced income or loss of income.

31. Harvesting and storage activities essential to prevent the wastage of primary agricultural goods.

32. Implementation of payroll systems to the extent that such arrangement has not been made for the lockdown, to ensure timeous payments to workers; and

33. Critical maintenance services which cannot be delayed for more than 21 days and are essential to resume operations after the lockdown.

34. Trades necessary for the rendering of emergency repair work, including plumbers, electricians, locksmiths, glaziers, roof repair work.

35. Trades necessary for emergency automobile repairs for persons rendering essential services.

36. Information and Communication Technology services rendered to entities and institutions engaged in delivering essential services in terms of these Regulations.

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DELEGATIONS OF FINANCIAL AUTHORITY BY THE ACCOUNTING OFFICER

Notwithstanding the review date as shown, this policy shall remain effective until approved otherwise by Council and may be reviewed on an earlier date as deemed necessary.

2026/2027 FINANCIAL YEAR

Contents

1. **GENERAL** 3
2. **OBJECTIVES** 4
3. **GENERAL PRINCIPLES FOR APPLICATION** 4
4. **REVIEW OF DELEGATIONS** 5
5. **SCHEDULED OF FINANCIAL DELEGATIONS** 5
    a) **SUPPLY CHAIN MANAGEMENT** 5
    b) **EXPENDITURE** 6

DELEGATIONS OF FINANCIAL AUTHORITY BY THE ACCOUNTING OFFICER OF POLOKWANE MUNICIPALITY

1. GENERAL

The Municipal Manager in his/her capacity as the Accounting Officer of Polokwane Municipality, herein delegate, in terms of section 79 of the Municipal Finance Management Act, 2003 (Act 56 of 2003) hereinafter referred to as the MFMA, certain of my powers with effect from 01 February 2018 subject to the following legislative requirements as well as Treasury guidelines issued from time to time by the Minister and Council's policies:

Section 79 of the MFMA provides as follows:

(1) The Accounting Officer of Municipality

a) Must, for the proper application of this Act in the Municipality's administration, develop an appropriate system of delegation that will both maximize administrative and operational efficiency and provide adequate checks and balances in the Municipality's financial administration;

b) May, in accordance with that system, delegate to the member of the municipality's top management referred to in section 77 or any other official of the Municipality

   i) Any of the powers or duties assigned to an accounting officer in terms of this Act; and

   ii) Any powers or duties reasonably necessary to assist the accounting officer in complying with a duty which requires the accounting officer to take reasonable or appropriate steps to ensure the achievement of the aims of a specific provision of this Act; and

c) Must regularly review delegations issued in terms of paragraph (b) and if necessary, amend or withdraw any of those delegations.

(2) The accounting officer may not delegate to any political office-bearer of the municipality any of the powers or duties assigned to accounting officer in terms of this Act.

(3) A delegation in terms of subsection (1)

a) Must be in writing

b) Is subject to such limitations and conditions as the accounting officer may impose in a specific case;

c) May either be to a specific individual or the holder of a specific post in the municipality;

d) May, in the case of delegation to a member of the municipality's top management in terms of subsections (1)(b), authorised that member to sub delegate the delegated power or duty to an official or the holder of a specific post in that member's area of responsibility, and

e) Does not divest the accounting officer of the responsibility concerning the exercise of the delegated power or the performance of the delegated duty;

(4) The accounting officer may confirm, vary or revoke any decision taken in consequence of a delegation or sub-delegation in terms of this section but as such variation or revocation of a decision may detract from any rights that may have accrued as a result of the decision.

2. OBJECTIVES

Delegations of financial authority within the Polokwane Municipality are intended to achieve three objectives:

a) To ensure the efficiency, effectiveness and reliability of the municipality's administrative processes;
b) To ensure that the appropriate officials have been provided with the level of financial authority necessary to execute their responsibilities effectively, and
c) To ensure internal controls are effective.

3. GENERAL PRINCIPLES FOR APPLICATION

All expenditure incurred by the Municipality must be for the municipality's purpose and must comply with policies as determined by the Council from time to time. Council must approve, either directly or through delegation, all expenditure incurred by the municipality. Delegated officials have authority to commit funds of the municipality within the budget approved by Council.

Notwithstanding the provision of section 77 of the MFMA, these delegations are applicable to a position on the official Organogram or committee established according to regulations to Council. The incumbent in the position at any one point in time shall be the delegated official.

The policy details minimum delegations for financial related functions and activities within the municipality. Financial responsibilities, either of Council or delegated authority, apply to all funds received by the municipality.

An official to whom the authority has been delegated must:

a) Act with fidelity, honesty, integrity and in the best interest of the municipality in managing its financial affairs.
b) Disclose to the accounting officer all material facts which are available or reasonably obtainable, and which in any way might influence the decisions or actions of the municipality.

c) Seek within the sphere of influence of the delegated official, to prevent any prejudice to the interest of the municipality.

A delegated official may not exercise a delegation that will result, either directly or indirectly, in any tangible benefits to the official or related party. If any conflict of interest occurs, this must be declared.

Delegated powers can also be exercised by the official acting in the place of the delegated official whilst he/she is temporarily absent from his/her office, on leave or indisposed, on condition that such an officer is appointed in writing.

NOTES:

It is the responsibility of each officer exercising delegated authority to ensure that he/she is fully conversant with the provisions of the relevant Acts, Regulations and any current policy documents governing the performance of the function. Any negligent use of the authority by any officer will lead to disciplinary action or withdrawal of such authority.

4. REVIEW OF DELEGATIONS

This system of delegation will be reviewed annually

5. SCHEDULED OF FINANCIAL DELEGATIONS

The following table lists the type of delegations of post which the delegations apply:

a) SUPPLY CHAIN MANAGEMENT		
No	**Description**	**Position to which authority is delegated**
1.	**Requisitions:** **Approval of Requisitions (system and Manual)** a) R nil – R300 000 b) R300 000 and above	a) Executive Directors of the vote b) Deputy CFO/CFO c)Competitive Bidding
2.	**Quotations** **Approval to Obtain Quotation Sourcing of Quotation** a) R nil to R 2 000 – petty cash b) R2 001 - R30 000	a) Executive Director of the Vote b) Assitant Manager Acquisition

a) SUPPLY CHAIN MANAGEMENT		
No	**Description**	**Position to which authority is delegated**
	c) R30 001 – R300 000 d) R300 000 and above	c) Manager SCM d) Competitive Bidding
3.	**Approval of quotations after they have been sourced** a) R nil – R2 000 b) R2 001 – R30 000 c) R30 001 – R300 000 d) R300 001 and above	a) Manager Expenditure b) Assitant Manager Acquisition c) Manager SCM d) Competitive Bidding
4.	**Signing of Purchase orders** a) R nil – R 300 000 b) And above R300 000 c) Certify Prices according to Contract/Tender/Quotation	a) Assistant Manager Acquisition b)Manager SCM c) Directors d) DCFO
5.	Approval of specification a) R nil – R2 000 b) R2 001 – R30 000 c) R 30 001 and above i. Approval of provisional specification ii. Approval of Final specification	a)Manager SBU b) Director of the Vote c) Bid Specification Committee
6.	Competitive Bidding Process Make final award	Accounting Officer
7.	Certification of goods received	a)Manager of vote b)Assistant Manager Logistics
8	Emergencies Approval of emergency transactions as defined in the SCM Policy	a) Accounting Officer
9.	Tender box Management	b) Manager SCM

b) EXPENDITURE		
No	**Description**	**Position to which authority is delegated**
1	Approval of invoices for payment	a) Director of the voteSenior Manager of department

b) EXPENDITURE		
No	**Description**	**Position to which authority is delegated**
		b) For invoices above R1 million the Accouitng Officer to review before processing
2	**Approval of Payment Vouchers** c) R nil – R2 000 d) R2 001 – R30 000 e) R30 001 – R300 000 f) R300 001 – R1000 000 g) R1 000 001 - Above	a) Assistant Manager Expenditure b) Manager Expenditure c) Deputy CFO d) CFO d) Accounting Officer
3	Signing of payment list Two signatories are required on all payment list	a) Deputy CFO b) Manager Expenditure c) Assistant Manager Expenditure e) Chief Accountant
4	Approval of payroll (Approval of manual payroll before loading to EFT) Two signatories are required on all payment list	a) Deputy CFO b) Manager expenditure c) Assistant Manager Payroll d) Senior Accountant
5	Approval of manual journal entries	e) Deputy CFO f) Manager Expenditure f) Manager Revenue g) Manager Assets h) Manager Budget i) Manager Business and Financial Planning
6	Approval of payment in the banking system (Final release) Two signatories are required on authorize electronic transfer of funds	a) CFO b) Deputy CFO c) Manager Revenue d) Manager Expenditure e)Manager Budget f)ccouting Officer
7	Annual Assets verification	c) Deputy CFO d) Manager Assets

ANNEXURE F:

BUDGET RELATED POLICIES_PHA

Thabatshweu
HOUSING COMPANY (PTY) LTD
t/a POLOKWANE HOUSING ASSOCIATION

"A Promise Delivered"

FINANCE POLICIES AND PROCEDURES

DRAFT ASSET MANAGEMENT POLICY

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Table of Contents

Notice ----- 2
Approval ----- 2
Foreword ----- 2
Amendment history ----- 3
Drafting tools ----- 3
Introduction ----- 5
Objectives ----- 5
Affordability Check / screening ----- 5
Responsibility ----- 5
Fixed Asset ----- 5
Intangible asset ----- 6
Capitalisation and valuation of asset ----- 6
Guidelines controls for preparation of capital budget ----- 6
Guidelines procedure for additions to fixed asset ----- 6
Capitalisation vs Expenditure ----- 7
Disposal of asset ----- 7
Guideline procedure for disposal of asset ----- 8
Other write-offs of fixed assets ----- 8
Revision of useful life ----- 9
Guidelines for changes in estimates ----- 10
Asset classes and depreciation periods ----- 10
Asset information kept in the register ----- 10
Recognition of donated assets ----- 11
Asset verification ----- 11
Guideline procedures for the maintenance of the fixed asset register ----- 11
Physical security of assets ----- 12
Insurance of fixed assets ----- 12
Guidelines controls over physical security of fixed asset ----- 12 to 13
Financial disclosures requirements ----- 14 to 16
Risk Management ----- 16
Compliance with Policy ----- 16
Departures from the policy ----- 16
Changes to the Policy ----- 16
Monitoring of the Policy ----- 17
Policy Review ----- 17
Delegation of Authority ----- 17

DRAFT

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

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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.

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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

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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.

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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, ad 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 assts 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.

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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.

DRAFT

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:	**14**
Computer hardware	**14**
Computer software	**11**
Motor Vehicles	**8**
Furniture and fittings	**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

DRAFT

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.

DRAFT

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

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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

DRAFT

- 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.

DRAFT

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.

DRAFT

- 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.

DRAFT

- 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.

DRAFT

- 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

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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

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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;

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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;

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(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

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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.

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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).

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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.

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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 deptartments 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.

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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

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l) No virement may be made where it would result in over expenditure (MFMA Section 32);

m) Virement should only be allowed within a *mSCOA* function and its sub functions[1], 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.

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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.

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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;

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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

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14. IMPLEMENTATION AND REVIEW OF POLICY

This policy shall be implemented on 1st 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.

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DRAFT COST CONTAINMENT POLICY 2022-2023

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TABLE OF CONTENTS

1. Definitions
2. Purpose
3. Objectives of the policy
4. Scope of the policy
5. Legislative framework
6. Policy principles
7. Use of consultants
8. Travel & subsistence
9. Domestic accommodation
10. Sponsorships, events & catering
11. Communication
12. Conferences, meetings & study tours
13. Other related expenditure items
14. Enforcement procedures
15. Implementation & review process
16. Consequences for non-adherence to the cost containment measures

DRAFT

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;

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(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.

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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.

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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

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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.

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CREDIT MANAGEMENT/CONTROL POLICY

POLOKWANE HOUSING ASSOCIATION

CONTENTS

PREAMBLE 3
OBJECTIVE OF THIS POLICY 3
DEFINITIONS AND INTERPRETATIONS 3
LEGAL FRAMEWORK 5
QUALIFYING SCOPE 6
TENANTS ALLOCATIONS AND TENANCY ADMINISTRATION 6
ACCOUNT ADMINISTRATION AND BILLING 7
ARREARS MANAGEMENT AND RECOVERIES 8
ACKNOWLEDGEMENT OF DEBT AND PAYMENT ARRANGEMENTS 9
IMPAIRMENT OF DEBTORS 10
DISPUTE RESOLUTION 10
EVICTION PROCEDURES AND LEGAL RECOVERY 11
VACANCY MANAGEMENT 12
RESPONSIBILITY FOR CREDIT CONTROL 12
CODE OF ETHICS AND CONDUCT 13
REPORTING AND COMPLIANCE 14
IMPLEMENTATION AND REVIEW 15

PREAMBLE

1.1. Polokwane Housing Association (hereinafter referred to as "PHA" or "the Association") is a Social Housing Institution accredited in terms of the Social Housing Act, 2008 (Act No. 16 of 2008), as amended.

1.2. In terms of Section 97 of the Municipal Finance Management Act, 2003 (Act No. 56 of 2003), the accounting officer of a municipal entity must take all reasonable steps to ensure that the entity has and implements effective revenue collection systems to give effect to its budget, and that all revenue due to the entity is collected.

1.3. This policy is enacted to give effect to the statutory obligations of PHA and to ensure the financial sustainability of the Association in accordance with the requirements of the Social Housing Regulatory Authority.

OBJECTIVE OF THIS POLICY

2.1. The primary objective of this policy is to provide comprehensive guidelines for the management and mitigation of credit risk relating to property debtors in PHA's accounts.

2.2. This policy aims to ensure that PHA accommodates beneficiaries who qualify in terms of the criteria established by the Association, which criteria shall be reviewed periodically taking into account the nature of the project or development, including whether such project is subsidised through institutional subsidies or unsubsidised.

2.3. This policy seeks to ensure compliance with Regulation 18 of the Social Housing Regulations, which requires the establishment and maintenance of robust and well-managed rental collection policies and processes, including effective means of dealing with rental arrears.

2.4. This policy is designed to maintain rental arrears at levels below five per cent (5%) of total rental income, in accordance with sector best practices and SHRA requirements.

2.5. This policy aims to ensure the financial sustainability of PHA over the twenty (20) year project lifecycle through effective credit control and debt collection.

DEFINITIONS AND INTERPRETATIONS

3.1. In this policy, unless the context indicates otherwise:

3.1.1. "Accounting Officer" means the Chief Executive Officer of PHA, appointed in terms of the Municipal Finance Management Act, 2003.

3.1.2. "Acknowledgement of Debt" or "AOD" means a written agreement in which a debtor acknowledges liability for a debt and undertakes to repay such debt in accordance with agreed terms.

3.1.3. "Arrears" means any amount owing by a tenant to PHA that remains unpaid after the due date.

3.1.4. "Board" means the Board of Directors of Polokwane Housing Association.

3.1.5. "Community Residential Units" or "CRU" means housing units developed and managed under the Community Residential Units Programme of the Department of Human Settlements.

3.1.6. "Credit Bureau" means a credit bureau registered in terms of the National Credit Act, 2005 (Act No. 34 of 2005).

3.1.7. "Debtor" means any person who owes money to PHA, including tenants, former tenants, and other account holders.

3.1.8. "Deposit" means the amount paid by a tenant upon commencement of tenancy as security for performance of obligations under the lease agreement.

3.1.9. "Eviction" means the lawful removal of a person from residential property through a court order obtained in terms of the Prevention of Illegal Eviction from and Unlawful Occupation of Land Act, 1998.

3.1.10. "Finance Manager" means the official responsible for the financial management of PHA.

3.1.11. "GRAP" means Generally Recognised Accounting Practice.

3.1.12. "Indigent" means a tenant who, due to circumstances beyond their control, is unable to meet their rental obligations and qualifies for relief in terms of PHA's indigent support criteria.

3.1.13. "Institutional Subsidy" means a capital subsidy provided by the Department of Human Settlements to a social housing institution for the development of housing stock.

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3.1.14. "Lease Agreement" means the written agreement entered into between PHA and a tenant governing the tenancy of a residential unit.

3.1.15. "MFMA" means the Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

3.1.16. "PIE Act" means the Prevention of Illegal Eviction from and Unlawful Occupation of Land Act, 1998 (Act No. 19 of 1998).

3.1.17. "POPIA" means the Protection of Personal Information Act, 2013 (Act No. 4 of 2013).

3.1.18. "Rental Housing Act" means the Rental Housing Act, 1999 (Act No. 50 of 1999), as amended.

3.1.19. "Rental Housing Tribunal" means a tribunal established in terms of the Rental Housing Act, 1999.

3.1.20. "SHRA" means the Social Housing Regulatory Authority established in terms of the Social Housing Act, 2008.

3.1.21. "Social Housing" means housing developed or managed in terms of the Social Housing Act, 2008.

3.1.22. "Tenant" means a person who occupies a residential unit under a lease agreement with PHA.

LEGAL FRAMEWORK

4.1. This policy is enacted within the framework of the following legislation and regulatory requirements:

4.1.1. The Constitution of the Republic of South Africa, 1996, particularly Section 26 regarding the right of access to adequate housing.

4.1.2. The Social Housing Act, 2008 (Act No. 16 of 2008), as amended, and regulations promulgated thereunder.

4.1.3. The Rental Housing Act, 1999 (Act No. 50 of 1999), as amended.

4.1.4. The Prevention of Illegal Eviction from and Unlawful Occupation of Land Act, 1998 (Act No. 19 of 1998).

4.1.5. The Municipal Finance Management Act, 2003 (Act No. 56 of 2003).

4.1.6. The National Credit Act, 2005 (Act No. 34 of 2005), where applicable.

4.1.7. The Consumer Protection Act, 2008 (Act No. 68 of 2008).

4.1.8. The Protection of Personal Information Act, 2013 (Act No. 4 of 2013).

4.1.9. The National Housing Code, 2009, as amended.

4.1.10. Any other applicable national, provincial, or municipal legislation.

QUALIFYING SCOPE

5.1. Qualifying beneficiaries for social housing must meet the following requirements:

5.1.1. For Social Housing Scheme: The applicant must have a combined household income from One Thousand Eight Hundred and Fifty Rand (R1,850.00) to a maximum of Twenty-Two Thousand Rand (R22,000.00) gross monthly income.

5.1.2. For Institutional Subsidy Scheme: The applicant must have a combined monthly income from Three Thousand Five Hundred Rand (R3,500.00) to a maximum of Twenty-Two Thousand Rand (R22,000.00).

5.1.3. For Community Residential Units: The applicant must have a minimum combined monthly income of Eight Hundred Rand (R800.00) and up to a maximum of Seven Thousand Five Hundred Rand (R7,500.00) gross monthly income.

5.1.4. The applicant must demonstrate affordability through the submission of a completed income and expenditure statement supported by three (3) months' bank statements.

5.1.5. The applicant must demonstrate willingness to pay through acceptable behavioural patterns, provided that PHA shall not use credit bureau listing as the exclusive means of disqualifying applicants.

5.1.6. The applicant must be a South African citizen or possess valid permanent residency status.

5.2. In allocating units, PHA shall comply with Regulation 23 of the Social Housing Regulations.

TENANTS ALLOCATIONS AND TENANCY ADMINISTRATION

6.1. PHA shall ensure that the allocation of new and existing customers is efficiently performed in accordance with the following requirements:

6.1.1. New tenant registrations must be correctly administered with fully completed legal contracts being duly signed by all parties.

6.1.2. Lease agreements must be retained in secure storage and be readily accessible to authorised persons only.

6.1.3. Full and concise details must be provided on application for a tenancy agreement.

6.1.4. All staff with tenant contact must endeavour to update personal records whenever tenants liaise with PHA offices.

6.2. Upon acceptance, all tenants shall pay a deposit equivalent to one (1) month's current rental for Ga-Rena and Annadale Ext 2 and two (2) months for CRU, which deposit shall be held in accordance with the requirements of the Rental Housing Act.

6.3. The deposit shall not be utilised for the reduction of arrears during the currency of the lease and shall only be applied upon termination of the lease and vacation of the premises.

6.4. PHA shall conduct comprehensive screening of all prospective tenants, which screening shall include:

6.4.1. An affordability assessment comparing household income against expenditure.

6.4.2. A credit bureau check to assess over-indebtedness.

6.4.3. Verification of employment or source of income.

6.4.4. Checking of previous rental history and references.

6.5. All prospective tenants shall undergo pre-tenancy training on rental charges, rental increases, payment methods, consequences of non-payment, and rights and obligations under the lease agreement.

ACCOUNT ADMINISTRATION AND BILLING

7.1. PHA shall endeavour to ensure accurate and up-to-date customer information at all times.

7.2. PHA shall ensure accurate monthly billing in accordance with the following provisions:

7.2.1. Rent shall be payable monthly in advance on or before the first (1st) day of each month.

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7.2.2. Monthly statements of account shall be issued to tenants by the twenty-fifth (25th) day of each month, or if the twenty-fifth (25th) falls on a weekend or public holiday, on the next business day.

7.2.3. All accounts shall reflect the current rental charge, any arrears, and any other charges due.

7.3. Rental increases shall be implemented in accordance with the following provisions:

7.3.1. Rental increases shall be effected annually only.

7.3.2. Tenants shall be given a minimum of two (2) months' written notice of any rental increase.

7.3.3. Rental increases shall be based on the Consumer Price Index (CPI) or such other economic indicator as may be approved by the Board.

7.3.4. Rental increases shall be fair and reasonable to avoid challenge before the Rental Housing Tribunal.

7.4. All payments received shall be allocated to the oldest debt first, unless otherwise agreed in writing.

ARREARS MANAGEMENT AND RECOVERIES

8.1. The following process shall be followed in managing arrears:

8.1.1. Where a tenant fails to pay rent by the due date, the Tenant Liaison Officer or designated official shall make contact with the tenant within three (3) to five (5) days to establish the reason for non-payment.

8.1.2. Tenants who remain in arrears by the seventh (7th) day of the month shall be issued with a letter of demand.

8.1.3. Tenants shall be given seven (7) days from the date of the letter of demand to effect payment or to make an arrangement with the Finance Department.

8.1.4. Where a tenant requests a payment arrangement, a comprehensive affordability assessment shall be conducted to determine the tenant's ability to repay the arrears.

8.1.5. Where an arrangement is agreed, the tenant shall complete an Acknowledgement of Debt in the prescribed form.

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8.1.6. Debit check mandate or stop orders shall be completed for the monthly repayment of the agreed amount.

8.1.7. All arrangements shall be signed by the tenant.

8.1.8. Payment arrangements shall be limited to a maximum period of six (6) months.

8.1.9. Monthly instalments under payment arrangements shall not exceed twenty-five per cent (25%) of the current monthly rental.

8.1.10. The maximum recoverable arrears under any arrangement shall be limited to two (2) months' rent over a maximum period of six (6) months.

8.1.11. If no payment is received within fourteen (14) days of the letter of demand and no arrangement has been made, the tenant shall be issued with a second letter, which shall serve as a notice of intention to cancel the lease.

8.2. PHA shall offer multiple payment methods to facilitate rental payments, including:

8.2.1. Debit check mandate facilities.

8.2.2. Payroll deduction where the tenant's employer participates in such scheme.

8.2.3. EasyPay and other electronic payment platforms.

8.2.4. Cash payments at designated PHA offices during business hours.

ACKNOWLEDGEMENT OF DEBT AND PAYMENT ARRANGEMENTS

9.1. Where a tenant acknowledges liability for arrears, an Acknowledgement of Debt shall be completed.

9.2. The Acknowledgement of Debt shall contain:

9.2.1. Full particulars of the debt, including capital amount.

9.2.2. The repayment terms, including monthly instalment amount and duration.

9.2.3. A consent to judgment clause in the event of default.

9.2.4. A clause consenting to the jurisdiction of the Magistrate's Court.

9.3. No Acknowledgement of Debt shall be entered into unless:

9.3.1. The tenant's current account is paid up to date.

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9.3.2. The tenant makes a down payment of at least twenty-five per cent (25%) of the total arrears.

9.3.3. A credit worthiness review indicates that the tenant is able to meet the proposed repayment terms.

9.4. Where a tenant defaults on an Acknowledgement of Debt, PHA shall be entitled to obtain judgment and execute thereon without further notice.

IMPAIRMENT OF DEBTORS

11.1. PHA shall maintain a provision for impairment of debtors in accordance with Generally Recognised Accounting Practice (GRAP) 104.

11.2. The methodology for impairment of debtors shall be as set out in Annexure A to this policy.

11.3. Bad debts may be written off subject to the following:

11.3.1. Debts may be written off where the debtor cannot be located after diligent search.

11.3.2. Debts may be written off where the debtor is deceased and the estate is insolvent.

11.3.3. Debts may be written off where the debtor has been sequestrated and no dividend is payable.

11.3.4. Debts may be written off where the debt has prescribed in terms of the Prescription Act.

11.3.5. Write-offs shall require approval by the Chief Executive Officer for amounts up to the limit prescribed in the Delegation of Authority, and by the Board for amounts exceeding such limit.

11.4. The Finance Manager shall report quarterly to the Board on the status of impaired debts and write-offs.

DISPUTE RESOLUTION

12.1. PHA shall establish an internal dispute resolution mechanism for tenant complaints relating to billing, arrears, and credit control matters.

12.2. Tenants may lodge complaints in writing with the Tenant Liaison Officer or Finance Manager.

12.3. Complaints shall be investigated and responded to within fourteen (14) days of receipt.

12.4. Where a tenant is dissatisfied with the outcome, the matter may be referred to the Chief Executive Officer for review.

12.5. Tenants have the right to refer disputes to the Rental Housing Tribunal having jurisdiction.

12.6. No tenant shall be evicted or subjected to retaliatory action for lodging a complaint with the Rental Housing Tribunal for a period of three (3) months following such complaint.

12.7. PHA may refer disputes to mediation or arbitration where agreed by the parties.

EVICTION PROCEDURES AND LEGAL RECOVERY

13.1. Eviction shall only be pursued as a last resort after all reasonable efforts to recover arrears have failed.

13.2. No tenant shall be evicted without a court order obtained in terms of the Prevention of Illegal Eviction from and Unlawful Occupation of Land Act, 1998.

13.3. The eviction process shall comply with the following steps:

13.3.1. Step 1 - Breach and Cancellation: PHA shall issue a written notice of breach in terms of the Consumer Protection Act, allowing the tenant twenty (20) business days to rectify the breach.

13.3.2. Step 2 - Cancellation of Lease: Where the breach remains unrectified, PHA shall issue a written notice of cancellation of the lease agreement and withdrawal of consent to occupy.

13.3.3. Step 3 - Notice to Vacate: The tenant shall be given reasonable time to vacate the premises, which shall not be less than thirty (30) days from the date of cancellation.

13.3.4. Step 4 - Court Application: Where the tenant fails to vacate, PHA shall apply to the Magistrate's Court or High Court having jurisdiction for an eviction order.

13.3.5. Step 5 - Service of Process: The Sheriff shall personally serve the eviction hearing notice on the tenant, which notice shall be served at least fourteen (14) business days before the court date.

13.3.6. Step 6 - Court Hearing: Both parties shall have the right to appear and present evidence. The court shall consider all relevant circumstances, including the availability of alternative accommodation and the interests of vulnerable persons.

13.3.7. Step 7 - Eviction Order: The court may grant an eviction order specifying the date by which the occupant must vacate.

13.3.8. Step 8 - Warrant of Eviction: Where the occupant fails to vacate by the specified date, the Sheriff shall execute the warrant of eviction.

13.4. All legal costs, including attorney-and-own-client costs, incurred in the recovery of arrears and eviction shall be levied against the arrears account of the debtor.

13.5. PHA shall appoint an external attorney to handle legal proceedings against defaulting tenants for collection and eviction.

VACANCY MANAGEMENT

14.1. Upon termination of a lease, PHA shall take reasonable steps to minimise the period of vacancy.

14.2. The following procedures shall apply when a tenant vacates:

14.2.1. An exit inspection shall be conducted within seven (7) days of vacation.

14.2.2. The tenant shall be given an opportunity to attend the exit inspection.

14.2.3. The cost of repairs for damage beyond fair wear and tear shall be deducted from the deposit.

14.2.4. The balance of the deposit, if any, shall be refunded to the tenant within fourteen (14) days of vacation.

14.2.5. Where the deposit is insufficient to cover damages, the tenant shall remain liable for the shortfall.

14.3. PHA shall endeavour to re-let vacant units within thirty (30) days of vacation.

RESPONSIBILITY FOR CREDIT CONTROL

15.1. The Chief Executive Officer shall, as supervisory authority:

15.1.1. Oversee and monitor the implementation and enforcement of this Credit Management and Debt Collection Policy.

15.1.2. Ensure compliance with SHRA reporting requirements and accreditation standards.

15.1.3. Report debt collection performance on a quarterly basis to the Board.

15.1.4. Approve payment arrangements and write-offs within delegated authority.

15.2. The Finance Manager shall, as implementing authority:

15.2.1. Implement and enforce this Credit Management and Debt Collection Policy.

15.2.2. Establish effective administrative mechanisms, processes, and procedures to collect money that is due and payable to PHA.

15.2.3. Conduct daily bank reconciliation and payment allocation.

15.2.4. Produce monthly arrears age analysis and reports.

15.2.5. Manage Acknowledgements of Debt and credit authority documentation.

15.2.6. Coordinate legal processes with external attorneys.

15.2.7. Report the prescribed particulars quarterly to the Chief Executive Officer and Board.

15.3. The Tenant Liaison Officer shall:

15.3.1. Conduct early engagement with tenants in arrears.

15.3.2. Conduct affordability assessments and home visits.

15.3.3. Facilitate payment arrangements and indigent support applications.

15.3.4. Maintain records of all tenant interactions.

15.3.5. Refer tenants to social services and debt counselling where appropriate.

CODE OF ETHICS AND CONDUCT

16.1. All PHA officials shall embrace the spirit of Batho Pele and treat all debtors with dignity and respect at all times.

16.2. Employees shall execute their duties in an honest and transparent manner.

16.3. Officials shall protect the confidentiality of tenant information in accordance with the Protection of Personal Information Act, 2013.

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16.4. In processing personal information for credit management purposes, PHA shall ensure that:

16.4.1. Processing is lawful and based on consent, contractual necessity, or legal obligation.

16.4.2. Information is collected for specified, explicit, and legitimate purposes.

16.4.3. Information is adequate, relevant, and not excessive.

16.4.4. Information is accurate and kept up to date.

16.4.5. Information is retained only for as long as necessary for the purpose for which it was collected.

16.4.6. Appropriate security safeguards are implemented.

16.5. Officials shall not engage in harassment, intimidation, or abusive conduct in the collection of debts.

16.6. Officials shall declare any conflict of interest and shall not engage in corrupt practices.

16.7. Officials shall comply with all applicable legislation and this policy.

REPORTING AND COMPLIANCE

17.1. The Finance Manager shall submit quarterly reports to the Board containing:

17.1.1. Total rental income collected versus budget.

17.1.2. Arrears analysis by age and amount.

17.1.3. Number and value of payment arrangements entered into.

17.1.4. Number and value of bad debts written off.

17.1.5. Legal actions instituted and outcomes.

17.1.6. Vacancy rates and turnaround times.

17.1.7. Compliance with SHRA reporting requirements.

17.2. PHA shall submit such reports to the Social Housing Regulatory Authority as may be required from time to time.

17.3. A review of this policy shall be conducted to ensure continued compliance with legislation and best practice.

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IMPLEMENTATION AND REVIEW

18.1. 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 in respect of rental.

18.2. This policy shall take effect on the date of approval by the Board of Directors.

18.3. This policy shall be reviewed whenever there is a material change in legislation or operational requirements.

18.4. All officials involved in credit control shall be trained on the provisions of this policy upon implementation and thereafter as required.

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SUBMITTED FOR APPROVAL

_____ _____

CHIEF EXECUTIVE OFFICER DATE

RECOMMENDED FOR APPROVAL

_____ _____

COMMITTEE CHAIRPERSON DATE

APPROVED:

_____ _____

CHAIRPERSON: BOARD OF DIRECTORS DATE

EFFECTIVE DATE: _____

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ANNEXURES

ANNEXURE A: IMPAIRMENT OF DEBTORS METHODOLOGY

[To be attached as per GRAP 104 requirements]

ANNEXURE B: ACKNOWLEDGEMENT OF DEBT TEMPLATE

[Standard form to be attached]

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Thabatšhweu
HOUSING COMPANY (PTY) LTD
t/a POLOKWANE HOUSING ASSOCIATION

"A Promise Delivered"

DRAFT REVIEW 2025

LEAVE POLICY

Contents

Introduction…….....3

Purpose…….....….....3

Applicability……..…….....3

Definitions…….....3

Vacation Leave …….....4

Sick Leave.....…….. …….4

Temporary incapacity..... ……..…….....5

Permanent incapacity.....…….....5

Leave for occupational injuries and diseases.....6

Maternity leave.....…….....7

Family responsibility leave.....7

Adoption leave.....8

Special leave.....8

Unpaid leave.....10

Roles and responsibilities.....11

Compliance with Policy…….....11

Departures from the Policy……..12

Change to the Policy…….....13

Monitoring of the Policy…….....13

Policy Review…….....13

Delegation of Authority…….....13

1. INTRODUCTION

The Basic Condition of Employment Act Chapter three outlines the requirements for leave.

2. PURPOSE

The purpose of this policy is to:

a) Regulate the use of leave benefits and conditions;
b) Regulate an employee's release or absence from duty for particular purposes, namely special leave;
c) Indicate the circumstances under which the executing authority shall authorise special leave at full pay or unpaid leave
d) Indicate those responsibilities, other than work, for which the employer shall not require an employee to utilise leave.

3. APPLICABILITY

The provisions of this policy document shall apply to all employees of PHA.

4. DEFINITIONS

"Life partner" is somebody with whom you share your everyday life and with whom you have an intimate relationship.

"Medical practitioner" shall, for the purposes of this policy, include all practitioners as defined by the Health Professional Council of South Africa and who are legally certified to diagnose and treat patients.

"Substance abuse" includes abuse of alcohol, drugs, etc

"Re-scheduling" refers to a process where the manager or supervisor, due to operational requirements, recommends an alternative period or dates within the prescribed 18-months period in which the employee is eligible for and has applied for annual leave. This helps in ensuring that employees use their annual credits before the expiry of the prescribed period.

"18 month period" commences from the beginning of a leave cycle starting on 1 January to end of June of the following year.

5. VACATION LEAVE

A day of vacation leave is a day's leave on a normal working day or a day of rest on which the employee is required to work.

5.1. An employer shall grant an employee annual leave in a leave cycle:
   i. Twenty-four (24) days for a five- (5) day worker; and
   ii. Twenty-seven (27) days for a six-(6) day worker.

5.2. An employee is required to take leave within each leave cycle as follows:
   i. A five- (5) day worker shall take a minimum of sixteen (16) days leave;
   ii. A six-(6) day worker shall take a minimum of nineteen (19) days leave.

5.3. At the end of a leave cycle, an employee may not have more than 48 days annual leave to his credit.

5.4. In the event of the termination of service, an employee shall be paid his leave entitlement calculated in terms of the relevant provisions of the Basic Conditions of Employment Act 75 of 1997, provided that no employer shall be obliged to encash more than 48 days' annual leave upon termination of that employee's contract of employment.

5.5. The employee should take the initiative to plan leave in terms of his/her work programme. He/she should consult with his/her supervisor takes all his/her leave days.

5.6. Employees, who are not able to take all their leave days due to their work pressure, would be allowed to sell up to a maximum of 10 days' subject to the approval by the CEO if it is affordable to PHA

5.7. Where leave has been declined due to service delivery requirements, leave must be re-scheduled within the prescribed 18-month period.

5.8. The Department shall not unreasonably refuse to grant leave to employees who apply, taking into consideration service delivery requirements.

6. SICK LEAVE

a) Employees are entitled to eighty (80) days sick leave in a three (3) year leave cycle.
b) Unused sick leave shall lapse at the expiry of the three-year cycle.
c) Sick leave may also be granted for periods where an employee must be quarantined or isolated for at least 10 consecutive days.
d) If an employee is unable to report for duty due to sudden illness, he/she must immediately notify his or her immediate supervisor of his/her inability to report for duty or at least within two hours of the beginning of his/her shift or working day.

e) An employee shall be required to submit a medical certificate from a registered medical practitioner if more than two (2) consecutive days are taken as sick leave.
f) In instances where a pattern in the use of sick leave has been established, a certificate may be required for absences of less than three working days.
g) If an employee falls ill whilst on annual leave with full pay, such leave may be converted to sick leave provided that a certificate from a registered medical practitioner is submitted to substantiate the indisposition.
h) PHA shall not be 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 Supervisor, 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.

7. TEMPORARY INCAPACITY LEAVE

a) An employee whose normal sick leave credits in a cycle have been exhausted and who, according to the relevant practitioner, requires to be absent from work due to incapacity which is not permanent, may be granted 26 days sick leave on full pay provided that: (106)
   I. His/her supervisor is informed that the employee is ill.
   II. A relevant registered medical or dental practitioner has certified such a condition in advance as Temporary Incapacity except where conditions do not allow this.
   III. The approval of temporary incapacity leave is delegated to the Manager: Human Resource Management who will consider requests on the basis of medical evidence and individual circumstances. (Employers should be advised that this is not obligatory and that employees could also be unpaid for this time and claim ill health benefits from the UIF).
b) PHA shall, over 30 working days, investigate the extent of incapacity to perform normal employee duties, the degree of incapacity and the cause thereof.
c) Investigations shall be in accordance with Item 10(1) of Schedule 8 in the Labour Relations Act of 1995. In the Investigation the employee should be allowed the opportunity to state his/her case in response to allegations and to be assisted by a trade union representative or a fellow employee.
d) PHA shall complete the investigations within 30 working days, unless circumstances warrant a further period at the discretion of the unit Manager.

8. PERMANENT INCAPACITY

a) Employees whose degree of incapacity has been certified by a competent medical practitioner as permanent shall, with the approval of the Head of the Department, be granted a maximum of 30 working days' paid sick leave, or such additional number of days required by the employer to finalise the processes mentioned below.

b) PHA shall, within 30 working days, ascertain the feasibility of
   I. Alternative employment; or
   II. Adapting duties or work circumstances to accommodate the employee.

c) If the redeployment necessitates reallocation to a job of a lower grading, such should be explained well in advance and the continued use of such an employee should in this regard be with his/her written consent.

d) In instances where the employee's redeployment entails retraining or retooling, PHA shall take requisite resources (time and financial) and potential returns into consideration before approving redeployment.

e) The redeployment of an employee's services should ensure the optimal utilisation of his or her competencies and should not compromise service delivery.

f) If PHA or employee is convinced that the employee will never be able to render an effective service at his/her level, PHA should proceed with an application for medical boarding if this portion is available or for the termination of service due to ill-health, to terminate the employment of the employee after following a fair procedure.

9. LEAVE FOR OCCUPATIONAL INJURIES AND DISEASES

a) Employees who, as a result of their work, suffer occupational injuries or contract occupational disease shall be granted Special Leave for the duration of the period they cannot work. The approval of the leave is delegated to the Manager: Human Resource Management.

If an employee suffers work related injury as a result of an accident involving a third party, PHA may grant him or her Special Leave provided that the employee:

I. Brings a claim for compensation against the third party; and
II. Undertakes to use compensation (in terms of the Compensation for Occupational Injuries and Diseases Act of 1993) received to recompense as far as possible the cost arising from the accident.

b) PHA shall be obliged to take reasonable steps to assist the employee to claim compensation according to the above.

10. MATERNITY LEAVE

A) To qualify for paid maternity leave, an employee must have one (1) year's service with PHA.

b) An employee shall receive four consecutive calendar months paid maternity leave for each confinement.

c) If an employee has used all her maternity leave and wishes to extend the leave as a result of complications arising from confinement, she shall

i. Use available vacation leave and/or

ii. Receive up to 40 working days unpaid leave.

d) An employee who experiences a miscarriage, stillbirth or termination of pregnancy after starting paid maternity leave:
   i. Shall be entitled to six weeks' paid leave, and
   ii. May thereafter utilise sick leave for days taken off as a result of the miscarriage, stillbirth or termination of pregnancy.

e) An employee may commence maternity leave:
   i. At any time before four weeks of the expected date of birth, unless otherwise agreed.
   ii. Should the employee not commence her maternity leave four weeks prior to the expected date of birth the employer must ensure that an indemnity form is completed.
   iii. On a date from which a registered medical practitioner or midwife certifies that it is necessary for the employee's health or that of her unborn child.

f) No employee may work for six weeks after the birth of her child unless a medical practitioner or a midwife certifies that she is fit to do so.

11. FAMILY RESPONSIBILITY LEAVE

a) Family responsibility leave is applicable to an employee who has been in the employment with an employer for longer than four (4) months.

b) Employees shall be granted three days' leave per annual cycle for use if:
    i. The employee's child, spouse or life partner requires their presence to fulfil their family obligation.

c) Employees shall be granted five days' leave per annual leave cycle for use if:
    i. The employee's child is born;
    ii. The employee's child, spouse or life partner is sick;
    iii. The employee's child, spouse or life partner dies; or
    iv. An employee's immediate family member dies, i.e. employee's parents, adoptive parents, spouse's parents, children, adopted children, grandchildren and siblings.
    v. The number of family responsibility leave days taken shall not exceed five days in an annual leave cycle..
    vi. The supervisor must satisfy him/herself that the circumstances are such that the family responsibility leave is appropriate. You will be required to submit proof of the above incidents for your application to be approved.
    vii. Employees who have used all their Family Responsibility Leave shall:
    viii. use available vacation leave and/or
    ix. use up to 40 calendar days of unpaid leave (this is not obligatory/compulsory for the employer)
    x. An employee's unused entitlement to leave lapses at the end of the annual leave cycle in which it falls.

12. ADOPTION LEAVE

An employee who adopts a child that is younger than two years, shall qualify for adoption leave to a maximum of 45 working days.

If both spouses or life partners are employed in the company, both partners will qualify for adoption leave provided that the combined leave does not exceed 45 working days.

13. SPECIAL LEAVE

Types, events and conditions under which special leave will be granted, subject to the maintenance of service delivery.

a) Special leave may be granted to an employee for the day on which he/she sits for any examination and another day for preparation purposes.

b) Special leave equals to the number of papers (examinations) for which an employee sits for an examination may be granted to enable the employee to prepare for the examination.
c) The provisions above may be applied only once for a re-examination or an examination which an employee failed and which he/she has to repeat.
d) Special leave for a dissertation or thesis will be granted with full pay to a maximum of five (5) working days leave per qualification.

e) An employee who applies for examination leave should provide the employer with an examination timetable.

f) Attendance at a preparatory course with a view to sit for a qualifying examination in order to obtain admission to a particular field of study. Special leave must be granted with due consideration to the requirements of the educational institution, which must be substantiated by documentary proof.

g) Practical work required as a prerequisite for registration in a particular profession.

h) Special leave must be granted with due consideration to the requirements of the educational institution, which must be substantiated by documentary proof.

Special leave may be granted to an employee nominated by the employer for the attendance of courses or training courses designed to develop him/her, the employer shall arrange accommodation and further reimburse such employee for subsistence and travelling (outside the jurisdiction of Polokwane Municipality).

a. Those responsibilities other than work for which PHA shall not require an employee to use leave

An employee is not regarded as being absent from duty and therefore shall not use leave in the following instances:

When he or she has to appear as a witness:-

i. In a court case;
ii. In a misconduct case;
iii. Before a commission of inquiry appointed by the State; or
iv. At an inquest.

When he or she has to appear as a defendant or co-defendant in a civil court case arising his/her employee duties.

When she/he attends a course, lecture, etc. presented by a State department or the private sector for which he/she has been given permission to attend by his/her supervisor or manager.

When she/he assists or represents an employee during a disciplinary enquiry or in a conciliation board or during an investigation into a complaint or grievance.

Three (3) days special leave on full pay may be granted to an employee to enable such employee to take part in a bona fide sports event representing PHA or South Africa as a selected member or official.

When he/she as an office bearer, shop steward or recognised office bearer of an employee organisation is involved in labour relations issues deemed to be in the interest of the employer, such as dissemination of information, briefings and training.

When he/she is absent from duty:

i. As the aggrieved person during an investigation into his/her complaint or grievance;
ii. As the person charged with misconduct during a disciplinary or misconduct enquiry; and
iii. As the person using a conciliation board.

b. Rehabilitation for substance abuse

Special leave may be granted to an employee for the purpose of rehabilitation from alcohol and/or drug abuse. Special leave will be granted for a once off period only to a maximum of sixty (60) working days, on condition that treatment is completed and a medical certificate and completed report compiled by a medical practitioner or a recognised institution is submitted to PHA.

14. UNPAID LEAVE

An office bearer or shop steward of recognised employee organisations shall receive up to 10 days' paid leave per annum for activities related to his/her union position.

Leave is granted on condition that the employee's status within the employee organisation is recognised by PHA and prior authorisation is granted for any periods of absence.

15. ROLES AND RESPONSIBILITIES

The human resource component is responsible for:-

i. Administering approval of leave;
ii. Administering and ensuring consistent application of this policy;
iii. Assisting line managers, supervisors and employees in the administration and application of this policy;
iv. Monitoring and recording leave; and
v. Ensuring the annual auditing of all employee's leave files.

Managers are responsible for approving the following leave types:-

i. Vacation
ii. Sick
iii. Maternity
iv. Family responsibility (five days in an annual cycle only)
v. Special leave (with exception of leave for natural disaster and rehabilitation for substance abuse)
vi. Leave for office bearers or shop stewards of recognised employee organisations.

16. RISK MANAGEMENT

By having a detailed Recruitment 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.

17. COMPLIANCE WITH POLICY

This policy is intended to ensure that PHA is in compliance with the following:

i. The Constitution of South Africa
ii. Basic Conditions of Employment Act 75 of 1997 as amended.

iii. SALGA Main Collective Agreement

18. DEPARTURES FROM THE POLICY

Any departures from the approved policy will require the prior approval of the following persons:

i. Manager: Human Resources Management, Chief Executive Officer, and Board of Directors.
ii. These approved amendments will be incorporated into the policy, if deemed to be necessary, at the next review of the policy.
iii. 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.

19. CHANGES TO THE POLICY

It is absolute imperative that all proposed changes to the policy are properly and timeously submitted to the Manager: Human Resources management and Chief Executive Officer.

The following procedures will be followed with respect to any Policy Document Management:

i. A Register is to be maintained by the custodian at each Unit, which records the latest versions of the policies currently in use.
ii. 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.
iii. The Manager: Human Resources management 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.
iv. 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.

v. Any changes to the policy must be approved by the Board of Directors following a request by the Manager: Human Resources management and the Chief Executive Officer.
vi. Any amendments made will result in the policy document being re-issued in its entirety.
vii. 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.

20. Monitoring of the Policy

Monitoring of compliance to the policy will be done on a regular basis taking into account reports from:

i. Internal Audit
ii. External Audit
iii. Management and Ad hoc reports

21. 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.

22. 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 unit's 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 Recruitment 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.

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DRAFT REVIEW

2025

OVERTIME POLICY

INDEX

CLAUSE	PAGE
1. OBJECTIVE	2
2. SCOPE	2
3. DEFINITIONS	2
4. POLICY RULES	4
5. OVERTIME FOR EMPLOYEES ABOVE THE THRESHOLD	5
6. OVERTIME FOR EMPLOYEES BELOW THE THRESHOLD	6
7. EXEMPTIONS	6
8. REMUNERATION	6
9. OVERTIME WORKED ON PUBLIC HOLIDAYS	6
10. OVERTIME WORKED ON SUNDAYS	6
11. PROCESS	7
12. IMPLEMENTATION AND REVIEW OF POLICY	8

DRAFT

1. OBJECTIVE

To provide a framework and guideline for the implementation and maintenance of overtime worked and the remuneration thereof in line with the provision of BCEA

All personnel must be made aware that even though overtime work is needed to adhere to operational requirements, payment thereof is costlier than performing the work during office hours. It is important to note that the cost implication for the Board must be taken into consideration when overtime is worked.

2. SCOPE

The policy applies to all full-time employees of the Entity except those employees excluded by earning more than the threshold amount as published by the Minister of Labour, unless otherwise agreed.

The following will form the legal background.

- Basic Conditions of Employment Act 75 of 1997 updated 2005 (BCEA)
- Collective Agreement on Conditions of Service for the Limpopo Division of the SALGBC
- Labour Relations Act,66 of 1995.
- Municipal Systems Act, 32 of 2000
- Municipal Finance Management Act, 56 of 2003

3. DEFINITIONS

"Overtime" -	Overtime is the time that a qualifying employee works during a day or a week more than ordinary hours of work / scheduled shift.
-	The ordinary hours of work in Municipalities are 40 hours per week.
"Call-out" -	A call-out is an event when an employee is called out after ordinary hours of work /scheduled shift, by a duly authorized supervisor or manager according to the guidelines that regulate such an event, to perform a specific duty / repair a fault.
Emergency-	**Emergency work** refers to work that must be done without delay because of circumstances for which the employer could not reasonable have been expected to make provision and which cannot not be performed by employees during their ordinary hours of work. Emergency work excludes the performance of routine maintenance work outside normal working hours.
"Deductions" -	means income tax, pension, medical fund etc.

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"Shift worker"	is an employee engaged in a scheduled continuous process which activity is deemed to be one in which continuous working by means of daily shift is necessary.
"Remuneration" -	compensation in money or time off for overtime worked.
"Earnings"	earnings mean gross salary before deductions, i.e., income tax, pension, medical and similar payments, excluding employer (contributions) made in respect of the employee.
"Earnings Threshold"	as annually determined and confirmed by the Minister of Labour regarding employees earning in excess of the amount stated in the Minister's determination.
"Wage" -	means the amount of money paid or payable to an employee in respect of ordinary hours of work.
"Senior Manager"	**Senior Managerial employee** means an employee who has the authority to hire, discipline and dismiss employees and to represent the employer internally and externally.
Operational activities"	Municipal operations means the day-to-day operation and maintenance activities that have a potential of ensuring an acceptable and reasonable service for a better quality of life. The following business unit provide important services. • Sewage collection and disposal. • Refuse removal. • Electricity supply. • Municipal health services. • Municipal roads and storm water drainage. • Municipal parks and recreation. • IT.
"Routine Maintenance"	Routine maintenance refer to work done on a regular basis, whether daily, weekly, monthly, or yearly. Routine maintenance is meant to maintain essential services.
"Urgent/Unplanned or Emergency Overtime"	The type of overtime that occurs unexpectedly e.g., floods disaster, serious air pollution roads accidents, unforeseen maintenance, and repairs to infrastructure services such as electricity, water, sewer, storm water etc, as well as

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hazardous chemical spillage, civilian unrest and social disorder, fire, and rescue incidents and serious staff shortage.

The unexpected occurrence must lead to a major breakdown of infrastructure that might lead to interruption, endangering life, personal safety, or health of the community.

4. POLICY RULES

4.1. The performance of overtime duty must be strictly managed to ensure that employees are only scheduled to work overtime if it is considered absolutely essential and in the interest of the Entity and the community; cannot be undertaken during normal working hours. Management must ensure that the scheduling and performance of overtime is not the result of poor planning or the ineffective allocation of resources, which are entrusted to them, or more importantly the result of sub-standard performance during normal working hours.

4.2. In case of conflict between this policy and the provisions of the Basic Conditions of Employment Act as amended, the provisions of the Act will prevail.

4.3. No employee will be remunerated for overtime work unless such overtime has been budgeted for and authorized by the relevant Manager prior to the actual overtime being performed on the recommendation of the Manager.

4.4. No overtime duty may be performed during periods of leave and approval must be obtained first before overtime is performed.

4.5. An employee may not be required or permitted to work for a longer period overtime than 10 hours during any working week, these hours may only be increased to 15 hours by means of an agreement between the employee and the employer. The agreement will only be for a period of two months in a twelve-month cycle.

4.6. Management needs to decide on the necessity of the performance of unscheduled overtime for the **provision and maintenance of essential services, natural disaster recovery etc.** Such overtime falls within the hours as prescribed by legislation.

4.7. Overtime must be claimed for actual time worked (e.g., 1 hour 15 minutes etc.)

4.8. No overtime can be claimed should an employee work short time on a specific day. A full day' s work (normal working hours) must first be worked before such an employee is eligible for overtime.

4.9. No overtime will be paid for attendance of functions. Prize giving, etc. by personal invitations except in cases of compulsory attendance as official representative of the Board, provided such an employee qualifies for overtime in terms of this policy and provided further that such overtime is authorized in advance by the applicable Manager.

4.10. Where overtime in emergency situations causes an employee to work past midnight on a day, the employee will be entitled to a break of at least 8 hours before the employee is required to report for normal duty, without negatively impacting on his salary.

4.11. Should an employee who is appointed on a part-time basis be required (and agree) to work overtime, payment in lieu of overtime would only be made at overtime rates after 8 hours worked on that specific day. The hours worked more than such an employee's ordinary working hours will be paid at straight time up to 8 hours and thereafter at overtime rate.

4.12. Overtime must be scheduled in a way that allows for daily and weekly rest periods to consider the safety of employees and interests of the Entity.

4.13. All employees performing scheduled overtime duty are not compensated for travelling time or transport expenses between home and place of work. Overtime must thus be scheduled when public transport is available.

4.14. Where an employee chooses to take time off, this time off will be regarded as overtime leave, additional to normal leave.

4.15. Where an employee is on standby and is called out to work, then this will be seen as overtime work which is payable in line with BCEA.

4.16. An employee acting in a higher position and receiving an acting allowance will be remunerated overtime at a rate linked to the position which overtime work was performed.

5. OVERTIME FOR EMPLOYEES ABOVE THE THRESHOLD

5.1. Except for ordinary hours of work, the legislation regulating working time does not apply to senior and top managerial employees (CEO to Assistant Manager level). Polokwane Housing Association does however acknowledge that in some instances overtime needs to be performed by employees above the Threshold.

5.2. Employees above the Threshold excluding employees such as CEO, Company Secretary, Managers and Assistant Managers qualify for the payment of overtime if they must perform overtime after hours directly related to operational activities.

5.3. The CEO will approve and determine the operational activities. **Payment may not exceed 40% of such a person's basic salary. Overtime exceeding 40% will be credited as special leave amended.** Conditions on the usage of special leave are subjected to the current leave dispensation.

5.4. The calculation of the overtime rate is restricted to a basic salary not exceeding the overtime rate indicated in Chapter 2 of the Basic Conditions of Employment Act, Act 75 of 1997, and per the Conditions of Service Agreement.

6. OVERTIME FOR EMPLOYEES BELOW THE THRESHOLD

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6.1. Planned overtime for employees below the Threshold will be paid to a maximum of **40 hours per month.**

7. EXEMPTIONS

7.1 The CEO, Company Secretary, Managers, and Assistant Managers are exempted from this policy.

7.2 Officials in management positions will be given time off for overtime worked.

8. REMUNERATION

Employees will be:

8.1. Paid one- and one-half times the employee' s wage for overtime worked or granted 90 minutes {one and one half} paid time off for each hour of overtime worked during weekdays. This agreement should be in place before the overtime is worked to avoid any misunderstanding, with regard to payment of overtime versus the granting of time off.

8.2. The employee will be granted paid time off within one month of the employee becoming entitled to it. The compensatory leave is not accumulative beyond a twelve-month period.

8.3. If overtime leave is not granted within the period of 12 months, then upon a written request by the employee which is recommended by the SBU Manager and approved by the Finance Manager, such overtime leave will be paid out to the employee.

8.4. The Entity will pay overtime on the employee s' normal pay day.

9. OVERTIME WORKED ON PUBLIC HOLIDAYS

9.1. Payment or time off to eligible employees for work on public holidays will be dealt with in terms of the Basic Conditions of Employment Act as amended.

10. OVERTIME WORKED ON SUNDAYS

10.1. Payment or time off to eligible employees for work on a Sunday will be dealt with in terms of the Basic Conditions of Employment Act as amended.

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11. IMPLEMENTATION AND REVIEW OF POLICY

This policy will be implemented once approved by The Board and shall be reviewed every three years from date of approval to ensure its alignment with the Entity's strategic objectives and with applicable legislation.

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PERFORMANCE MANAGEMENT POLICY

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CONTENTS

SECTION A: ORGANIZATIONAL PERFORMANCE 6
1. INTRODUCTION 6
2. THE LEGISLATIVE FRAMEWORK FOR PERFORMANCE MANAGEMENT 6
3. PERFORMANCE MANAGEMENT AND MEASURES AT VARIOUS LEVELS 7
4. OBJECTIVES OF THE PERFORMANCE MANAGEMENT SYSTEM 7
5. PRINCIPLES GOVERNING THE PMS OF POLOKWANE HOUSING ASSOCIATION 8
6. PREFERRED PERFORMANCE MANAGEMENTMODEL FOR POLOKWANE Housing Association 9
7. THE PROCESS OF MANAGING PERFORMANCE 9
8. THE AUDITING OFPERFORMANCE MEASURES 13
9. GENERAL ISSUES RELATING TO PERFORMANCE MANAGEMENT 16
10. CONCLUSION 17

DRAFT

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,

DRAFT

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.

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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.

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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

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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 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 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:

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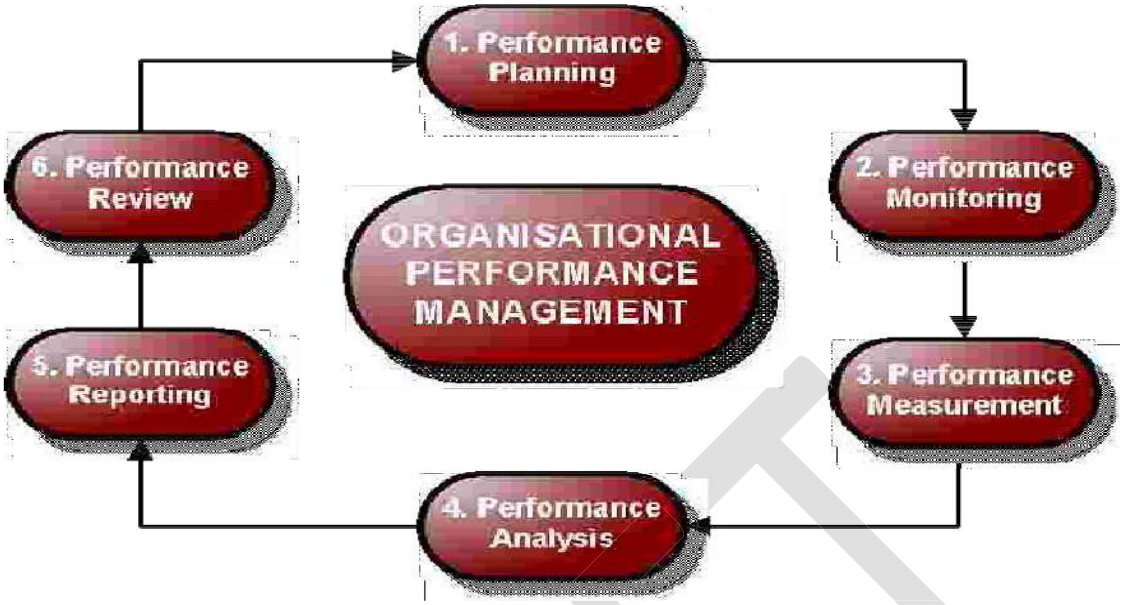

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Performance Planning

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

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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 OFPERFORMANCE 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 thefollowing:

(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 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 whished (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) ofthe 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 functionof 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 comprehensiveassessment/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 andany 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 widerentity 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 C ycle

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/SDBIP Number	Indicator Title	Short Definition	Purpose of the Indicator	Source/collection of data	Method of calculation	Data limitation	Type of Indicator	Reporting Cycle	Indicator Responsible Person/Directorate

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.

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DRAFT PROPERTY ADMINISTRATION

POLICY

Notice

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Document enquiries can be directed to Polokwane Housing Association: Civic Centre, Cnr Landros Maré street & Bodenstein Street
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P O Box 1157, Ladanna, 0704
SOUTH AFRICA

Attention: Molatelo Mashego

Telephone: (015) 290 2230
Fax: (015) 295 6259

Approval

The signatories hereof, being duly authorized thereto, by their signatures hereto authorize the execution of the work detailed herein, or confirm their acceptance of the contents thereof and authorize the implementation/adoption thereof, as the case may be, for and on behalf of the parties represented by them.

_____ _____

CEO: Polokwane Housing Association Date
J.T. Maimela

A. INTRODUCTION

The Property Management Policy is divided into four sections namely:

- Application
- Screening & Allocation
- Termination
- Deceased

B. OBJECTIVE

The objective of this policy is to clarify the entity's position and give guidance when dealing with selection and allocation processes. This policy is also for use as an operational document and therefore contains elements of a procedural nature.

C. ALLOCATION POLICY

1. Applying for a unit

PHA selects suitable tenants via an allocation policy which is approved by the company's Management and its Board of Directors. Anyone can apply for rental accommodation provided that he/she meet the following criteria:

- Must be a South African resident, if not must permanent residency in South Africa
- Must have dependent's (children or family member that is financially dependent on the applicant)
- Provide proof of income i.e. latest salary advice and a 3 months' bank statement (not older than 3 months)
- Earn a combined net monthly income of R3500.00 and not exceed R7500.00 (for CRU units) and R7 501 – R22 000 (for Social housing units) gross monthly income per household.

2. Affordability Check / Screening

The most important part of the screening process is to assess whether the clients will be able to afford and pay the prescribed rental. This is assessed on the following:

- **Proof of Income** - it must be in the form of a pay slip which is not older than three months. Confirm the validity of the pay slip by checking tax and other statuary deductions against income. Net monthly income is the most important consideration when vetting an application.

- **Bank statement** – The net pay amount on the pay slip must be confirmed against the bank statement or self-employed people should proof consistent of income flow on the bank statement.
- Credit check – PHA should affiliate with a credit bureau to access and implement the credit check assessment. The credit check will indicate the applicant's credit profile (default judgment, garnishee orders, emoluments and attached orders).

- Applicants with a seriously impaired credit record will not be considered.

- Rent payment will be made by salary deduction or stop order from the tenant's respective employer in the case of tenants employed by the Municipality and debit order system for all other tenants, provided their banking institution agrees to PHA utilizing the bank's debit order authorization mandate system. Otherwise, the normal EFT will be acceptable.

3. SELECTION

Selection criteria should be:

- Consistently applied to all applicants
- Targeted to meet local housing needs
- Objective, documented and defensible
- Nondiscriminatory and meet local requirement of the human rights section of the Constitution and the Rental Act

4. Allocation and Letting

PHA's relationship with its tenants is the cornerstone of its operations, the way it treats its tenants is critical. PHA should always adhere to the following principles:
Before the applicant is allocated a unit, the following must occur:

- Affordability screening must be successfully passed
- All documents must be in place
- PHA must ensure that the applicant pays the relevant deposit, first rent installment, admin fee and provide proof of payment for the connection for water and lights with the local Municipality
- The rent per month should be between 25% & 35% of the total household income of the tenant
- Pre-occupancy training of tenants (Signed training form and copy of the training manual in the tenant's file)
- PHA has the following allocation criteria to consider for family size relation to unit size:

Family size	Type of unit
3	1 bedroom
4	2 bedrooms
6	3 bedrooms

- The lease agreement must be signed at management level in terms of delegation of authority
- The resident / tenant must be given the signed copy of the lease agreement
- A pre-inspection must be concluded and filed in the tenant file in compliance with the Rental Act. This form must also make room for the acknowledgement of keys handed during signature. That is, when acknowledging the condition of the unit, acknowledgment must also include the keys handed over to the tenant
- Staff must accompany the new tenant to the unit

- The move in must include an introduction to the estate and the individual unit specifically, during which keys are formally handed over to and signed for by the tenant(During completion of the pre-inspection).

D. ADMINISTRATION FEE

A tenant shall be eligible to pay an administration fee upon allocation of a unit. The administration fee should cover part of the cost of letting process.

E. APPROPRIATION OF DEPOSIT

A deposit is an amount of money which is normally paid by the tenant to the landlord at the beginning of the lease. The deposit act as a form of insurance for the landlord, for the arrear rentals (late payment for rental and outstanding debts) and damage to the leased property. The landlord must invest the deposit in an interest bearing account and the tenant is entitled to receive the deposit plus the interest earned on the deposit less the deductions when vacating the property.

PHA will recover the following expenses from the deposit (See also Finance Management Policy: deposit):

- Maintenance costs
- Damages
- Outstanding rent

F. REGULARISATION

The entity acknowledges that the two projects except Annadale Ext 2, under its management in particular Ga-Rena Rental Village has a history of culture of protests, non- payment of rentals and barring the management from entering the premises. This historical background necessitated sub-lets to mushroom. It becomes difficult for the entity to get rid of the sub-lets due to the provisions enacted in the Prevention of Illegal Eviction (PIE) Act.

A provision is therefore made that in cases where the management discovered the sub-let where the tenant has absconded, based on the material facts available at the time, the CEO is mandated to regularize the affected tenant. This provision is only applicable to Ga-Rena Rental Village and the CRU

G. APPLICATION FOR TRANSFER

Existing residents may request a transfer to another unit. Existing residents will get preference for a unit that becomes vacant. The usual selection process must be followed for transfer applicants. Application for transfers must be in writing with proof of income and 3 months' banks statement attached.

Consider request for transfer to another unit or development after the tenant has lived in their current accommodation for at least a year and rental account is in good standing meaning rent payments are not in arrears and PHA has not issued any warning and/or termination of tenancy notice.

Tenants should move for appropriate reasons and not because of unresolved problems such as maintenance.

Transfers are considered in the following situations:

- Income – if the income is reduced or increased a resident could request a transfer to a relevant unit.

- Medical need – A medical doctor must write a letter or complete a Medical Documentation Form describing why a resident or household member cannot continue living in the current household. The form should explain why the housing is detrimental to the resident's physical or mental health and how the move will alleviate the problem.

- Social conflict – A tenant's wellbeing or safety is at risk from violence, harassment or trauma, and the police or community forum provides written confirmation of this.

- Over-housed or under-housed – A family member has left or joined the household making the unit too large or too small for the number of people living there. Generally, these residents are offered another unit with the right number of bedrooms. Most residents will work with PHA to resolve over and under-housing situations.

- Unusual circumstances – Review situations that don't fit any of these categories on an individual bases and merits of the case.

H. TERMINATION

A fixed term period lease automatically ends when the fixed time period comes to an end.
The notice must be given on the first day of the month in which it is to become effective.
The notice must be done in writing.
Termination can be done by either the lessor or the lessee.

NOTICE OF TERMINATION – LESSOR (PHA)

PHA must issue a written termination notice giving the tenant 30 days' notice to vacate. The notice must be delivered by hand and signed for by the tenant or any person, being a family member found in the unit or posted by registered mail. A copy of the signed delivery note must be held on file. If the tenant does not vacate the unit in accordance with the termination notice, the eviction procedure must be applied and the tenant is liable for rent whilst still in occupation of the unit.

NOTICE OF TERMINATION – LESSEE (TENANT)

The tenant will give 30 days or 1 calendar months' notice in writing as per the conditions of the lease agreement. PHA must indicate its acceptance of the Notice to Terminate. The tenant must make him/her available for the joint unit inspection in order to determine its state of repair on the last day of the termination month after removing their belongings in the unit. If the tenant does not avail themselves for the joint inspection of the unit, PHA will inspect the unit and repair work done. PHA will

assess how much of the repair work will be invoiced from the tenant's deposit as specified in the lease agreement.

I. DECEASED TENANTS

From time to time, Polokwane Housing Association will be advices of the death of a tenant by a family member, a friend or the executor of the estate.

- This document outlines policy for managing this situation with regard to the tenancy of the property.

- It is the aim of Polokwane Housing Association (PHA) to deal with cases of death in a sympathetic and professional manner. Whilst taking account of the bereaved family's loss, the entity must remain vigilant of its business needs, and ensure the most effective use of stock and that rent loss is minimized.

- The objective of this policy is to clarify the entity's position and give guidance when dealing with situations involving deceased tenants. This policy is also for use as an operational document and therefore contains elements of a procedural nature.

In case of deceased tenants, the following will apply:

- The spouse of the deceased tenant will choose either to continue with the lease or terminate it. If he or she chooses to continue, he/she must meet selection criterion if not, he/she will be allowed six months period to occupy the unit whilst seeking alternative accommodation.
- In case, where the tenant had no spouse, the lease will automatically terminate. If the deceased has outstanding balances which cannot be covered by the deposit, the appointed executor will settle the bill.
- The entity has the discretion to claim the tenant's estate for any rent accrued after the tenant's death or rental arrears.

TERMINATING THE TENANCY/SUCCESSION TO TENANCY

- Persons claiming the right to succeed to a tenancy should inform the entity within 7days of the tenant's death.
- Persons who fail to provide adequate proof of residency to succeed to the tenancy within 7days will be informed that they have no legal entitlement to the tenancy and will have to vacate the property and remove their belongings.

SOLE TESTATE OCCUPANT

- Adjust the rent balance up to the date the tenant passed away.
- If there is a credit balance or deposits balance, the balance will be forwarded to the executor of the estate.
- Outstanding rental will be recovered from the deceased estate.

OTHER APPROVED HOUSEHOLD MEMBERS

- Where there are approved additional occupants of the household i.e. spouse and dependent's declared in the application, the entity will advise the occupants of the policy of succession of tenancy and offer them an opportunity to apply or do a direct transfer.

- Should the other household member be successful in their application for succession, they may be required to relocate to another property if the current property is found to exceed their needs or otherwise not suit their circumstances or keep the same property if they feel like.

- Approval will be subject to the household member raising and paying the required money as advised by the Property Manager or the Tenant Liaison Officer.

J. COMPLIANCE TO LEGISLATIONS

This policy is intended to ensure that PHA is in compliance with the following:

- National Housing Policy
- Rental Housing Act (Act 50 of 1999), as amended
- Municipal Property Rates Act no. 6 of 2004
- Maintenance policy
- Financial Management Policy
- Social Housing Act
-

K. DEPARTURES FROM THE POLICY

Any departures from the approved policy will require the prior approval of the following persons:

- Property Manager, Chief Executive Offer, 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.

L. CHANGES TO THE POLICY

It is absolute imperative that all proposed changes to the policy are properly and timorously 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.

- Property Manager will forward a list of the latest policy compendium to the Departments who will be responsible for the control and safe keeping of the policy compendium.
- The Property Manager 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 Property Manager. 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 Property Manager.
- 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.

M. 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

N. 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.

O. 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 unit's 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.

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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

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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.

DRAFT

TABLE OF CONTENTS

1. Definitions

2. Introduction

CHAPTER 1

OBJECTIVES, PRINCIPLES AND ROLES

3. Objectives of the Supply Chain Management Policy

DRAFT

4. Principles

5. Oversight role of the Board

6. Role of the Accounting Officer

7. Delegation of Supply Chain Management Power and duties

8. Committee System for competitive bids

9. Composition of Committees

10. Functions and Purpose of Committee

CHARPTER 2

SUPPLY CHAIN MANAGEMENT SYSTEM

11. Format of Supply Chain Management System

Part 1: Demand Management

12. System of Demand Management

Part 2: Acquisition Management

13. System of acquisition management

14. Range of procurement processes

15. General preconditions for consideration of written quotations or bids

16. Lists of accredited prospective providers

17. Petty cash purchases

18. Formal written price quotations

19. Procedures of procuring goods or services through formal written quotations

20. Process for competitive bidding

21. Procurement of banking services

DRAFT

22. Procurement of IT related goods and services

23. Procurement of goods and services under contract secure by other organs of state

24. Procurement of goods necessitating special safety arrangements

25. Proudly SA. Campaign

26. Appointment of consultants

27. Deviation from and ratification of minor breaches of procurement processes

28. Unsolicited bids

29. Combating of abuse of supply chain management system

Part 3: Logistics, Disposal, Risk, Performance and Management

30. Logistics Management

31. Disposal management

32. Risk management

33. Performance management

34. Contract management

Part 4: other matters

35. Preference Point System

36. Principles of HDI ownership changes after the closing date

37. Declaration

38. Penalties

39. Prohibition on wards to persons in the service of the state

40. Prohibition on wards to person in the service of the state

41. Awards to close family member of person in the service of the state

42. Ethical Standards

DRAFT

43. Inducements, rewards, gifts and favours to Housing Association, officials and other role players

44. Sponsorship

45. Objections and complaints

46. Resolution of disputes, objections, complaints and queries

47. Contracts providing for comparative based on turnover

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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

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"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 mange, 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 ad 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.

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INTRODUTION

2) Procurement reforms in government started in1995 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).

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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.

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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)

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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

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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.

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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 he 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

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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

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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.

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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.

CHARPTER 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

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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;

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- 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

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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 R300 000 (Vat included);
c) A competitive bidding process for –
I procurements above a transaction value of R300 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;

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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 ands 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

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17) The condition for the procurement of goods by means of petty cash purchases referred to o 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 manger 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 Manage, including –

i. The total amount of petty cash purchase for that months; 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

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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 o 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 a follows:

a) Formal written price quotations for procurement transactions with values over R2 000 up to R30 000 (VAT included).

b) 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

c) a competitive bidding process for –

d) 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 more than R50 000 000.; and

e) The procurement of long-term contracts, i.e. longer than one year.

f) 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.

g) 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;

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and

iii. Apply the Preferential Procurement Policy Framework and any applicable regulations

h) Accounting Officer must take all reasonable steps to ensure that the procurement of goods and services through formal written price quotations is not abused.

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i) 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.

j) 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;

k) 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;

l) 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

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- 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 he 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

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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 that 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

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- 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 receive at the address indicate 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 and 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 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.

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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 R50 000 000.00 not exceed 80 points

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iii. The total combined points allowed for functionality and price may, in respect of bids with as estimated Rand value above R50 000 000.00 not exceed 90 points

iv. When evaluating bids contemplate in the item, the point for functionally 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 R50 000 000.00,the bid invitation must be cancelled.

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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 50 000 000.0, 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.

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(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 e 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).

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(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 secure 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 procure;

c) There are demonstrable discounts or benefits to do so; and

d) That other organ of State and he 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 Municipal 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 arrangement, 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 cot 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 extend 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

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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 that 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.

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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.

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(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 o 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 –

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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

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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

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Processing should be done online in all times prior to the issuing of any stock item.

III. Shelving

Stores person should categories ad 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 ion 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.

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(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 –

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a) Transferring the asset to another organ of state in items 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 Hosing 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.

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(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 mange 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

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(3) The following sureties, guarantees, insurance, retention and penalties are applicable:

CATEGORY	VALUE	SURETY	CONSTRUCTION GUARANTEE	ALL RISK INSURANCE	RETENTION PERIOD &	PENALTIES PER DAY
MICRO PROJECTS	30 000-150 000	0	N/A	CONTRACTOR	2,5%REDUCED TO 1,25% FOR 12 MONTHS	0,2%
SMALL PROJECTS	150 001-500 000	3%	FIRST 3 CERTIFICATES OR GUARANTEE	CONTRACTOR	5% RREDUCED TO 2,5% FOR 12 MONTHS	0,04%
MEDIUM	500 001-2M	5%	FIRST 3	7,5%REDUCED		
PROJECTS			CERTIFICATES OR BANK GUARANTEE	CONTRACTOR	TO 3,75% FOR 12 MONTHS	0,06%
LARGE PROJECTS	ABOVE 2M	10%	FIRST 5 CERTIFICATES OR BANK GUARANTEE	CONTRACTOR	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

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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.

DRAFT

b) O the basis of delivered and erected, installed, etc, only after receipt of a detailed account supported by a certificate of satisfactory execution issue 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 hi/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 the 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

DRAFT

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

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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, n 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:

DRAFT

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 point s may award to a bidder achieving Government's procurement related socio-economic objectives. The total percentage scored for BBBEE will be converted to a point out 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 point 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 point 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

DRAFT

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

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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 contact

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 fax 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

DRAFT

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;

DRAFT

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.

DRAFT

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 fore 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.

DRAFT

Resolution of disputes, objection, complaints and queries

46) (1) The Accounting officer must appoint an independent and imperial 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, complains 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

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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

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ANNEXURE G:

DIVISION OF REVENUE BILL

REPUBLIC OF SOUTH AFRICA

DIVISION OF REVENUE BILL

(As introduced in the National Assembly (proposed section 76); explanatory summary of Bill and prior notice of its introduction published in Government Gazette No. 54086 of 6 February 2026)
(The English text is the official text of the Bill)

(MINISTER OF FINANCE)

[B 5—2026]

ISBN 978-1-4850-1069-9

SCHEDULE 3

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

			National Financial Year		
			Column A	Column B	
Number		Municipality	2026/27	Forward Estimates	
				2027/28	2028/29
			R'000	R'000	R'000
LIMPOPO					
B	LIM331	Greater Giyani	387 823	384 972	412 613
B	LIM332	Greater Letaba	377 862	375 393	401 997
B	LIM333	Greater Tzaneen	549 512	549 696	584 233
B	LIM334	Ba-Phalaborwa	214 272	213 767	227 918
B	LIM335	Maruleng	170 372	169 306	181 277
C	DC33	Mopani District Municipality	1 508 655	1 593 121	1 630 297
Total: Mopani Municipalities			**3 208 496**	**3 286 255**	**3 438 335**
B	LIM341	Musina	232 308	234 015	246 938
B	LIM343	Thulamela	616 264	614 891	655 415
B	LIM344	Makhado	507 068	506 862	539 128
B	LIM345	Collins Chabane	504 619	502 148	536 776
C	DC34	Vhembe District Municipality	1 657 833	1 751 354	1 792 116
Total: Vhembe Municipalities			**3 518 092**	**3 609 270**	**3 770 373**
B	LIM351	Blouberg	240 123	238 140	255 508
B	LIM353	Molemole	183 043	181 583	194 779
B	LIM354	Polokwane	1 541 239	1 606 170	1 652 917
B	LIM355	Lepele-Nkumpi	326 389	322 989	347 330
C	DC35	Capricorn District Municipality	896 736	939 981	966 276
Total: Capricorn Municipalities			**3 187 530**	**3 288 863**	**3 416 810**
B	LIM361	Thabazimbi	164 793	173 888	176 778
B	LIM362	Lephalale	264 473	275 574	283 624
B	LIM366	Bela-Bela	149 236	154 800	159 983
B	LIM367	Mogalakwena	637 638	653 125	683 438
B	LIM368	Modimolle-Mookgophong	167 982	174 579	180 126
C	DC36	Waterberg District Municipality	160 896	164 591	172 228
Total: Waterberg Municipalities			**1 545 018**	**1 596 557**	**1 656 177**
B	LIM471	Ephraim Mogale	197 603	196 293	210 249
B	LIM472	Elias Motsoaledi	367 541	364 204	391 081
B	LIM473	Makhuduthamaga	353 718	350 643	376 368
B	LIM476	Fetakgomo Tubatse	602 957	598 348	641 359
C	DC47	Sekhukhune District Municipality	1 277 711	1 348 559	1 380 713
Total: Sekhukhune Municipalities			**2 799 530**	**2 858 047**	**2 999 770**
Total: Limpopo Municipalities			**14 258 666**	**14 638 992**	**15 281 465**

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[1]		
		National and Municipal Financial Year			National and Municipal Financial Year			National and Municipal Financial Year			National and Municipal Financial Year		
Category	Municipality	*2026/27 (R'000)*	*2027/28 (R'000)*	*2028/29 (R'000)*	*2026/27 (R'000)*	*2027/28 (R'000)*	*2028/29 (R'000)*	*2026/27 (R'000)*	*2027/28 (R'000)*	*2028/29 (R'000)*	*2026/27 (R'000)*	*2027/28 (R'000)*	*2028/29 (R'000)*
LIMPOPO													
B	LIM331 Greater Giyani	-	-	-	2 500	2 600	2 700	3 366	-	-	5 866	2 600	2 700
B	LIM332 Greater Letaba	-	-	-	2 100	2 200	2 300	2 597	-	-	4 697	2 200	2 300
B	LIM333 Greater Tzaneen	-	-	-	2 100	2 200	2 300	5 211	-	-	7 311	2 200	2 300
B	LIM334 Ba-Phalaborwa	-	-	-	3 000	3 100	3 100	1 675	-	-	4 675	3 100	3 100
B	LIM335 Maruleng	-	-	-	2 000	2 200	2 300	1 519	-	-	3 519	2 200	2 300
C	DC33 Mopani District Municipality	-	-	-	3 000	3 000	3 000	5 929	-	-	8 929	3 000	3 000
Total: Mopani Municipalities		**-**	**-**	**-**	**14 700**	**15 300**	**15 700**	**20 297**	**-**	**-**	**34 997**	**15 300**	**15 700**
B	LIM341 Musina	-	-	-	3 000	3 100	3 100	1 928	-	-	4 928	3 100	3 100
B	LIM343 Thulamela	5 000	5 500	5 000	2 000	2 100	2 300	4 521	-	-	11 521	7 600	7 300
B	LIM344 Makhado	-	-	-	2 100	2 200	2 300	3 346	-	-	5 446	2 200	2 300
B	LIM345 Collins Chabane	-	-	-	2 600	2 700	2 800	1 979	-	-	4 579	2 700	2 800
C	DC34 Vhembe District Municipality	5 255	5 500	5 000	3 000	3 100	3 100	3 365	-	-	11 620	8 600	8 100
Total: Vhembe Municipalities		**10 255**	**11 000**	**10 000**	**12 700**	**13 200**	**13 600**	**15 139**	**-**	**-**	**38 094**	**24 200**	**23 600**
B	LIM351 Blouberg	-	-	-	2 500	2 600	2 700	1 616	-	-	4 116	2 600	2 700
B	LIM353 Molemole	-	-	-	2 300	2 400	2 500	1 401	-	-	3 701	2 400	2 500
B	LIM354 Polokwane	18 000	18 000	16 000	2 500	2 600	2 700	5 254	-	-	25 754	20 600	18 700
B	LIM355 Lepelo-Nkumpi	-	-	-	2 100	2 200	2 300	2 107	-	-	4 207	2 200	2 300
C	DC35 Capricorn District Municipality	-	-	-	1 200	1 400	1 600	2 754	-	-	3 954	1 400	1 600
Total: Capricorn Municipalities		**18 000**	**18 000**	**16 000**	**10 600**	**11 200**	**11 800**	**13 132**	**-**	**-**	**41 732**	**29 200**	**27 800**
B	LIM361 Thabazimbi	-	-	-	3 000	3 000	3 000	1 309	-	-	4 309	3 000	3 000
B	LIM362 Lephalale	-	-	-	2 000	2 200	2 200	1 461	-	-	3 461	2 200	2 200
B	LIM366 Bela-Bela	-	-	-	2 000	2 100	2 200	1 632	-	-	3 632	2 100	2 200
B	LIM367 Mogalakwena	-	-	-	3 500	3 500	3 500	1 740	-	-	5 240	3 500	3 500
B	LIM368 Modimolle-Mookgophong	-	-	-	2 600	2 700	2 800	1 899	-	-	4 499	2 700	2 800
C	DC36 Waterberg District Municipality	-	-	-	1 200	1 400	1 600	-	-	-	1 200	1 400	1 600
Total: Waterberg Municipalities		**-**	**-**	**-**	**14 300**	**14 900**	**15 300**	**8 041**	**-**	**-**	**22 341**	**14 900**	**15 300**
B	LIM471 Ephraim Mogale	-	-	-	3 000	3 000	3 000	1 584	-	-	4 584	3 000	3 000
B	LIM472 Elias Motsoaledi	-	-	-	2 800	2 900	2 900	2 771	-	-	5 571	2 900	2 900
B	LIM473 Makhuduthamaga	-	-	-	2 000	2 200	2 300	2 590	-	-	4 590	2 200	2 300
B	LIM476 Fetakgomo Tubatse	-	-	-	2 600	2 700	2 800	3 168	-	-	5 768	2 700	2 800
C	DC47 Sekhukhune District Municipality	-	-	-	2 500	2 600	2 700	8 044	-	-	10 544	2 600	2 700
Total: Sekhukhune Municipalities		**-**	**-**	**-**	**12 900**	**13 400**	**13 700**	**18 157**	**-**	**-**	**31 057**	**13 400**	**13 700**
Total: Limpopo Municipalities		**28 255**	**29 000**	**26 000**	**65 200**	**68 000**	**70 100**	**74 766**	**-**	**-**	**168 221**	**97 000**	**96 100**
MPUMALANGA													
B	MP301 Chief Albert Luthuli	-	-	-	2 100	2 200	2 300	3 101	-	-	5 201	2 200	2 300
B	MP302 Msukaligwa	-	-	-	3 800	3 800	3 800	2 738	-	-	6 538	3 800	3 800
B	MP303 Mkhondo	-	-	-	3 000	3 100	3 100	2 251	-	-	5 251	3 100	3 100
B	MP304 Dr Pixley ka Isaka Seme	-	-	-	2 500	2 600	2 700	1 903	-	-	4 403	2 600	2 700
B	MP305 Lekwa	-	-	-	2 800	2 900	2 900	1 530	-	-	4 330	2 900	2 900
B	MP306 Dipaleseng	-	-	-	2 800	2 900	2 900	1 453	-	-	4 253	2 900	2 900
B	MP307 Govan Mbeki	24 000	24 000	24 000	3 500	3 500	3 500	2 859	-	-	30 359	27 500	27 500
C	DC30 Gert Sibande District Municipality	14 000	14 000	14 000	1 300	1 500	1 700	1 852	-	-	17 152	15 500	15 700
Total: Gert Sibande Municipalities		**38 000**	**38 000**	**38 000**	**21 800**	**22 500**	**22 900**	**17 687**	**-**	**-**	**77 487**	**60 500**	**60 900**
B	MP311 Victor Khanye	-	-	-	2 000	2 100	2 200	2 134	-	-	4 134	2 100	2 200
B	MP312 Emalahleni	-	-	-	3 000	3 000	3 000	4 057	-	-	7 057	3 000	3 000
B	MP313 Steve Tshwete	-	-	-	2 000	2 100	2 200	2 989	-	-	4 989	2 100	2 200
B	MP314 Emakhazeni	-	-	-	4 000	4 000	4 000	1 926	-	-	5 926	4 000	4 000
B	MP315 Thembisile Hani	-	-	-	2 000	2 100	2 200	2 679	-	-	4 679	2 100	2 200
B	MP316 Dr JS Moroka	-	-	-	2 500	2 600	2 700	2 492	-	-	4 992	2 600	2 700
C	DC31 Nkangala District Municipality	-	-	-	1 200	1 400	1 600	2 510	-	-	3 710	1 400	1 600
Total: Nkangala Municipalities		**-**	**-**	**-**	**16 700**	**17 300**	**17 900**	**18 787**	**-**	**-**	**35 487**	**17 300**	**17 900**
B	MP321 Thaba Chweu	-	-	-	3 000	3 100	3 100	2 210	-	-	5 210	3 100	3 100
B	MP324 Nkomazi	-	-	-	2 000	2 200	2 300	4 500	-	-	6 500	2 200	2 300
B	MP325 Bushbuckridge	-	-	-	2 600	2 700	2 800	3 588	-	-	6 188	2 700	2 800
B	MP326 City of Mbombela	-	-	-	2 600	2 700	2 800	5 254	-	-	7 854	2 700	2 800
C	DC32 Ehlanzeni District Municipality	3 000	4 000	4 500	1 200	1 400	1 600	1 933	-	-	6 133	5 400	6 100
Total: Ehlanzeni Municipalities		**3 000**	**4 000**	**4 500**	**11 400**	**12 100**	**12 600**	**17 485**	**-**	**-**	**31 885**	**16 100**	**17 100**
Total: Mpumalanga Municipalities		**41 000**	**42 000**	**42 500**	**49 900**	**51 900**	**53 400**	**53 959**	**-**	**-**	**144 859**	**93 900**	**95 900**

ANNEXURE W5

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

Category	Municipality	Municipal Infrastructure Grant			Integrated National Electrification Programme (Municipal) Grant			Rural Roads Asset Management Systems Grant			Regional Bulk Infrastructure Grant			Water Services Infrastructure Grant		
		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		
		2026/27 (R'000)	*2027/28 (R'000)*	*2028/29 (R'000)*	*2026/27 (R'000)*	*2027/28 (R'000)*	*2028/29 (R'000)*	*2026/27 (R'000)*	*2027/28 (R'000)*	*2028/29 (R'000)*	*2026/27 (R'000)*	*2027/28 (R'000)*	*2028/29 (R'000)*	*2026/27 (R'000)*	*2027/28 (R'000)*	*2028/29 (R'000)*
LIMPOPO																
B	LIM331 Greater Giyani	83 454	84 410	87 083	12 900	23 859	20 757	-	-	-	-	-	-	-	-	-
B	LIM332 Greater Letaba	73 565	80 019	82 544	12 002	9 407	13 832	-	-	-	-	-	-	-	-	-
B	LIM333 Greater Tzaneen	118 817	132 299	136 583	28 141	13 407	13 832	-	-	-	-	-	-	-	-	-
B	LIM334 Ba-Phalaborwa	39 493	43 578	44 877	1 800	12 362	8 740	-	-	-	-	-	-	-	-	-
B	LIM335 Maruleng	32 807	36 101	37 148	22 654	-	-	-	-	-	-	-	-	-	-	-
C	DC33 Mopani District Municipality	551 161	615 854	636 411	-	-	-	2 691	2 798	2 886	-	-	-	-	-	-
Total: Mopani Municipalities		**899 297**	**992 261**	**1 024 646**	**77 497**	**59 035**	**57 161**	**2 691**	**2 798**	**2 886**	-	-	-	-	-	-
B	LIM341 Musina	35 649	39 279	40 433	9 000	9 766	10 207	-	-	-	-	-	-	-	-	-
B	LIM343 Thulamela	125 347	139 602	144 131	12 000	17 021	13 610	-	-	-	-	-	-	-	-	-
B	LIM344 Makhado	112 837	125 610	129 669	8 392	10 452	10 924	-	-	-	-	-	-	-	-	-
B	LIM345 Collins Chabane	112 528	114 843	118 540	13 827	13 929	14 378	-	-	-	-	-	-	-	-	-
C	DC34 Vhembe District Municipality	624 561	697 948	721 268	-	-	-	2 745	2 855	2 944	-	-	-	108 737	89 874	93 909
Total: Vhembe Municipalities		**1 010 922**	**1 117 282**	**1 154 041**	**43 219**	**51 168**	**49 119**	**2 745**	**2 855**	**2 944**	-	-	-	**108 737**	**89 874**	**93 909**
B	LIM351 Blouberg	55 189	61 134	63 023	15 855	16 723	17 479	-	-	-	-	-	-	-	-	-
B	LIM353 Molemole	48 098	47 992	49 439	7 000	7 316	7 647	-	-	-	-	-	-	-	-	-
B	LIM354 Polokwane	-	-	-	5 000	16 542	18 109	-	-	-	688 100	869 600	560 800	100 022	95 396	99 679
B	LIM355 Lepele-Nkumpi	67 582	74 994	77 350	3 729	7 316	7 647	-	-	-	-	-	-	-	-	-
C	DC35 Capricorn District Municipality	279 548	312 068	322 402	-	-	-	2 955	3 073	3 168	-	-	-	110 022	148 773	155 453
Total: Capricorn Municipalities		**450 417**	**496 188**	**512 214**	**31 584**	**47 897**	**50 882**	**2 955**	**3 073**	**3 168**	**688 100**	**869 600**	**560 800**	**210 044**	**244 169**	**255 132**
B	LIM361 Thabazimbi	22 618	44 332	45 656	26 140	16 723	17 479	-	-	-	-	-	-	-	-	-
B	LIM362 Lephalale	53 205	58 915	60 730	8 000	15 719	12 249	-	-	-	-	-	-	-	-	-
B	LIM366 Bela-Bela	31 180	34 281	35 266	9 000	13 452	15 924	-	-	-	-	-	-	81 044	91 973	96 103
B	LIM367 Mogalakwena	193 178	215 468	222 551	30 500	9 512	11 806	-	-	-	-	-	-	88 022	81 923	85 601
B	LIM368 Modimolle-Mookgophong	47 006	51 981	53 563	5 000	11 497	12 017	-	-	-	-	-	-	-	-	-
C	DC36 Waterberg District Municipality	-	-	-	-	-	-	2 601	2 705	2 789	-	-	-	-	-	-
Total: Waterberg Municipalities		**347 187**	**404 977**	**417 766**	**78 640**	**66 903**	**69 475**	**2 601**	**2 705**	**2 789**	-	-	-	**169 066**	**173 896**	**181 704**
B	LIM471 Ephraim Mogale	41 267	45 563	46 928	15 000	-	-	-	-	-	-	-	-	-	-	-
B	LIM472 Elias Motsoaledi	68 650	76 190	78 586	18 430	9 209	5 445	-	-	-	-	-	-	-	-	-
B	LIM473 Makhuduthamaga	77 818	86 443	89 184	1 136	14 975	15 652	-	-	-	-	-	-	-	-	-
B	LIM476 Fetakgomo Tubatse	106 199	118 186	121 995	867	28 386	29 669	-	-	-	-	-	-	-	-	-
C	DC47 Sekhukhune District Municipality	413 050	643 984	665 488	-	-	-	2 795	2 906	2 996	-	-	-	-	-	-
Total: Sekhukhune Municipalities		**706 984**	**970 366**	**1 002 181**	**35 433**	**52 570**	**50 766**	**2 795**	**2 906**	**2 996**	-	-	-	-	-	-
Total: Limpopo Municipalities		**3 414 807**	**3 981 074**	**4 110 848**	**266 373**	**277 573**	**277 403**	**13 787**	**14 337**	**14 783**	**688 100**	**869 600**	**560 800**	**487 847**	**507 939**	**530 745**
MPUMALANGA																
B	MP301 Chief Albert Luthuli	116 158	118 904	122 737	10 435	8 362	8 740	-	-	-	220 887	235 167	245 726	100 140	89 897	65 703
B	MP302 Msukaligwa	73 686	71 400	73 635	18 100	10 803	7 110	-	-	-	280 000	150 000	206 735	59 850	52 343	54 693
B	MP303 Mkhondo	104 925	106 340	109 750	19 907	11 316	7 647	-	-	-	-	-	-	10 000	10 000	10 449
B	MP304 Dr Pixley ka Isaka Seme	31 876	35 059	36 071	486	8 844	9 244	-	-	-	-	-	-	54 479	41 453	43 314
B	MP305 Lekwa	25 698	38 605	39 736	10 942	14 205	14 666	-	-	-	-	-	-	-	-	-
B	MP306 Dipaleseng	16 355	24 300	24 949	398	10 205	10 666	-	-	-	-	-	-	-	-	-
B	MP307 Govan Mbeki	71 861	79 781	82 298	35 748	17 768	22 571	-	-	-	-	-	-	-	-	-
C	DC30 Gert Sibande District Municipality	13 045	-	-	-	-	-	2 823	2 936	3 027	-	-	-	-	-	-
Total: Gert Sibande Municipalities		**453 604**	**474 389**	**489 176**	**96 016**	**81 503**	**80 644**	**2 823**	**2 936**	**3 027**	**500 887**	**385 167**	**452 461**	**224 469**	**193 693**	**174 159**
B	MP311 Victor Khanye	29 948	32 903	33 842	2 088	10 108	10 565	-	-	-	-	-	-	-	-	-
B	MP312 Emalahleni	148 190	165 150	170 540	7 640	29 000	34 496	-	-	-	50 000	-	-	37 365	43 983	45 958
B	MP313 Steve Tshwete	-	-	-	13 629	10 205	10 666	-	-	-	-	70 000	73 143	-	-	-
B	MP314 Emakhazeni	27 198	23 574	24 199	14 330	14 642	14 666	-	-	-	-	-	-	39 501	42 126	44 017
B	MP315 Thembisile Hani	159 065	170 123	175 680	16 258	4 000	4 000	-	-	-	-	-	-	80 482	74 006	77 329
B	MP316 Dr JS Moroka	158 449	171 414	177 014	10 355	-	-	-	-	-	-	-	-	20 000	-	-
C	DC31 Nkangala District Municipality	-	-	-	4 000	5 000	5 000	2 659	2 765	2 851	-	-	-	-	-	-
Total: Nkangala Municipalities		**522 850**	**563 164**	**581 275**	**68 300**	**72 955**	**79 393**	**2 659**	**2 765**	**2 851**	**50 000**	**70 000**	**73 143**	**177 348**	**160 115**	**167 304**
B	MP321 Thaba Chweu	57 986	64 262	66 257	17 135	8 164	8 533	-	-	-	-	30 000	31 347	60 607	63 357	66 202
B	MP324 Nkomazi	277 267	309 517	319 765	776	5 226	5 463	-	-	-	-	30 600	31 974	40 380	42 399	44 303
B	MP325 Bushbuckridge	460 339	514 274	531 413	8 940	13 407	9 832	-	-	-	-	40 000	41 796	46 439	47 683	49 824
B	MP326 City of Mbombela	411 878	460 072	475 387	26 824	29 000	33 403	-	-	-	-	-	-	-	-	-
C	DC32 Ehlanzeni District Municipality	-	-	-	-	-	-	2 868	2 982	3 075	-	-	-	-	-	-
Total: Ehlanzeni Municipalities		**1 207 470**	**1 348 125**	**1 392 822**	**53 675**	**55 797**	**57 231**	**2 868**	**2 982**	**3 075**	-	**100 600**	**105 117**	**147 426**	**153 439**	**160 329**
Total: Mpumalanga Municipalities		**2 183 924**	**2 385 678**	**2 463 273**	**217 991**	**210 255**	**217 268**	**8 350**	**8 683**	**8 953**	**550 887**	**555 767**	**630 721**	**549 243**	**507 247**	**501 792**

ANNEXURE W5

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

Category	Municipality	Integrated Urban Development Grant			Informal Settlements Upgrading Partnership Grant: Municipalities			Urban Settlements Development Grant			Neighbourhood Development Partnership Grant			Urban Development Financing Grant			Public Transport Network Grant			SUB-TOTAL: INFRASTRUCTURE		
		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			National and Municipal Financial Year			National and Municipal Financial Year		
		2026/27 (R'000)	2027/28 (R'000)	2028/29 (R'000)	2026/27 (R'000)	2027/28 (R'000)	2028/29 (R'000)	2026/27 (R'000)	2027/28 (R'000)	2028/29 (R'000)	2026/27 (R'000)	2027/28 (R'000)	2028/29 (R'000)	2026/27 (R'000)	2027/28 (R'000)	2028/29 (R'000)	2026/27 (R'000)	2027/28 (R'000)	2028/29 (R'000)	2026/27 (R'000)	2027/28 (R'000)	2028/29 (R'000)
LIMPOPO																						
B	LIM331 Greater Giyani	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	96 354	108 269	107 840
B	LIM332 Greater Letaba	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	85 567	89 426	96 376
B	LIM333 Greater Tzaneen	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	146 958	145 706	150 415
B	LIM334 Ba-Phalaborwa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	41 293	55 940	53 617
B	LIM335 Maruleng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	55 461	36 101	37 148
C	DC33 Mopani District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	553 852	618 652	639 297
Total: Mopani Municipalities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**979 485**	**1 054 094**	**1 084 693**
B	LIM341 Musina	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	44 649	49 045	50 640
B	LIM343 Thulamela	-	-	-	-	-	-	-	-	-	11 548	-	-	-	-	-	-	-	-	148 895	156 623	157 741
B	LIM344 Makhado	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	121 229	136 062	140 593
B	LIM345 Collins Chabane	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	126 355	128 772	132 918
C	DC34 Vhembe District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	736 043	790 677	818 121
Total: Vhembe Municipalities		-	-	-	-	-	-	-	-	-	**11 548**	-	-	-	-	-	-	-	-	**1 177 171**	**1 261 179**	**1 300 013**
B	LIM351 Blouberg	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	71 044	77 857	80 502
B	LIM353 Molemole	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	55 098	55 308	57 086
B	LIM354 Polokwane	473 592	470 067	484 676	-	-	-	-	-	-	18 857	12 000	6 000	-	-	-	134 173	127 763	127 866	1 419 744	1 591 368	1 297 130
B	LIM355 Lepele-Nkumpi	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	71 311	82 310	84 997
C	DC35 Capricorn District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	392 525	463 914	481 023
Total: Capricorn Municipalities		**473 592**	**470 067**	**484 676**	-	-	-	-	-	-	**18 857**	**12 000**	**6 000**	-	-	-	**134 173**	**127 763**	**127 866**	**2 009 722**	**2 270 757**	**2 000 738**
B	LIM361 Thabazimbi	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	48 758	61 055	63 135
B	LIM362 Lephalale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	61 205	74 634	72 979
B	LIM366 Bela-Bela	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	121 224	139 706	147 293
B	LIM367 Mogalakwena	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	311 700	306 903	319 958
B	LIM368 Modimolle-Mookgophong	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	52 006	63 478	65 580
C	DC36 Waterberg District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 601	2 705	2 789
Total: Waterberg Municipalities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**597 494**	**648 481**	**671 734**
B	LIM471 Ephraim Mogale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	56 267	45 563	46 928
B	LIM472 Elias Motsoaledi	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	87 080	85 399	84 031
B	LIM473 Makhuduthamaga	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	78 954	101 418	104 836
B	LIM476 Fetakgomo Tubatse	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	107 066	146 572	151 664
C	DC47 Sekhukhune District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	415 845	646 890	668 484
Total: Sekhukhune Municipalities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**745 212**	**1 025 842**	**1 055 943**
Total: Limpopo Municipalities		**473 592**	**470 067**	**484 676**	-	-	-	-	-	-	**30 405**	**12 000**	**6 000**	-	-	-	**134 173**	**127 763**	**127 866**	**5 509 084**	**6 260 353**	**6 113 121**
MPUMALANGA																						
B	MP301 Chief Albert Luthuli	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	447 620	452 330	442 906
B	MP302 Msukaligwa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	431 636	284 546	342 173
B	MP303 Mkhondo	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	134 832	127 656	127 846
B	MP304 Dr Pixley ka Isaka Seme	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	86 841	85 356	88 629
B	MP305 Lekwa	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	36 640	52 810	54 402
B	MP306 Dipaleseng	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16 753	34 505	35 615
B	MP307 Govan Mbeki	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	107 609	97 549	104 869
C	DC30 Gert Sibande District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	15 868	2 936	3 027
Total: Gert Sibande Municipalities		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**1 277 799**	**1 137 688**	**1 199 467**
B	MP311 Victor Khanye	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	32 036	43 011	44 407
B	MP312 Emalahleni	-	-	-	-	-	-	-	-	-	5 000	5 000	5 000	-	-	-	-	-	-	248 195	243 133	255 994
B	MP313 Steve Tshwete	75 762	67 640	69 742	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	89 391	147 845	153 551
B	MP314 Emakhazeni	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	81 029	80 342	82 882
B	MP315 Thembisile Hani	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	255 805	248 129	257 009
B	MP316 Dr JS Moroka	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	188 804	171 414	177 014
C	DC31 Nkangala District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6 659	7 765	7 851
Total: Nkangala Municipalities		**75 762**	**67 640**	**69 742**	-	-	-	-	-	-	**5 000**	**5 000**	**5 000**	-	-	-	-	-	-	**901 919**	**941 639**	**978 708**
B	MP321 Thaba Chweu	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	135 728	165 783	172 339
B	MP324 Nkomazi	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	318 423	387 742	401 505
B	MP325 Bushbuckridge	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	515 718	615 364	632 865
B	MP326 City of Mbombela	-	-	-	-	-	-	-	-	-	34 350	34 350	-	-	-	-	-	-	-	473 052	523 422	508 790
C	DC32 Ehlanzeni District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2 868	2 982	3 075
Total: Ehlanzeni Municipalities		-	-	-	-	-	-	-	-	-	**34 350**	**34 350**	-	-	-	-	-	-	-	**1 445 789**	**1 695 293**	**1 718 574**
Total: Mpumalanga Municipalities		**75 762**	**67 640**	**69 742**	-	-	-	-	-	-	**39 350**	**39 350**	**5 000**	-	-	-	-	-	-	**3 625 507**	**3 774 620**	**3 896 749**

ANNEXURE W6

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

Category	Municipality	Municipal Infrastructure Grant			Integrated National Electrification Programme (Eskom) Grant			Smart Meters Grant			Regional Bulk Infrastructure Grant			Water Services Infrastructure Grant			SUB-TOTAL: INDIRECT		
		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			National and Municipal Financial Year		
		2026/27 (R'000)	*2027/28 (R'000)*	*2028/29 (R'000)*	*2026/27 (R'000)*	*2027/28 (R'000)*	*2028/29 (R'000)*	*2026/27 (R'000)*	*2027/28 (R'000)*	*2028/29 (R'000)*	*2026/27 (R'000)*	*2027/28 (R'000)*	*2028/29 (R'000)*	*2026/27 (R'000)*	*2027/28 (R'000)*	*2028/29 (R'000)*	*2026/27 (R'000)*	*2027/28 (R'000)*	*2028/29 (R'000)*
LIMPOPO																			
B	LIM331 Greater Giyani	-	-	-	6 534	14 920	17 991	-	-	-	-	-	-	-	-	-	6 534	14 920	17 991
B	LIM332 Greater Letaba	-	-	-	3 925	6 802	9 933	-	-	-	-	-	-	-	-	-	3 925	6 802	9 933
B	LIM333 Greater Tzaneen	-	-	-	13 333	33 664	9 326	-	-	-	-	-	-	-	-	-	13 333	33 664	9 326
B	LIM334 Ba-Phalaborwa	-	-	-	1 068	27 136	8 957	-	-	-	-	-	-	-	-	-	1 068	27 136	8 957
B	LIM335 Maruleng	-	-	-	3 782	7 586	14 849	-	-	-	-	-	-	-	-	-	3 782	7 586	14 849
C	DC33 Mopani District Municipality	-	-	-	-	-	-	-	-	-	501 474	531 861	566 099	170 416	182 703	190 906	671 890	714 564	757 005
Total: Mopani Municipalities		-	-	-	**28 642**	**90 108**	**61 056**	-	-	-	**501 474**	**531 861**	**566 099**	**170 416**	**182 703**	**190 906**	**700 532**	**804 672**	**818 061**
B	LIM341 Musina	-	-	-	8 635	4 854	10 131	-	-	-	-	-	-	-	-	-	8 635	4 854	10 131
B	LIM343 Thulamela	-	-	-	9 108	30 975	17 359	-	-	-	-	-	-	-	-	-	9 108	30 975	17 359
B	LIM344 Makhado	-	-	-	3 429	9 844	11 739	-	-	-	-	-	-	-	-	-	3 429	9 844	11 739
B	LIM345 Collins Chabane	-	-	-	19 674	12 092	14 611	-	-	-	-	-	-	-	-	-	19 674	12 092	14 611
C	DC34 Vhembe District Municipality	-	-	-	-	-	-	-	-	-	181 429	265 000	267 285	-	-	-	181 429	265 000	267 285
Total: Vhembe Municipalities		-	-	-	**40 846**	**57 765**	**53 840**	-	-	-	**181 429**	**265 000**	**267 285**	-	-	-	**222 275**	**322 765**	**321 125**
B	LIM351 Blouberg	-	-	-	8 177	6 160	19 549	-	-	-	-	-	-	-	-	-	8 177	6 160	19 549
B	LIM353 Molemole	-	-	-	8 529	10 249	12 338	-	-	-	-	-	-	-	-	-	8 529	10 249	12 338
B	LIM354 Polokwane	-	-	-	3 845	60 386	67 248	-	-	-	-	-	-	-	-	-	3 845	60 386	67 248
B	LIM355 Lepele-Nkumpi	-	-	-	21 442	8 533	11 637	-	-	-	-	-	-	-	-	-	21 442	8 533	11 637
C	DC35 Capricorn District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total: Capricorn Municipalities		-	-	-	**41 993**	**85 328**	**110 772**	-	-	-	-	-	-	-	-	-	**41 993**	**85 328**	**110 772**
B	LIM361 Thabazimbi	17 549	-	-	1 634	4 137	8 041	35 000	-	-	-	-	-	65 065	68 818	71 908	119 248	72 955	79 949
B	LIM362 Lephalale	-	-	-	1 294	8 988	9 133	-	-	-	-	-	-	77 611	71 991	75 224	78 905	80 979	84 357
B	LIM366 Bela-Bela	-	-	-	1 368	4 674	7 985	-	-	-	-	-	-	-	-	-	1 368	4 674	7 985
B	LIM367 Mogalakwena	-	-	-	13 572	18 300	13 495	-	-	-	-	-	-	-	-	-	13 572	18 300	13 495
B	LIM368 Modimolle-Mookgophong	-	-	-	-	2 490	6 931	-	-	-	-	-	-	68 052	113 454	118 549	68 052	115 944	125 480
C	DC36 Waterberg District Municipality	-	-	-	-	-	-	-	-	-	30 000	-	-	-	-	-	30 000	-	-
Total: Waterberg Municipalities		**17 549**	-	-	**17 868**	**38 589**	**45 585**	**35 000**	-	-	**30 000**	-	-	**210 728**	**254 263**	**265 681**	**311 145**	**292 852**	**311 266**
B	LIM471 Ephraim Mogale	-	-	-	18 238	8 965	10 336	-	-	-	-	-	-	-	-	-	18 238	8 965	10 336
B	LIM472 Elias Motsoaledi	-	-	-	15 749	10 838	14 338	-	-	-	-	-	-	-	-	-	15 749	10 838	14 338
B	LIM473 Makhuduthamaga	-	-	-	15 104	12 980	12 483	-	-	-	-	-	-	-	-	-	15 104	12 980	12 483
B	LIM476 Fetakgomo Tubatse	-	-	-	4 357	33 153	29 316	-	-	-	-	-	-	-	-	-	4 357	33 153	29 316
C	DC47 Sekhukhune District Municipality	163 262	-	-	-	-	-	-	-	-	69 819	-	-	63 220	66 882	69 884	296 301	66 882	69 884
Total: Sekhukhune Municipalities		**163 262**	-	-	**53 448**	**65 936**	**66 473**	-	-	-	**69 819**	-	-	**63 220**	**66 882**	**69 884**	**349 749**	**132 818**	**136 357**
Total: Limpopo Municipalities		**180 811**	-	-	**182 797**	**337 726**	**337 726**	**35 000**	-	-	**782 722**	**796 861**	**833 384**	**444 364**	**503 848**	**526 471**	**1 625 694**	**1 638 435**	**1 697 581**
MPUMALANGA																			
B	MP301 Chief Albert Luthuli	-	-	-	6 547	9 004	9 039	-	-	-	-	-	-	-	-	-	6 547	9 004	9 039
B	MP302 Msukaligwa	-	-	-	5 176	3 963	3 691	-	-	-	-	-	-	-	-	-	5 176	3 963	3 691
B	MP303 Mkhondo	-	-	-	3 393	14 539	16 558	-	-	-	70 000	30 110	-	35 000	35 769	37 375	108 393	80 418	53 933
B	MP304 Dr Pixley ka Isaka Seme	-	-	-	2 641	3 642	5 519	-	-	-	-	-	-	-	-	-	2 641	3 642	5 519
B	MP305 Lekwa	9 348	-	-	-	845	1 635	45 000	-	-	10 000	64 272	67 157	35 000	34 608	36 162	99 348	99 725	104 954
B	MP306 Dipaleseng	5 901	-	-	425	423	1 165	-	-	-	-	31 200	32 601	17 000	16 500	32 914	23 326	48 123	66 680
B	MP307 Govan Mbeki	-	-	-	262	845	2 098	95 869	-	-	4 598	10 400	10 867	-	-	-	100 729	11 245	12 965
C	DC30 Gert Sibande District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total: Gert Sibande Municipalities		**15 249**	-	-	**18 444**	**33 261**	**39 705**	**140 869**	-	-	**84 598**	**135 982**	**110 625**	**87 000**	**86 877**	**106 451**	**346 160**	**256 120**	**256 781**
B	MP311 Victor Khanye	-	-	-	550	1 585	1 122	-	-	-	-	-	-	25 000	15 000	-	25 550	16 585	1 122
B	MP312 Emalahleni	-	-	-	240	-	904	-	-	-	-	-	-	-	-	-	240	-	904
B	MP313 Steve Tshwete	-	-	-	878	127	1 571	-	-	-	-	-	-	-	-	-	878	127	1 571
B	MP314 Emakhazeni	-	-	-	568	2 658	963	-	-	-	-	-	-	-	-	-	568	2 658	963
B	MP315 Thembisile Hani	-	-	-	36 047	33 726	34 241	-	-	-	220 000	138 000	198 452	-	-	-	256 047	171 726	232 693
B	MP316 Dr JS Moroka	-	-	-	6 231	107 074	7 306	-	-	-	-	10 400	10 867	-	-	-	6 231	117 474	18 173
C	DC31 Nkangala District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total: Nkangala Municipalities		-	-	-	**44 514**	**145 170**	**46 107**	-	-	-	**220 000**	**148 400**	**209 319**	**25 000**	**15 000**	-	**289 514**	**308 570**	**255 426**
B	MP321 Thaba Chweu	-	-	-	6 353	2 648	1 165	-	-	-	-	-	-	-	-	-	6 353	2 648	1 165
B	MP324 Nkomazi	-	-	-	13 794	11 549	28 775	-	-	-	81 040	100 000	50 000	-	-	-	94 834	111 549	78 775
B	MP325 Bushbuckridge	-	-	-	18 678	44 790	30 362	-	-	-	-	-	-	-	-	-	18 678	44 790	30 362
B	MP326 City of Mbombela	-	-	-	34 018	93 745	184 099	95 000	-	-	-	-	-	20 526	21 000	21 943	149 544	114 745	206 042
C	DC32 Ehlanzeni District Municipality	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total: Ehlanzeni Municipalities		-	-	-	**72 843**	**152 732**	**244 401**	**95 000**	-	-	**81 040**	**100 000**	**50 000**	**20 526**	**21 000**	**21 943**	**269 409**	**273 732**	**316 344**
Total: Mpumalanga Municipalities		**15 249**	-	-	**135 801**	**331 163**	**330 213**	**235 869**	-	-	**385 638**	**384 382**	**369 944**	**132 526**	**122 877**	**128 394**	**905 083**	**838 422**	**828 551**

ANNEXURE W7

EQUITABLE SHARE AND TOTAL ALLOCATIONS TO MUNICPALITIES

Category		Municipality	EQUITABLE SHARE[1] National and Municipal Financial Year 2026/27 (R'000)	2027/28 (R'000)	2028/29 (R'000)	TOTAL ALLOCATIONS TO MUNICIPALITIES National and Municipal Financial Year 2026/27 (R'000)	2027/28 (R'000)	2028/29 (R'000)
LIMPOPO								
B	LIM331	Greater Giyani	387 823	384 972	412 613	496 577	510 761	541 144
B	LIM332	Greater Letaba	377 862	375 393	401 997	472 051	473 821	510 606
B	LIM333	Greater Tzaneen	549 512	549 696	584 233	717 114	731 266	746 274
B	LIM334	Ba-Phalaborwa	214 272	213 767	227 918	261 308	299 943	293 592
B	LIM335	Maruleng	170 372	169 306	181 277	233 134	215 193	235 574
C	DC33	Mopani District Municipality	1 508 655	1 593 121	1 630 297	2 743 326	2 929 337	3 029 599
Total: Mopani Municipalities			**3 208 496**	**3 286 255**	**3 438 335**	**4 923 510**	**5 160 321**	**5 356 789**
B	LIM341	Musina	232 308	234 015	246 938	290 520	291 014	310 809
B	LIM343	Thulamela	616 264	614 891	655 415	785 788	810 089	837 815
B	LIM344	Makhado	507 068	506 862	539 128	637 172	654 968	693 760
B	LIM345	Collins Chabane	504 619	502 148	536 776	655 227	645 712	687 105
C	DC34	Vhembe District Municipality	1 657 833	1 751 354	1 792 116	2 586 925	2 815 631	2 885 622
Total: Vhembe Municipalities			**3 518 092**	**3 609 270**	**3 770 373**	**4 955 632**	**5 217 414**	**5 415 111**
B	LIM351	Blouberg	240 123	238 140	255 508	323 460	324 757	358 259
B	LIM353	Molemole	183 043	181 583	194 779	250 371	249 540	266 703
B	LIM354	Polokwane	1 541 239	1 606 170	1 652 917	2 990 582	3 278 524	3 035 995
B	LIM355	Lepele-Nkumpi	326 389	322 989	347 330	423 349	416 032	446 264
C	DC35	Capricorn District Municipality	896 736	939 981	966 276	1 293 215	1 405 295	1 448 899
Total: Capricorn Municipalities			**3 187 530**	**3 288 863**	**3 416 810**	**5 280 977**	**5 674 148**	**5 556 120**
B	LIM361	Thabazimbi	164 793	173 888	176 778	337 108	310 898	322 862
B	LIM362	Lephalale	264 473	275 574	283 624	408 044	433 387	443 160
B	LIM366	Bela-Bela	149 236	154 800	159 983	275 460	301 280	317 461
B	LIM367	Mogalakwena	637 638	653 125	683 438	968 150	981 828	1 020 391
B	LIM368	Modimolle-Mookgophong	167 982	174 579	180 126	292 539	356 701	373 986
C	DC36	Waterberg District Municipality	160 896	164 591	172 228	194 697	168 696	176 617
Total: Waterberg Municipalities			**1 545 018**	**1 596 557**	**1 656 177**	**2 475 998**	**2 552 790**	**2 654 477**
B	LIM471	Ephraim Mogale	197 603	196 293	210 249	276 692	253 821	270 513
B	LIM472	Elias Motsoaledi	367 541	364 204	391 081	475 941	463 341	492 350
B	LIM473	Makhuduthamaga	353 718	350 643	376 368	452 366	467 241	495 987
B	LIM476	Fetakgomo Tubatse	602 957	598 348	641 359	720 148	780 773	825 139
C	DC47	Sekhukhune District Municipality	1 277 711	1 348 559	1 380 713	2 000 401	2 064 931	2 121 781
Total: Sekhukhune Municipalities			**2 799 530**	**2 858 047**	**2 999 770**	**3 925 548**	**4 030 107**	**4 205 770**
Total: Limpopo Municipalities			**14 258 666**	**14 638 992**	**15 281 465**	**21 561 665**	**22 634 780**	**23 188 267**
MPUMALANGA								
B	MP301	Chief Albert Luthuli	462 146	472 704	495 241	921 514	936 238	949 486
B	MP302	Msukaligwa	299 205	313 048	320 922	742 555	605 357	670 586
B	MP303	Mkhondo	375 180	386 528	402 141	623 656	597 702	587 020
B	MP304	Dr Pixley ka Isaka Seme	176 260	180 997	188 881	270 145	272 595	285 729
B	MP305	Lekwa	198 477	207 650	212 880	338 795	363 085	375 136
B	MP306	Dipaleseng	112 377	115 624	120 421	156 709	201 152	225 616
B	MP307	Govan Mbeki	523 359	553 795	561 573	762 056	690 089	706 907
C	DC30	Gert Sibande District Municipality	358 221	371 605	384 005	391 241	390 041	402 732
Total: Gert Sibande Municipalities			**2 505 225**	**2 601 951**	**2 686 064**	**4 206 671**	**4 056 259**	**4 203 212**
B	MP311	Victor Khanye	163 014	169 477	174 773	224 734	231 173	222 502
B	MP312	Emalahleni	685 541	725 408	735 597	941 033	971 541	995 495
B	MP313	Steve Tshwete	400 090	423 356	429 303	495 348	573 428	586 625
B	MP314	Emakhazeni	99 877	103 369	107 050	187 400	190 369	194 895
B	MP315	Thembisile Hani	621 226	637 043	665 873	1 137 757	1 058 998	1 157 775
B	MP316	Dr JS Moroka	535 672	545 103	573 940	735 699	836 591	771 827
C	DC31	Nkangala District Municipality	438 130	453 990	469 607	448 499	463 155	479 058
Total: Nkangala Municipalities			**2 943 550**	**3 057 746**	**3 156 143**	**4 170 470**	**4 325 255**	**4 408 177**
B	MP321	Thaba Chweu	243 768	254 346	261 396	391 059	425 877	438 000
B	MP324	Nkomazi	882 182	905 900	945 629	1 301 939	1 407 391	1 428 209
B	MP325	Bushbuckridge	1 171 265	1 199 901	1 255 413	1 711 849	1 862 755	1 921 440
B	MP326	City of Mbombela	1 233 444	1 287 910	1 322 907	1 863 894	1 928 777	2 040 539
C	DC32	Ehlanzeni District Municipality	314 251	321 018	336 387	323 252	329 400	345 562
Total: Ehlanzeni Municipalities			**3 844 910**	**3 969 075**	**4 121 732**	**5 591 993**	**5 954 200**	**6 173 750**
Total: Mpumalanga Municipalities			**9 293 685**	**9 628 772**	**9 963 939**	**13 969 134**	**14 335 714**	**14 785 139**

APPENDIX W1

APPENDIX TO SCHEDULE 3: EQUITABLE SHARE ALLOCATIONS TO MUNICIPALITIES

(EQUITABLE SHARE FORMULA ALLOCATIONS + RSC LEVIES REPLACEMENT + SPECIAL SUPPORT FOR COUNCILLOR REMUNERATION AND WARD COMMITTEES + BREAKDOWN OF EQUITABLE SHARE ALLOCATIONS PER LOCAL MUNICIPALITY PER SERVICE FOR DISTRICT MUNICIPALITIES AUTHORISED FOR SERVICES)

			Equitable Share Formula			RSC Levies Replacement			Special Support for Councillor Remuneration and Ward Committees			BREAKDOWN OF EQUITABLE SHARE FOR DISTRICT MUNICIPALITIES AUTHORISED FOR SERVICES									TOTAL ALLOCATIONS TO MUNICIPALITIES		
			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			National and Municipal Financial Year			National and Municipal Financial Year		
Category	Municipality		2026/27 (R'000)	2027/28 (R'000)	2028/29 (R'000)	2026/27 (R'000)	2027/28 (R'000)	2028/29 (R'000)	2026/27 (R'000)	2027/28 (R'000)	2028/29 (R'000)	Water	Sanitation	Refuse	Water	Sanitation	Refuse	Water	Sanitation	Refuse	2026/27 (R'000)	2027/28 (R'000)	2028/29 (R'000)
												2026/27 R'(000)			2027/28 R'(000)			2028/29 R'(000)					
LIMPOPO																							
B	LIM331	Greater Giyani	372 541	369 159	396 309	-	-	-	15 282	15 813	16 304	166 308	99 455	-	180 418	102 224	-	187 047	100 724	-	387 823	384 972	412 613
B	LIM332	Greater Letaba	363 072	360 090	386 218	-	-	-	14 790	15 303	15 779	163 893	98 011	-	177 798	100 739	-	184 331	99 261	-	377 862	375 393	401 997
B	LIM333	Greater Tzaneen	549 512	549 696	584 233	-	-	-	-	-	-	279 662	167 243	-	303 388	171 898	-	314 536	169 376	-	549 512	549 696	584 233
B	LIM334	Ba-Phalaborwa	205 121	204 298	218 155	-	-	-	9 151	9 469	9 763	96 303	57 591	-	104 473	59 194	-	108 312	58 325	-	214 272	213 767	227 918
B	LIM335	Maruleng	163 685	162 387	174 143	-	-	-	6 687	6 919	7 134	70 378	42 087	-	76 349	43 259	-	79 154	42 624	-	170 372	169 306	181 277
C	DC33	Mopani District Municipality	1 328 384	1 405 655	1 437 005	180 271	187 466	193 292	-	-	-	-	-	-	-	-	-	-	-	-	1 508 655	1 593 121	1 630 297
Total: Mopani Municipalities			**2 982 315**	**3 051 285**	**3 196 063**	**180 271**	**187 466**	**193 292**	**45 910**	**47 504**	**48 980**	**776 545**	**464 388**	**-**	**842 426**	**477 314**	**-**	**873 379**	**470 310**	**-**	**3 208 496**	**3 286 255**	**3 438 335**
B	LIM341	Musina	226 392	227 894	240 627	-	-	-	5 916	6 121	6 311	121 196	72 477	-	131 478	74 495	-	136 309	73 402	-	232 308	234 015	246 938
B	LIM343	Thulamela	596 267	594 199	634 080	-	-	-	19 997	20 692	21 335	289 870	173 348	-	314 462	178 173	-	326 017	175 558	-	616 264	614 891	655 415
B	LIM344	Makhado	507 068	506 862	539 128	-	-	-	-	-	-	256 124	153 167	-	277 854	157 430	-	288 063	155 120	-	507 068	506 862	539 128
B	LIM345	Collins Chabane	487 088	484 008	518 072	-	-	-	17 531	18 140	18 704	227 200	135 870	-	246 476	139 652	-	255 532	137 603	-	504 619	502 148	536 776
C	DC34	Vhembe District Municipality	1 540 687	1 629 533	1 666 509	117 146	121 821	125 607	-	-	-	-	-	-	-	-	-	-	-	-	1 657 833	1 751 354	1 792 116
Total: Vhembe Municipalities			**3 357 502**	**3 442 496**	**3 598 416**	**117 146**	**121 821**	**125 607**	**43 444**	**44 953**	**46 350**	**894 390**	**534 862**	**-**	**970 269**	**549 750**	**-**	**1 005 920**	**541 683**	**-**	**3 518 092**	**3 609 270**	**3 770 373**
B	LIM351	Blouberg	229 277	226 918	243 937	-	-	-	10 846	11 222	11 571	98 506	58 908	-	106 863	60 548	-	110 789	59 659	-	240 123	238 140	255 508
B	LIM353	Molemole	175 156	173 422	186 364	-	-	-	7 887	8 161	8 415	73 889	44 187	-	80 157	45 417	-	83 102	44 750	-	183 043	181 583	194 779
B	LIM354	Polokwane	1 541 239	1 606 170	1 652 917	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 541 239	1 606 170	1 652 917
B	LIM355	Lepele-Nkumpi	311 599	307 686	331 551	-	-	-	14 790	15 303	15 779	131 804	78 821	-	142 987	81 015	-	148 240	79 827	-	326 389	322 989	347 330
C	DC35	Capricorn District Municipality	557 522	587 230	602 562	339 214	352 751	363 714	-	-	-	-	-	-	-	-	-	-	-	-	896 736	939 981	966 276
Total: Capricorn Municipalities			**2 814 793**	**2 901 426**	**3 017 331**	**339 214**	**352 751**	**363 714**	**33 523**	**34 686**	**35 765**	**304 199**	**181 916**	**-**	**330 006**	**186 980**	**-**	**342 132**	**184 236**	**-**	**3 187 530**	**3 288 863**	**3 416 810**
B	LIM361	Thabazimbi	159 093	167 990	170 696	-	-	-	5 700	5 898	6 082	-	-	-	-	-	-	-	-	-	164 793	173 888	176 778
B	LIM362	Lephalale	264 473	275 574	283 624	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	264 473	275 574	283 624
B	LIM366	Bela-Bela	145 015	150 432	155 480	-	-	-	4 221	4 368	4 503	-	-	-	-	-	-	-	-	-	149 236	154 800	159 983
B	LIM367	Mogalakwena	637 638	653 125	683 438	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	637 638	653 125	683 438
B	LIM368	Modimolle-Mookgophong	167 982	174 579	180 126	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	167 982	174 579	180 126
C	DC36	Waterberg District Municipality	47 745	46 963	50 945	105 610	109 825	113 238	7 541	7 803	8 045	-	-	-	-	-	-	-	-	-	160 896	164 591	172 228
Total: Waterberg Municipalities			**1 421 946**	**1 468 663**	**1 524 309**	**105 610**	**109 825**	**113 238**	**17 462**	**18 069**	**18 630**	-	-	-	-	-	-	-	-	-	**1 545 018**	**1 596 557**	**1 656 177**
B	LIM471	Ephraim Mogale	189 716	188 132	201 834	-	-	-	7 887	8 161	8 415	82 230	49 175	-	89 206	50 544	-	92 484	49 802	-	197 603	196 293	210 249
B	LIM472	Elias Motsoaledi	352 474	348 614	375 006	-	-	-	15 067	15 590	16 075	152 948	91 465	-	165 923	94 011	-	172 020	92 632	-	367 541	364 204	391 081
B	LIM473	Makhuduthamaga	338 436	334 830	360 064	-	-	-	15 282	15 813	16 304	147 587	88 259	-	160 108	90 716	-	165 990	89 385	-	353 718	350 643	376 368
B	LIM476	Fetakgomo Tubatse	602 957	598 348	641 359	-	-	-	-	-	-	276 515	165 361	-	299 974	169 964	-	310 996	167 470	-	602 957	598 348	641 359
C	DC47	Sekhukhune District Municipality	1 137 212	1 202 453	1 230 066	140 499	146 106	150 647	-	-	-	-	-	-	-	-	-	-	-	-	1 277 711	1 348 559	1 380 713
Total: Sekhukhune Municipalities			**2 620 795**	**2 672 377**	**2 808 329**	**140 499**	**146 106**	**150 647**	**38 236**	**39 564**	**40 794**	**659 279**	**394 261**	**-**	**715 211**	**405 235**	**-**	**741 491**	**399 289**	**-**	**2 799 530**	**2 858 047**	**2 999 770**
Total: Limpopo Municipalities			**13 197 351**	**13 536 247**	**14 144 448**	**882 740**	**917 969**	**946 498**	**178 575**	**184 776**	**190 519**	**2 634 412**	**1 575 427**	**-**	**2 857 913**	**1 619 279**	**-**	**2 962 922**	**1 595 518**	**-**	**14 258 666**	**14 638 992**	**15 281 465**
MPUMALANGA																							
B	MP301	Chief Albert Luthuli	450 037	460 175	482 322	-	-	-	12 109	12 529	12 919	-	-	-	-	-	-	-	-	-	462 146	472 704	495 241
B	MP302	Msukaligwa	299 205	313 048	320 922	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	299 205	313 048	320 922
B	MP303	Mkhondo	365 813	376 836	392 148	-	-	-	9 367	9 692	9 993	-	-	-	-	-	-	-	-	-	375 180	386 528	402 141
B	MP304	Dr Pixley ka Isaka Seme	171 052	175 609	183 325	-	-	-	5 208	5 388	5 556	-	-	-	-	-	-	-	-	-	176 260	180 997	188 881
B	MP305	Lekwa	198 477	207 650	212 880	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	198 477	207 650	212 880
B	MP306	Dipaleseng	109 238	112 376	117 072	-	-	-	3 139	3 248	3 349	-	-	-	-	-	-	-	-	-	112 377	115 624	120 421
B	MP307	Govan Mbeki	523 359	553 795	561 573	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	523 359	553 795	561 573
C	DC30	Gert Sibande District Municipality	16 998	16 765	18 137	341 223	354 840	365 868	-	-	-	-	-	-	-	-	-	-	-	-	358 221	371 605	384 005
Total: Gert Sibande Municipalities			**2 134 179**	**2 216 254**	**2 288 379**	**341 223**	**354 840**	**365 868**	**29 823**	**30 857**	**31 817**	-	-	-	-	-	-	-	-	-	**2 505 225**	**2 601 951**	**2 686 064**
B	MP311	Victor Khanye	158 793	165 109	170 270	-	-	-	4 221	4 368	4 503	-	-	-	-	-	-	-	-	-	163 014	169 477	174 773
B	MP312	Emalahleni	685 541	725 408	735 597	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	685 541	725 408	735 597
B	MP313	Steve Tshwete	400 090	423 356	429 303	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	400 090	423 356	429 303
B	MP314	Emakhazeni	95 922	99 277	102 830	-	-	-	3 955	4 092	4 220	-	-	-	-	-	-	-	-	-	99 877	103 369	107 050
B	MP315	Thembisile Hani	621 226	637 043	665 873	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	621 226	637 043	665 873
B	MP316	Dr JS Moroka	520 390	529 290	557 636	-	-	-	15 282	15 813	16 304	-	-	-	-	-	-	-	-	-	535 672	545 103	573 940
C	DC31	Nkangala District Municipality	31 455	31 086	33 560	406 675	422 904	436 047	-	-	-	-	-	-	-	-	-	-	-	-	438 130	453 990	469 607
Total: Nkangala Municipalities			**2 513 417**	**2 610 569**	**2 695 069**	**406 675**	**422 904**	**436 047**	**23 458**	**24 273**	**25 027**	-	-	-	-	-	-	-	-	-	**2 943 550**	**3 057 746**	**3 156 143**
B	MP321	Thaba Chweu	237 081	247 427	254 262	-	-	-	6 687	6 919	7 134	-	-	-	-	-	-	-	-	-	243 768	254 346	261 396
B	MP324	Nkomazi	882 182	905 900	945 629	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	882 182	905 900	945 629
B	MP325	Bushbuckridge	1 171 265	1 199 901	1 255 413	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 171 265	1 199 901	1 255 413
B	MP326	City of Mbombela	1 233 444	1 287 910	1 322 907	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1 233 444	1 287 910	1 322 907
C	DC32	Ehlanzeni District Municipality	107 058	105 557	114 229	207 193	215 461	222 158	-	-	-	-	-	-	-	-	-	-	-	-	314 251	321 018	336 387
Total: Ehlanzeni Municipalities			**3 631 030**	**3 746 695**	**3 892 440**	**207 193**	**215 461**	**222 158**	**6 687**	**6 919**	**7 134**	-	-	-	-	-	-	-	-	-	**3 844 910**	**3 969 075**	**4 121 732**
Total: Mpumalanga Municipalities			**8 278 626**	**8 573 518**	**8 875 888**	**955 091**	**993 205**	**1 024 073**	**59 968**	**62 049**	**63 978**	-	-	-	-	-	-	-	-	-	**9 293 685**	**9 628 772**	**9 963 939**

APPENDIX W4

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

			Expanded Public Works Programme Integrated Grant for Municipalities			
				National and Municipal Financial Year		
Category		Municipality	FTE Target for 2026/27	*2026/27 (R'000)*	*2027/28 (R'000)*	*2028/29 (R'000)*
LIMPOPO						
B	LIM331	Greater Giyani	44	3 366	-	-
B	LIM332	Greater Letaba	34	2 597	-	-
B	LIM333	Greater Tzaneen	68	5 211	-	-
B	LIM334	Ba-Phalaborwa	22	1 675	-	-
B	LIM335	Maruleng	20	1 519	-	-
C	DC33	Mopani District Municipality	77	5 929	-	-
Total: Mopani Municipalities			**265**	**20 297**	**-**	**-**
B	LIM341	Musina	25	1 928	-	-
B	LIM343	Thulamela	59	4 521	-	-
B	LIM344	Makhado	43	3 346	-	-
B	LIM345	Collins Chabane	26	1 979	-	-
C	DC34	Vhembe District Municipality	44	3 365	-	-
Total: Vhembe Municipalities			**197**	**15 139**	**-**	**-**
B	LIM351	Blouberg	21	1 616	-	-
B	LIM353	Molemole	18	1 401	-	-
B	LIM354	Polokwane	68	5 254	-	-
B	LIM355	Lepele-Nkumpi	27	2 107	-	-
C	DC35	Capricorn District Municipality	36	2 754	-	-
Total: Capricorn Municipalities			**170**	**13 132**	**-**	**-**
B	LIM361	Thabazimbi	17	1 309	-	-
B	LIM362	Lephalale	19	1 461	-	-
B	LIM366	Bela-Bela	21	1 632	-	-
B	LIM367	Mogalakwena	23	1 740	-	-
B	LIM368	Modimolle-Mookgophong	25	1 899	-	-
C	DC36	Waterberg District Municipality	-	-	-	-
Total: Waterberg Municipalities			**105**	**8 041**	**-**	**-**
B	LIM471	Ephraim Mogale	21	1 584	-	-
B	LIM472	Elias Motsoaledi	36	2 771	-	-
B	LIM473	Makhuduthamaga	34	2 590	-	-
B	LIM476	Fetakgomo Tubatse	41	3 168	-	-
C	DC47	Sekhukhune District Municipality	105	8 044	-	-
Total: Sekhukhune Municipalities			**237**	**18 157**	**-**	**-**
Total: Limpopo Municipalities			**974**	**74 766**	**-**	**-**
MPUMALANGA						
B	MP301	Chief Albert Luthuli	40	3 101	-	-
B	MP302	Msukaligwa	36	2 738	-	-
B	MP303	Mkhondo	29	2 251	-	-
B	MP304	Dr Pixley ka Isaka Seme	25	1 903	-	-
B	MP305	Lekwa	20	1 530	-	-
B	MP306	Dipaleseng	19	1 453	-	-
B	MP307	Govan Mbeki	37	2 859	-	-
C	DC30	Gert Sibande District Municipality	24	1 852	-	-
Total: Gert Sibande Municipalities			**230**	**17 687**	**-**	**-**
B	MP311	Victor Khanye	28	2 134	-	-
B	MP312	Emalahleni	53	4 057	-	-
B	MP313	Steve Tshwete	39	2 989	-	-
B	MP314	Emakhazeni	25	1 926	-	-
B	MP315	Thembisile Hani	35	2 679	-	-
B	MP316	Dr JS Moroka	32	2 492	-	-
C	DC31	Nkangala District Municipality	33	2 510	-	-
Total: Nkangala Municipalities			**245**	**18 787**	**-**	**-**
B	MP321	Thaba Chweu	29	2 210	-	-
B	MP324	Nkomazi	59	4 500	-	-
B	MP325	Bushbuckridge	47	3 588	-	-
B	MP326	City of Mbombela	68	5 254	-	-
C	DC32	Ehlanzeni District Municipality	25	1 933	-	-
Total: Ehlanzeni Municipalities			**228**	**17 485**	**-**	**-**
Total: Mpumalanga Municipalities			**703**	**53 959**	**-**	**-**

APPENDIX W5

APPENDIX TO SCHEDULE 5, PART B AND SCHEDULE 6, PART B: REGIONAL BULK INFRASTRUCTURE GRANT

BREAKDOWN OF REGIONAL BULK INFRASTRUCTURE GRANT ALLOCATIONS PER LOCAL MUNICIPALITY PER PROJECT

Breakdown of regional bulk infrastructure grant allocations per local municipality per project						Schedule 5, Part B			Schedule 6, Part B		
						National and Municipal Financial Year			National and Municipal Financial Year		
Project Code	Project Name	Category		Water Services Authority	Benefitting Municipality	*2026/27 (R'000)*	*2027/28 (R'000)*	*2028/29 (R'000)*	*2026/27 (R'000)*	*2027/28 (R'000)*	*2028/29 (R'000)*
GAUTENG											
RBIG 6B	Rietspruit Waste Water Treatment Works- 50Ml/day upgrade (Sedibeng RWWTW)	B	GT421	Emfuleni Local Municipality	Emfuleni, Midvaal and City of Johannesberg	-	-	-	180 000	140 000	240 000
RBIG 6B	Leeuwkuil Waste Water Treatment Works 15 Ml/day upgrade (Sedibeng RWWTW)	B	GT421	Emfuleni Local Municipality	Emfuleni, Midvaal and City of Johannesberg	-	-	-	120 000	220 000	120 000
RM05	Sebokeng Waste Water Treatment Works	B	GT421	Emfuleni Local Municipality	Emfuleni Local Municipality	-	-	-	250 000	180 000	246 384
RL62	Vaal River System Intervention	B	GT421	Emfuleni Local Municipality	Emfuleni Local Municipality	-	-	-	51 221	62 122	56 504
RL04	Meyerton Waste Water Treatment Works	B	GT422	Midvaal Local Municipality	Midvaal Local Municipality	-	-	-	45 000	-	-
		Total: Sedibeng Municipalities				**-**	**-**	**-**	**646 221**	**602 122**	**662 888**
RM06	Westonaria Regional Bulk Scheme Sanitation (Zuurbekom & Hannes van Niekerk)	B	GT485	Rand West City Local Municipality	Rand West City Local Municipality	-	-	-	55 000	100 000	60 343
RS56	Mohlakeng Pump Station and Sewer Outfall	B	GT485	Rand West City Local Municipality	Rand West City Local Municipality	-	-	-	45 000	47 250	49 372
		Total: West Rand Municipalities				**-**	**-**	**-**	**100 000**	**147 250**	**109 715**
		Total: Gauteng Municipalities				**-**	**-**	**-**	**746 221**	**749 372**	**772 603**
KWAZULU-NATAL											
RBIG 5B	Mandlakazi Bulk Water Supply	C	DC26	Zululand District Municipality	uPhongolo and Nongoma Local Municipalities	370 085	308 278	372 120	-	-	-
		Total: Zululand Municipalities				**370 085**	**308 278**	**372 120**	**-**	**-**	**-**
RBIG 5B	Greater Mthonjaneni Bulk Water Supply	C	DC28	King Cetshwayo District Municipality	Mthonjaneni and Nkandla Local Municipalities	179 356	308 278	322 119	-	-	-
		Total: King Cetshwayo Municipalities				**179 356**	**308 278**	**322 119**	**-**	**-**	**-**
		Total: KwaZulu-Natal Municipalities				**549 441**	**616 556**	**694 239**	**-**	**-**	**-**
LIMPOPO											
RBIG 6B	Giyani Water Treatment Works Upgrade - Phase 2 (Nsami)	C	DC33	Mopani District Municipality	Greater Giyani Local Municipality	-	-	-	85 500	183 583	191 826
RM08	Giyani Water Services	C	DC33	Mopani District Municipality	Greater Giyani Local Municipality	-	-	-	10 181	-	-
RL29	Mametja Sekororo Bulk Water Supply	C	DC33	Mopani District Municipality	Maruleng Local Municipality	-	-	-	176 998	140 278	156 934
RS135	Bambanana Pipeline - Phase 1	C	DC33	Mopani District Municipality	Maruleng Local Municipality	-	-	-	228 795	208 000	217 339
		Total: Mopani Municipalities				**-**	**-**	**-**	**501 474**	**531 861**	**566 099**
RBIG 6B	Nandoni Water Treatment Works Upgrade	C	DC34	Vhembe District Municipality	Makhado Local Municipality	-	-	-	181 429	265 000	267 285
		Total: Vhembe Municipalities				**-**	**-**	**-**	**181 429**	**265 000**	**267 285**
BFI	Polokwane Regional Wastewater Treatment Works	B	LIM354	Polokwane Local Municipality	Polokwane Local Municipality	688 100	869 600	560 800	-	-	-
		Total: Capricon Municipalities				**688 100**	**869 600**	**560 800**	**-**	**-**	**-**
RM04	Mogalakwena Bulk Water Supply	B	LIM367	Waterberg District Municipality	Mogalakwena Local Municipality	-	-	-	30 000	-	-
		Total: Waterberg Municipalities				**-**	**-**	**-**	**30 000**	**-**	**-**
RM12	Nebo Bulk Water Supply	C	DC47	Sekhukhune District Municipality	Tubatse Local Municipality and	-	-	-	69 819	-	-
		Total: Sekhukhune Municipalities				**-**	**-**	**-**	**69 819**	**-**	**-**
		Total: Limpopo Municipalities				**688 100**	**869 600**	**560 800**	**782 722**	**796 861**	**833 384**

ANNEXURE H:

SERVICE STANDARDS

Province: Municipality LIM354 - Schedule of Service Delivery Standards Table 2026/27

Description Standard	Service Level 2026/27
Solid Waste Removal	
Premise based removal (Residential Frequency)	Weekly
Premise based removal (Business Frequency)	Daily
Bulk Removal (Frequency)	Daily and when necessary
Removal Bags provided(Yes/No)	Yes
Garden refuse removal Included (Yes/No)	Yes
Street Cleaning Frequency in CBD	Daily
Street Cleaning Frequency in areas excluding CBD	Week days only
How soon are public areas cleaned after events (24hours/48hours/longer)	24 hours
Clearing of illegal dumping (24hours/48hours/longer)	48 hours or longer
Recycling or environmentally friendly practices(Yes/No)	Yes
Licenced landfill site(Yes/No)	Yes
Water Services	
Water Quality rating (Blue/Green/Brown/No drop)	Blue /Green /No Drop
Is free water available to all? (All/only to the indigent consumers)	Only indigent and rural consumers
Frequency of meter reading? (per month, per year)	Monthly
Are estimated consumption calculated on actual consumption over (two month's/three month's/longer period)	3 months
On average for how long does the municipality use estimates before reverting back to actual readings? (months)	Not period specific, it is challenge dependent .
Duration (hours) before availability of water is restored in cases of service interruption (complete the sub questions)	
One service connection affected (number of hours)	1 hour
Up to 5 service connection affected (number of hours)	3 hours
Up to 20 service connection affected (number of hours)	6-8 hours
Feeder pipe larger than 800mm (number of hours)	24 hours
What is the average minimum water flow in your municipality?	Unknown
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	Yes
How long does it take to replace faulty water meters? (days)	1 day
Do you have a cathodic protection system in place that is operational at this stage? (Yes/No)	No, however the pipes used are corrossion free .
Electricity Service	
What is your electricity availability percentage on average per month?	100 percent
Does your municipality have a ripple control in place that is operational? (Yes/No)	No
How much do you estimate is the cost saving in utilizing the ripple control system?	N/A
What is the frequency of meters being read? (per month, per year)	Once per month
Are estimated consumption calculated at consumption over (two month's/three month's/longer period)	Three months
On average for how long does the municipality use estimates before reverting back to actual readings? (months)	One month
Duration before availability of electricity is restored in cases of breakages (immediately/one day/two days/longer)	One day
Are accounts normally calculated on actual readings? (Yes/no)	Yes
Do you practice any environmental or scarce resource protection activities as part of your operations? (Yes/No)	Yes
How long does it take to replace faulty meters? (days)	10 days
Do you have a plan to prevent illegal connections and prevention of electricity theft? (Yes/No)	Yes
How effective is the action plan in curbing line losses? (Good/Bad)	Good
How soon does the municipality provide a quotation to a customer upon a written request? (days)	5 days
How long does the municipality takes to provide electricity service where existing infrastructure can be used? (working days)	14 days
How long does the municipality takes to provide electricity service for low voltage users where network extension is not required? (working days)	14 days
How long does the municipality takes to provide electricity service for high voltage users where network extension is not required? (working days)	14 - 30 days depending on availability of materials.
Sewerage Service	
Are your purification systems effective enough to put water back in to the system after purification?	No
To what extend do you subsidize your indigent consumers?	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 3 years.
How long does it take to restore sewerage breakages on average	
Severe overflow? (hours)	2-3 hours
Sewer blocked pipes: Large pipes? (Hours)	2-3 hours
Sewer blocked pipes: Small pipes? (Hours)	2-3 hours
Spillage clean-up? (hours)	5 hours
Replacement of manhole covers? (Hours)	As soon as reported.
Road Infrastructure Services	
Time taken to repair a single pothole on a major road? (Hours)	24 hours
Time taken to repair a single pothole on a minor road? (Hours)	72 hours
Time taken to repair a road following an open trench service crossing? (Hours)	72 hours
Time taken to repair walkways? (Hours)	96 hours
Property valuations	
How long does it take on average from completion to the first account being issued? (one month/three months or longer)	2 months
Do you have any special rating properties? (Yes/No)	No

Province: Municipality LIM354 - Schedule of Service Delivery Standards Table 2026/27

Description Standard	Service Level 2026/27
Financial Management	
Is there any change in the situation of unauthorised and wasteful expenditure over time? (Decrease/Increase)	Decrease
Are the financial statement outsources? (Yes/No)	No
Are there Council adopted business process instructing the flow and managemet of documentation feeding to Trial Balalnce?	No
How long does it take for an Tax/Invoice to be paid from the date it has been received?	Within 30 days
Is there advance planning from SCM unit linking all departmental plans quaterly and annualy including for the next two to three years procurement plans?	Yes
Administration	
Reaction time on enquiries and requests?	14 days
Time to respond to a verbal customer enquiry or request? (working days)	Immediate
Time to respond to a written customer enquiry or request? (working days)	21 days
Time to resolve a customer enquiry or request? (working days)	21 days
What percentage of calls are not answered? (5%,10% or more)	Unknown
How long does it take to respond to voice mails? (hours)	N/A
Does the municipality have control over locked enquiries? (Yes/No)	N/A
Is there a reduction in the number of complaints or not? (Yes/No)	Yes
How long does in take to open an account to a new customer? (1 day/ 2 days/ a week or longer)	1 day
How many times does SCM Unit, CFO's Unit and Technical unit sit to review and resolve SCM process delays other than normal monthly management meetings?	As and when a need arises.
Community safety and licensing services	
How long does it take to register a vehicle? (minutes)	10 minutes
How long does it take to renew a vehicle license? (minutes)	7 minutes
How long does it take to issue a duplicate registration certificate vehicle? (minutes)	10 minutes
How long does it take to de-register a vehicle? (minutes)	10 minutes
How long does it take to renew a drivers license? (minutes)	20 minutes
What is the average reaction time of the fire service to an incident? (minutes)	23,52 minutes within Polokwane municipal dermacation.
What is the average reaction time of the ambulance service to an incident in the urban area? (minutes)	N/A
What is the average reaction time of the ambulance service to an incident in the rural area? (minutes)	N/A
Economic development	
How many economic development projects does the municipality drive?	6 projects
How many economic development programme are deemed to be catalytic in creating an enabling environment to unlock key economic growth projects?	3 programmes
What percentage of the projects have created sustainable job security?	93 percent
Does the municipality have any incentive plans in place to create an conducive environment for economic development? (Yes/No)	Yes
Other Service delivery and communication	
Is the information package handed to the new customer? (Yes/No)	Yes
Does the municipality have training or information sessions to inform the community? (Yes/No)	Yes
Are customers treated in a professional and humanly manner? (Yes/No)	Yes

ANNEXURE I:

PROPOSED TARIFFS

POLOKWANE

LOCAL MUNICIPALITY

Reaga Polokwane

Building a Smart City Together

CITY OF Polokwane

NATURALLY PROGRESSIVE

2026/2027

DRAFT TARIFFS

AUTHORITY NOTICE:

POLOKWANE MUNICIPALITY

REVOCATION AND DETERMINATION OF TARIFFS FOR THE 2026/2027 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 2026 adopted its annual budget, as well as the tariffs to be charged for municipal services as indicated in this notice.

In relation to the 2026/2027 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 2025/2026 published in the Provincial Gazette No 3682 of 06 June 2025 are henceforth revoked.

Tariffs for municipal services and property rates contained in this notice shall be effective from 1 July 2026.

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**

16 **ENVIRONMETAL HEALTH SERVICES TARIFFS**

SCHEDULE 1:

PROPERTY RATES ON THE MARKET VALUE OF RATEABLE PROPERTY RECORDED IN THE VALUATION ROLL AND FIXED DATES FOR PAYMENT IN RESPECT OF THE FINANCIAL YEAR 1 JULY 2026 TO 30 JUNE 2027

The Polokwane Municipality will levy from **1 July 2026** the following property rates in respect of the different categories of rate able property recorded in the valuation roll.

	Category	Approved tariff From 1/07/2024	Approved Tariff From 1/07/2025	Proposed Tariff From 1/07/2026
	Residential Properties	0.00688	0.00708	0.00735
	Industrial Properties	0.01376	0.01458	0.01527
	Business and Commercial	0.01376	0.01458	0.01527
	Agricultural Properties	0.00170	0.00175	0.00184
	Public Service Purposes (Organ of State)	0.01376	0.01458	0.01527
	Municipal Properties	Exempted	Exempted	Exempted
	Public Service Infrastructure	0.00170	0.00175	0.00184
	Mining	0.01376	0.01458	0.01527
	Private open space	0.00688	0.00729	0.00763
	Public Benefit Organizations	0.00170	0.00175	0.00182
	Places of worship	Impermissible	Impermissible	Impermissible
	Non Permitted Use/Illegal land use	0.05507	0.05837	0.06112

SECTION 78, MUNICIPAL PROPERTY RATES ACT:

	Per Section 78 application outside time frame	R1 013.98	R1 074.82	R1 125.33

The following exemptions/rebates/reductions will come into operation from 1 July 2026:

1. In terms of the property Rates Act, the first R15 000 of the property's market value of owners of residential premises and sectional titles which are used exclusively for residential purposes are excluded from the levying of property rates.

Market Value	R0 - R15 000	**Impermissible**

2. All residential premises and sectional titles who are used exclusively for residential purposes (guesthouse excluded) are further granted a reduction of R85 000 from the payment of property rates.

Market Value	R15 001 - R100 000	**Reduction**

3. A further rebate of **80%** on property rates, sewage and refuse 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 **R12 127.19** per month on application.

Subject to the following conditions:

3.1 An applicant must on **2026/07/01** 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 **R12 127.19** per month and should the total monthly income be more than the amount of **R12 127.19** 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 2026-08-25. and thereafter on the twenty fifth day (25th) of every month towards 2027-08-25.

7. **0% VAT is charged on property rates.**

SCHEDULE 2:

DRAINAGE/SEWER CHARGES: 2026/2027

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 1/07/2024	Approved tariff from 1/07/2025	Proposed tariff from 1/07/2026
		Per calendar month or Part Thereof	Per calendar month or Part Thereof	Per calendar month or Part Thereof
1	**AVAILABILITY CHARGE**			
	(i) For the first 500m² or part thereof, of surface area of the erf:	R144.73	R153.41	R160.63
	(ii) Thereafter, per 500m² or part thereof, up to 2 000m² of the surface area of the erf:	R23.45	R24.86	R26.02
	(iii) Thereafter, per 1 000m² or part thereof, of the surface area of the erf:	R19.03	R20.18	R21.12
	(iv) Maximum charge (887 000m²):	R16 882.97	R17 895.94	R18 737.05
2	**ADDITIONAL CHARGES: RESIDENTIAL (Zoned Res 1 to 4) AND CHURCHES**			
2.1	**Dwelling houses and flats**			
a	(i) For the first dwelling house or other building mentioned in 2(1) above erected on any erf or piece of land, per building	R26.37	R27.95	R29.27
	(ii) For the second or subsequent dwelling house or other building mentioned in 2(1) above, per building	R96.72	R102.52	R107.34
b	Additional charge per unimproved erf:	R26.37	R27.95	R29.27
2.2	**Flats – per flat**	R96.72	R102.52	R107.34
3	**Nonresidential properties.**			
3.1	**BASIC CHARGE**			
	The owner of any Nonresidential erf or piece of land, with or without improvements, which is, or in the opinion of the Council can be, connected to the sewer, shall monthly pay to the Council, in terms of the provisions of Section 5 of the ByLaws the following charges	R786.52	R833.71	R872.90
3.2	**ADDITIONAL CHARGES**			
a	The owner of any Nonresidential erf or piece of land, with improvements,			
	(i) For the first 500m² or part thereof, of surface area of the erf:	R143.19	R151.78	R158.92
	(ii) Thereafter, per 500m² or part thereof, up to 8000m² of the surface area of the erf:	R143.19	R151.78	R158.92

	(iii) Thereafter, per 1 000m² or part thereof, of the surface area of the erf:	R22.35	R23.69	R24.80
b	Additional charge per unimproved erf:	R26.37	R27.95	R29.27
3.3	**CONSERVANCY TANKS**			
	Erven that cannot be connected to the main sewer and where a conservancy tank is installed:			
	Per month, regardless of the number of removals	R128.96	R136.69	R143.12

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 By Laws, is calculated according to the following formula:

COST PER KILOLITRE:

1	SA Breweries:			
	Cost per Kiloliter (c/Kl)	(206.04+0.15x COD)	(217.17+0.15x COD)	(227.38+0.15x COD)
2	All Other Industries & Dept of Public Works (Old Air Force Base)			
	2.1 Cost per Kiloliter (c/Kl)	(238.62+0.200 X COD)	(251.51+0.200 X COD)	(263.33+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 that 6 or more than 11, per kiloliter, per month.	R129.34	R137.10	R143.55

5. CHARGES FOR CHEMICAL & BACTERIOLOGICAL ANALYSIS

Units	ANALYSIS	Approved tariff from 1/07/2024 Tariff 1	Approved tariff from 1/07/2024 Tariff 2	Approved tariff from 1/07/2025 Tariff 1	Approved tariff from 1/07/2025 Tariff 2	Proposed tariff from 1/07/2026 Tariff 1	Proposed tariff from 1/07/2026 Tariff 2
mg/l	C.O.D.	**R161.21**	**R80.57**	**R170.89**	**R85.41**	**R178.92**	**R89.42**
mg/l	Petroleum ether soluble subst.	**R95.26**	**R46.90**	**R100.97**	**R49.71**	**R105.72**	**R52.05**
	R76.97Eijkman	**R109.91**	**R54.21**	**R116.51**	**R57.47**	**R121.98**	**R60.17**
ug/l	Phosfatase	**R95.26**	**R47.63**	**R100.97**	**R50.49**	**R105.72**	**R52.86**
mg/l	Sodium	**R96.44**	**R47.63**	**R102.22**	**R50.49**	**R107.03**	**R52.86**
mg/l	Potassium	**R95.26**	**R47.63**	**R100.97**	**R50.49**	**R105.72**	**R52.86**
mg/l	Suspended solids	**R95.26**	**R47.63**	**R100.97**	**R50.49**	**R105.72**	**R52.86**
mg/l	T.D.S.	**R96.44**	**R47.63**	**R102.22**	**R50.49**	**R107.03**	**R52.86**
mg/l	Oxygen absorbed	**R117.23**	**R58.57**	**R124.26**	**R62.09**	**R130.10**	**R65.01**
mg/l	Ammonia:n	**R95.26**	**R47.63**	**R100.97**	**R50.49**	**R105.72**	**R52.86**
mg/l	Phosphate:p	**R95.26**	**R47.63**	**R100.97**	**R50.49**	**R105.72**	**R52.86**
mg/l	Chloride	**R95.26**	**R47.63**	**R100.97**	**R50.49**	**R105.72**	**R52.86**
ml	Total viable organisms	**R139.23**	**R69.61**	**R147.58**	**R73.78**	**R154.51**	**R77.25**
100ml	Total coliform organisms	**R139.23**	**R69.61**	**R147.58**	**R73.78**	**R154.51**	**R77.25**
100ml	Faecal coliform organisms/Ecoli	**R139.23**	**R69.61**	**R147.58**	**R73.78**	**R154.51**	**R77.25**
mg/l	Total kjeldahl nitrogen	**R160.51**	**R79.92**	**R170.14**	**R84.72**	**R178.13**	**R88.70**
mS/m	Conductivity	**R51.29**	**R25.64**	**R54.37**	**R27.18**	**R56.93**	**R28.46**
mg/l	Sulphate	**R87.93**	**R43.94**	**R93.21**	**R46.58**	**R97.59**	**R48.77**
mg/l CaCO3	m-Alkalinity	**R87.93**	**R43.94**	**R93.21**	**R46.58**	**R97.59**	**R48.77**
ml/l/h	Settleable solids	**R95.26**	**R50.33**	**R100.97**	**R53.35**	**R105.72**	**R55.85**
mg/l as N	Nitrate	**R107.57**	**R54.75**	**R114.03**	**R58.04**	**R119.39**	**R60.77**
mg/l	Fluoride	**R131.90**	**R65.94**	**R139.81**	**R69.90**	**R146.38**	**R73.19**
NTU	Turbidity	**R51.29**	**R25.64**	**R54.37**	**R27.18**	**R56.93**	**R28.46**
mg/l CaCO3	Total hardness	**R87.93**	**R43.94**	**R93.21**	**R46.58**	**R97.59**	**R48.77**
mg/l CaCO3	Calcium hardness	**R87.93**	**R43.94**	**R93.21**	**R46.58**	**R97.59**	**R48.77**
pH value	PH	**R51.29**	**R25.64**	**R54.37**	**R27.18**	**R56.93**	**R28.46**
	Flocculation test	**R205.17**	**R102.58**	**R217.48**	**R108.74**	**R227.70**	**R113.85**
	Chlorine demand	**R124.55**	**R62.27**	**R132.02**	**R66.01**	**R138.23**	**R69.11**
	Methylene blue reduction test	**R65.94**	**R31.85**	**R69.90**	**R33.77**	**R73.19**	**R35.35**
ml	Coliform organisms	**R139.23**	**R69.61**	**R147.58**	**R73.78**	**R154.51**	**R77.25**
mg/l	Chromium	**R95.26**	**R47.63**	**R100.97**	**R50.49**	**R105.72**	**R52.86**
mg/l	Cadmium	**R109.99**	**R54.99**	**R116.59**	**R58.29**	**R122.07**	**R61.03**
mg/l	Lead	**R131.90**	**R65.94**	**R139.81**	**R69.90**	**R146.38**	**R73.19**
mg/l	Cyanide	**R109.99**	**R54.99**	**R116.59**	**R58.29**	**R122.07**	**R61.03**
mg/l	Boron	**R109.99**	**R54.99**	**R116.59**	**R58.29**	**R122.07**	**R61.03**
mg/l	Antimony	**R109.99**	**R54.99**	**R116.59**	**R58.29**	**R122.07**	**R61.03**
mg/l	Arsenic	**R109.99**	**R54.21**	**R116.59**	**R58.29**	**R122.07**	**R61.03**
mg/l	*Copper*	**R109.99**	**R54.99**	**R116.59**	**R58.29**	**R122.07**	**R61.03**
mg/l	Iron	**R102.58**	**R51.29**	**R108.74**	**R54.37**	**R113.85**	**R56.93**

mg/l	Manganese	**R102.58**	**R51.29**	**R108.74**	**R54.37**	**R113.85**	**R56.93**
mg/l	Aluminium	**R102.58**	**R51.29**	**R108.74**	**R54.37**	**R113.85**	**R56.93**
mg/l as N	Nitrite	**R109.99**	**R54.99**	**R116.59**	**R58.29**	**R122.07**	**R61.03**
mg/l	Zinc	**R109.99**	**R54.99**	**R116.59**	**R58.29**	**R122.07**	**R61.03**
mg/l	Free chlorine	**R58.61**	**R54.99**	**R62.12**	**R31.05**	**R65.04**	**R32.51**
mg/l	Combined chlorine	**R58.61**	**R29.29**	**R62.12**	**R31.05**	**R65.04**	**R32.51**
mg/l	Volatile suspended solids	**R95.26**	**R47.63**	**R100.97**	**R50.49**	**R105.72**	**R52.86**
mg/l	Mlss	**R95.26**	**R47.63**	**R100.97**	**R50.49**	**R105.72**	**R52.86**
mg/l	Phenol	**R117.23**	**R58.61**	**R124.26**	**R62.12**	**R130.10**	**R65.04**

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	R10.42	R11.04	R11.56

7. SELLING OF DRIED SLUDGE

Selling of dried sludge: per ton	R353.20	R374.40	R391.99

SCHEDULE 3:

SOLID WASTE REMOVAL CHARGES: 2026/2027

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 month.

		Approved tariff from 1/07/2024	Approved tariff from 1/07/2025	Proposed tariff from 1/07/2026
		Per calendar month or part thereof	Per calendar month or part thereof	Per calendar month or part thereof
1.	**BASIC CHARGE** Basic charge per month on any erf, stand premises or other area per month	R73.27	R77.67	R81.32
2.	**ADDITIONAL CHARGES: RESIDENTIAL (Zoned Res 1 to 4) AND CHURCHES**			
2.1	**Dwelling houses and flats**			
	(a) On an erf with a surface area not exceeding 500m²	R58.61	R62.12	R65.04
	(b) All erven with a surface area in excess of 500m²:			
	(i) For the first 500m² of the surface area of the erf	R93.79	R99.41	R104.09
	(ii) Thereafter, for the following 500m² or part thereof, of the surface area of the erf	R63.00	R66.78	R69.92
	(iii) Thereafter, per 500m² or part thereof, of the surface area of the erf	R32.22	R34.16	R35.76
	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 000m²)	R801.68	R849.78	R889.72
2.2	**Flats**			
	PER UNIT			
	(a) On an erf with a surface area not exceeding 500m²	R58.61	R62.12	R65.04
	(b) Up to and including 500m² of the surface area of the erf	R93.79	R99.41	R104.09
	(c) Thereafter, for the following 500m² or part thereof, of the surface area of the erf	R63.00	R66.78	R69.92
	(d) Thereafter, per 500m² or part thereof, of the surface area of the erf	R32.22	R34.16	R35.76
3	**ADDITIONAL CHARGES: NON-RESIDENTIAL**			
	This charge shall apply to nonresidential properties, with improvements			
	(i) For the first 300m² or part thereof, of surface area of the erf:	R496.15	R525.92	R550.64
	(ii) Thereafter, per 300m² or part thereof, up to 9300m² of the surface area of the erf:	R137.80	R146.07	R152.93
	(iii) Thereafter, per 1 000m² or part thereof, of the surface area of the erf:	R97.75	R103.62	R108.49
	This charge shall apply to nonresidential properties, with or without improvements			
4	**MASS CONTAINER**	R1 003.95	R1 064.18	R1 114.20
5	**Garden Refuse Removal:**			
	(i) For the removal of garden refuse in plastic bags on the day which refuse removal normally takes place			
	(ii) For the removal of garden refuse other than placed in plastic bags, per removal	R1 003.95	R1 064.18	R1 114.20
6	**For the removal of non-perishable refuse, excluding garden refuse:**			
	(i) Per removal	Estimated cost + 10%	Estimated cost + 10%	Estimated cost + 10%
	(ii) Occasional Services:			
	Per removal	R1 084.54	R1 149.62	R1 203.65
7	**Weltevreden Landfill Site**			
7.1	Weighbridge fees per ton or part thereof	R71.81	R76.12	R79.70
7.2	Grass cutting of private stands per square meter (M2) or part thereof	R7.33	R7.77	R8.13
7.3	Cleaning of illegal dumping on private stands per ton	R323.63	R343.05	R359.17
7.4	Re-issuing of 240 litre refuse containers per bin	R967.31	R1 025.35	R1 073.54
7.5	Re-issuing of 770 litre refuse containers per bin	R7 577.29	R8 031.93	R8 409.43
7.6	Emptying of 30, m3 skip containers per removal	R2 418.28	R2 563.38	R2 683.85
8	**CARCASS REMOVAL AND DISPOSAL OF SUCH**			
8.1	Calf, foal, sheep, goat, lamb, pig, dog, cat or poultry, per carcass	R143.52	R152.13	R159.28
8.2	Any other animal, per carcass	R287.26	R304.50	R318.81
8.3	Maximum charge, per removal	R861.78	R913.49	R956.42

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: 2026/2027

PART I

WATER SUPPLY

1. BASIC CHARGE

The tariff will also be applicable for properties not utilizing municipal water such as bore hole water users.

		Approved tariff from 1/07/2024	Proposed tariff from 1/07/2025	Proposed tariff from 1/07/2026
1	For the first 2 000m² or part thereof :	R255.30	R270.62	R283.34
2	**Additional Charge**			
	(i) for every additional 1 000m² or part thereof per month shall be levied per erf, stand, premises or other area, not zoned as residential 1,2,3 or 4 or not used for residential purposes, with or without any improvements, which is or, in the opinion of the council can be, connected to the main waterline, whether water is consumed or not and shall be payable by the owner of such property:	R38.12	R40.41	R42.31
	(ii) in the case of agricultural holdings, farm lands as well as property situated outside the municipality	R407.78	R432.25	R452.56
	(iii) maximum charge (1 570 000m²)	R60 103.70	R63 709.92	R66 704.29

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 1/07/2024	Proposed tariff from 1/07/2025	Proposed tariff from 1/07/2026
(i)	For the first 5Kl; per Kl:	R11.85	R13.06	R14.03
(ii)	For the following 10Kl; per Kl:	R19.71	R21.72	R23.55
(iii)	For the following 15Kl; per Kl:	R22.84	R25.39	R27.79
(iv)	For the following 20Kl; per Kl:	R30.46	R33.87	R37.40
(v)	For the following 50Kl; per Kl:	R36.18	R40.24	R44.84
(vi)	Thereafter, for consumption in excess of 100Kl, per Kl:	R43.81	R48.71	R54.77

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	R11.85	R13.06	R14.03
(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	R19.71	R21.72	R23.55
(iii)	For the following (15 x A) or part thereof (where A is the sum of the number of customers served by such communal meter) per Kl	R22.84	R25.39	R27.79
(iv)	For the following (20 x A) or part thereof (where A is the sum of the number of customers served by such communal meter) per Kl	R30.46	R33.87	R37.40
(v)	For the following (50 x A) or part thereof (where A is the sum of the number of customers served by such communal meter) per Kl	R36.18	R40.24	R44.84
(vi)	Thereafter, for consumption in excess of 100Kl, per Kl:	R43.81	R48.71	R54.77

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	R13.36	R14.72	R14.35

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:	R30.46	R33.87	R36.72
(ii)	For the following 20Kl; per Kl:	R40.00	R44.47	R48.67
(iii)	For the following 50Kl; per Kl:	R45.71	R50.83	R56.13
(iv)	For the following 19 900Kl; per Kl:	R51.43	R57.19	R63.72
(v)	Thereafter for consumption in excess of 20 000Kl, per Kl	R38.10	R42.37	R47.64

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) Kl or part thereof (where A is the sum of the number of customers served by a communal meter) per Kl	R30.46	R33.87	R36.72
(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	R44.47	R48.67
(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	R50.83	R56.13
(iv)	Thereafter, for consumption in excess of 100Kl, per Kl	R51.43	R57.19	R63.72

4. SILICON SMELTERS

(i)	Service charge per month	R102 987.99	R114 522.64	R124 176.90
(ii)	For the supply of water, for the first 20 000Kl, per Kl	R51.97	R57.79	R62.66
(iii)	For consumption in excess of 20 000Kl, per Kl	R36.58	R40.68	R44.51
(iv)	Minimum charge, per month – (17 700 Kl). **The amount is reduced to R160 350.00 per Council resolution 92/11/19. (Special Joint Finance/LED & Admin Governance). Account 10992553.** (5000 CR92/1119)	R919 890.24 **Minimum charge 12 000kl @ R51.97=R623 640.00**	R1 022 894.33 **Minimum charge 12 000kl @ R57.79=R693 480.00**	R1 109 124.32 **Minimum charge 12 000kl @ 62.66=R751 920.00**

5 DEPARTMENT OF PUBLIC WORKS (AIRFORCE BASE)

(i)	For the supply of water, per Kl	R51.43	R57.19	R62.01
(ii)	Minimum charge, per month – (15 340 Kl)	R797 405.41	R877 226.66	R951 176.86

6 DALMADA WATER CO-OPERATION & BROADLANDS

(i)	For the supply of water, per Kl	R30.46	R33.87	R36.72

7 SCHOOLS AND SCHOOL HOSTELS

(i)	For the supply of water, per Kl	R36.18	R40.24	R43.63

8 POTGIETERSRUS PLATINUMS LIMITED

(i)	For the supply of water (treated effluent), per Kl	R3.80	R4.22	R4.58

9 KOLOBE CIVILS & PLUMBING cc (LEZMIN 3535)

(i)	For the supply of backwash water for Dalmada water treatment plant, per Kl	R3.91	R4.35	R4.72

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 30Kl, per Kl:	R30.46	R33.87	R36.72
(ii)	For the following 20Kl, per Kl:	R40.00	R44.47	R48.67
(iii)	For the following 50Kl, per Kl:	R45.71	R50.83	R56.13
(iv)	Thereafter, for consumption in excess of 100Kl, per Kl:	R51.43	R57.19	R63.72

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) Kl or part thereof (where A is the sum of the number of customers served by a communal meter) per Kl	R30.46	R33.87	R36.72
(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	R44.47	R48.67
(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	R50.83	R56.13
(iv)	Thereafter, for consumption more than 100Kl, Per Kl	R51.43	R57.19	R63.72

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 1/07/2024	Approved tariff from 1/07/2025	Proposed tariff from 1/07/2026
	15mm	R2 251.89	R2 387.00	R2 499.19
	20mm	R2 251.89	R2 387.00	R2 499.19
	25mm	R4 246.43	R4 501.22	R4 712.78
	40mm	R6 219.53	R6 592.70	R6 902.56
	50mm	R15 012.67	R15 913.43	R16 661.36
	75mm	R20 374.32	R21 596.78	R22 611.83
	100mm	R24 663.65	R26 143.47	R27 372.21
	150mm	R38 603.99	R40 920.23	R42 843.48
	200mm	R43 965.66	R46 603.60	R48 793.97
	Shifting of water meter	R938.84	R995.17	R1 041.94
	Sewer connection	R2 348.29	R2 489.19	R2 606.18
	Fire hydrant connection	R5 825.47	R6 175.00	R6 465.22
	50mm	R15 012.67	R15 913.43	R16 661.36
	75mm	R20 374.32	R21 596.78	R22 611.83
	100mm	R24 663.65	R26 143.47	R27 372.21
	Stolen Water Meter	R2 251.89	R2 387.00	R2 499.19
	Connection fee	R46.97	R49.79	R52.13
	Replacement of a damaged or lost CIU	R1 047.93	R1 110.81	R1 163.02

12 MUNICIPAL DEPARTMENTS

Charges for water if not on the water tariffs above may be charged at cost price of the previous financial year. Or R6.9402

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:	R322.38	R341.73	R357.79

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	R1 047.93	R1 110.81	R1 163.02
(ii)	During working hours: request for urgent reconnection	R1 571.93	R1 666.25	R1 744.56
(iii)	After working hours: request for reconnection	R1 571.93	R1 666.25	R1 744.56

2.2. Charge for temporary disconnection at the request of any customer:

(i)	During working hours	R1 047.93	R1 110.81	R1 163.02
(ii)	After working hours: request for reconnection	R1 571.93	R1 666.25	R1 744.56

2.3. Charge when customers change:
For every application for rendering the service, irrespective of whether the service has been discontinued or

(i)	During working hours: Domestic and Business users	R42.08	R44.60	R46.70
(ii)	After working hours	R87.62	R92.88	R97.25

3. PRE-PAID METER ADMINISTRATION FEE.

When using an incorrect meter number when purchasing water	R1 019.09	R1 080.24	R1 131.01

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)	R156.23	R165.61	R173.39

5. TESTING OF METERS

5.1	The charge for testing a meter at the request of a customer (Refundable if faulty)	R1 047.93	R1 110.81	R1 163.02
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	R1 047.93	R1 110.81	R1 163.02

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.	R1 047.93	R1 110.81	R1 163.02

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 244.43	R1 319.09	R1 381.09
	Domestic users /Non South African citizens	R7 468.04	R7 916.13	R8 288.18
	Business users/South African citizens	R6 225.12	R6 598.62	R6 908.76
	Business users/Non South African citizens	R6 225.12	R6 598.62	R6 908.76

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	R44.76	R47.45	R49.68

10. ADMINISTRATION COSTS IN RESPECT OF WRITTEN REMINDER SERVICES.

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.	R96.98	R102.80	R107.64

11. WASTE WATER REMOVAL

Removal of wastewater via tanker services when provided by the Municipality	R217.39/Kl	R230.43/KL	R241.26/KL

BY LAW OFFENCES:

CHAPTER 2

APPLICATIONS AND AGREEMENTS FOR WATER SERVICES:

Clause	Change of purpose of water services	**Approved tariff from 1/07/2024**	**Approved tariff from 1/07/2025**	**Proposed tariff from 1/07/2026**
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 221.65 Level R4 443.32 Level R11 108.37	Level R2 354.94 Level R4 709.92 Level R11 774.87	Level R2 465.63 Level R4 931.28 Level R12 328.29
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.	R11 108.37	R11 774.87	R12 328.29

22	Unauthorized use of water services prohibited 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. Refer CR/49/09/19	First bridge R85 164.53 Second bridge R206 828.15 Third bridge R608 318.10 Renting rooms: First bridge R267 659.96 Second bridge R754 314.44 Business: total disconnection from the grid R1 216 636.20	First bridge R90 274.41 Second bridge R219 237.84 Third bridge R644 817.19 Renting rooms: First bridge R283 719.56 Second bridge R799 573.31 Business: total disconnection from the grid R1 289 634.37	First bridge R94 517.30 Second bridge R229 542.02 Third bridge R675 123.59 Renting rooms: First bridge R297 054.38 Second bridge R837 153.26 Business: total disconnection from the grid R1 350 247.19
23	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- · Operate or maintain any part of the water supply system. · Operate any sewage disposal system. · Effect a connection or reconnection to the water supply system or sewage disposal system; or · render any other sanitation services. Refer CR/49/09/19	First bridge R85 164.53 Second bridge R206 828.15 Third bridge R608 318.10 Renting rooms: First bridge R267 659.96 Second bridge R754 314.44 Business: total disconnection from the grid R1 216 636.20	First bridge R90 274.41 Second bridge R219 237.84 Third bridge R644 817.19 Renting rooms: First bridge R283 719.56 Second bridge R799 573.31 Business: total disconnection from the grid R1 289 634.37	First bridge R94 517.30 Second bridge R229 542.02 Third bridge R675 123.59 Renting rooms: First bridge R297 054.38 Second bridge R837 153.26 Business: total disconnection from the grid R1 350 247.19
	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.	First bridge R85 164.53 Second bridge R206 828.15 Third bridge R608 318.10 Renting rooms: First bridge R267 659.96 Second bridge R754 314.44 Businesses: First bridge R267 659.96 Second bridge R754 314.44	First bridge R90 274.41 Second bridge R219 237.84 Third bridge R644 817.19 Renting rooms: First bridge R283 719.56 Second bridge R799 573.31 Businesses: First bridge R283 719.56 Second bridge R799 573.31	First bridge R94 517.30 Second bridge R229 542.02 Third bridge R675 123.59 Renting rooms: First bridge R297 054.38 Second bridge R837 153.26 Businesses: First bridge R297 054.38 Second bridge R837 153.26
24	**Obstruction of access to water supply system or sanitation service prohibited**. 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.	R4 321.80	R4 581.11	R4 796.43

	CHAPTER 5 PART A **WATER SUPPLY SERVICE**			
31	**Unauthorized interconnection between premises or water installations prohibited** 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- · The water installation on his or her premises and the water installation on any other premises; or · By several dwelling or business units are situated on the same premises, the water installations of such units	R10 191.17	R10 802.64	R11 310.36
33	**Water may be supplied from hydrant in certain circumstances** 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	R11 108.37	R11 774.87	R12 328.29

	PART C **MEASURING QUANTITY OF WATER SUPPLIED**			
34 (5)	Measuring quantity of water supplied d) ensure that no connection is made to the pipe in which the measuring device is installed, between the measuring device and the connection pipe or water main serving the installation. f) Not use nor permit to be used on any water installation, any fitting, machine, or appliance which causes damage or, in the opinion of the Council, is likely to cause damage to any meter.	R11 108.37	R11 774.87	R12 328.29
34(6)	No person other than an authorized official of the council may- · Disconnect a measuring device and its associated apparatus from the pipe in or o which they are installed or connected. · Break a seal which the Council has placed on any meter; or · In any other way interfere with a measuring device and its associated apparatus.	R4 443.33	R4 709.93	R4 931.30
35	**Determining quantity of water supplied to customer** 3. If water is supplied to or taken by a customer without it passing through a measuring device, the estimate by the Council of the quantity of such water must be deemed to be correct.	R4 443.33	R4 709.93	R4 931.30
	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.	R11 108.37	R11 774.87	R12 328.29

	PART D **APPROVALOF INSTALLATION WORK**			
41	Approval of installation work 7) If installation work has been done in contravention of subsections (1), (2) or (3), a designated officer may, subject to the provisions of these By-laws, issue a compliance notice requiring the owner of the premises concerned- a) to comply with the relevant subsection, within a specified period; b) if the work is still in progress, to cease the work; and c) to remove all such work as does not comply with these By-laws.	R4 443.33	R4 709.93	R4 931.30

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.	R11 108.37	R11 774.87	R12 328.29
	2) No person may require or engage a person who is not a qualified plumber to do the work referred to in subsection (1).	R11 108.37	R11 774.87	R12 328.29
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 221.65	R2 354.94	R2 465.63
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 221.65	R2 354.94	R2 465.63
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.	R11 108.37	R11 774.87	R12 328.29
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.	R11 108.37	R11 774.87	R12 328.29

	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	R39 968.41	R42 366.52	R44 357.74
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.	R43 565.56	R46 179.50	R48 349.93
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	R4 332.84	R4 592.81	R4 808.68

	PART F			
	WATER RESTRICTIONS			
54	**Waste of water unlawful** 1) No customer may permit a) the purposeless or wasteful discharge of water from terminal water fittings.	R11 108.37	R11 774.87	R12 328.29
	b) pipes or water fittings forming part of a water installation to leak.	R4 443.32	R4 709.92	R4 931.28
	c) the use of maladjusted or defective water fittings in a water installation.	R4 455.93	R4 723.29	R4 945.28
	d) an overflow of water from a water installation to persist; or	R4 076.45	R4 321.03	R4 524.12
	e) a wasteful use of water to persist. 2) An owner must repair or replace any part of his or her water installation which is in such a state of disrepair that it is either causing or is likely to cause an event referred to in subsection 3) If an owner fails to take measures as contemplated in subsection (2), a designated officer may issue an enforcement notice in connection therewith. 4) Every customer must ensure that any equipment or plant connected to his or her water installation uses water in an efficient manner.	R4 443.32	R4 709.92	R4 931.28
55	Prohibition of use of certain equipment in water installations A designated officer may, by compliance notice, prohibit the use by a customer of any equipment in a water installation if, in his or her opinion, its use of water is wasteful, and such equipment must not be returned to use until its efficiency has been restored, and a written application to do so has been approved by the Council. The minimum penalty herewith will be imposed for contravention or waste of borehole water	R4 443.32	R4 709.92	R4 931.28
58	Pipes in streets or public places No person may, for the purpose of conveying water derived from whatever source, lay or construct a pipe or associated component on, in or under a street, public place or other land owned by, vested in, or under the control of the Council, except with the prior written permission of the Council, and subject to such conditions as may be imposed by it on granting permission.	R11 108.37	R11 774.87	R12 328.29
59	Use of water from source other than water supply system Except with the prior permission of the Council, no person may use or permit the use of water obtained from a source other than the water supply system, other than rain water tanks which are not connected to the water installation, and in accordance with such conditions as the Council may impose, for domestic, commercial or industrial purposes, and except with the approval of any other authority required by any law	R22 216.77	R23 549.78	R24 656.62

	PART H **SPECIAL PROVISIONS REGARDING FIRE SERVICES**			
63	Connection pipes for fire installation systems 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 there from be used except in connection with an automatic sprinkler and drencher installation, a hydrant connection or a hose-reel connection, or for any pressure tank connection therewith, and such tank must be controlled by an approved fitting for firefighting purposes.	R11 108.37	R11 774.87	R12 328.29
64	**Inspection an approval of automatic sprinkler installation for firefighting purposes** No water may be supplied to any fire installation until- It has been inspected and tested by the Council; the Council has certified in writhing that such water installation is complete and With the requirements of the By-Laws.	R4 443.32	R4 709.92	R4 931.28
69	a) Objectionable discharges to sewage disposal system 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;	R2 187.44 to R4 381.34	R2 318.69 to R4 644.22	R2 427.67 to R4 862.50
	c) which is in the form of steam or vapour or has a temperature exceeding 44 degrees Celsius at the point where it	R2 187.44 to R4 381.34	R2 318.69 to R4 644.22	R2 427.67 to R4 862.50

	d) which has a pH value less than 6.0 or more than 10.0;	R4 381.34 to R10 953.40	R4 644.22 to R11 610.60	R4 862.50 to R12 156.30
	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 953.40 to R21 906.79	R11 610.60 to R23 221.20	R12 156.30 to R24 312.59
	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 190.46 to R4 381.34	R2 321.88 to R4 644.22	R2 431.01 to R4 862.50
	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 953.40 to R21 906.79	R11 610.60 to R23 221.20	R12 156.30 to R24 312.59
	h) Which may inhibit the unrestricted conveyance of sewage through the sewage disposal system;	R2 190.46 to R4 381.34	R2 321.88 to R4 644.22	R2 431.01 to R4 862.50
	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 953.40 to R21 906.79	R11 610.60 to R23 221.20	R12 156.30 to R24 312.59
	a) odour or colour, or excessive foam; b) which contains any substance of whatsoever nature? c) whether listed in Schedule B of these By-laws or not, either alone or in combination with other matter may- d) COD > 2000 mg/L	R10 953.40 R21 906.79 R4 381.34 R10 953.40 R10 953.41 R21 906.79 For COD>5000mg/l	R11 610.60 R23 221.20 R4 644.22 R11 610.60 R11 610.61 R23 221.20 For COD>5000mg/l	R12 156.30 R24 312.59 R4 862.50 R12 156.30 R12 156.31 R24 312.59 For COD>5000mg/l
	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 475.67 to R21 906.79	R5 804.21 to R23 221.20	R6 077.01 to R24 312.59
	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 475.67 to R21 906.79	R5 804.21 to R23 221.20	R6 077.01 to R24 312.59
	c) Any street or premises.	R4 381.34 to R10 953.41	R4 644.22 to R11 610.61	R4 862.50 to R12 156.31

	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 953.41	R11 610.61	R12 156.31
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 953.41	R11 610.61	R12 156.31

	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 381.34	R4 644.22	R4 862.50
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 381.34	R4 644.22	R4 862.50

	PART D **ROAD HAULAGE OF SEWAGE**			
83	Written permission for delivery of sewage by road haulage No person may discharge sewage into any Council sewage treatment plant by road haulage except with the written permission of the Council, and subject to such terms and conditions as may be imposed in terms of the written permission.	R10 953.40	R11 610.60	R12 156.30
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 953.40	R11 610.60	R12 156.30
	PART E **DISPOSAL OF INDUSTRIAL EFFLUENT**			
86	1) Every person desiring to dispose of industrial effluent must apply in writing and in duplicate on the form prescribed by the Council for that purpose, for written permission to discharge industrial effluent into the sewage disposal system of the Council, and must thereafter provide such additional information and submit such sample as the Council may require.	R10 953.40	R11 610.60	R12 156.30
	PART F **MEASURING OF EFFLUENT DISCHARGED**			
91	1) The quantity of standard domestic effluent discharged must be determined as a percentage of the water supplied to those premises by the Council. 2) If the Council is of the opinion that the percentage referred to in subsection (1), in respect of specific premises is excessive, having regard to the purposes for which water is consumed on those premises, the Council may reduce the percentage applicable to those premises to a figure which, in its opinion and in the light of the available information, reflects the proportion between the likely quantity of sewage discharged from the premises and the quantity of water supplied thereto	R4 381.34	R4 644.22	R4 862.50
	PART G **DRAINAGE INSTALLATION AND DRAINAGE WORK**			
94	**Construction or installation of drainage installation** Any drainage installation must comply with *SANS Code 0400-1990 Part P, Drainage* and any amendments thereto.	R10 953.40	R11 610.60	R12 156.30
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 953.40	R11 610.60	R12 156.30
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 953.40	R11 610.60	R12 156.30
97	**Unlawful drainage work** 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 381.34	R4 644.22	R4 862.50

	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	**Ingress of storm water into drainage installations prohibited** 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	Residential R4.34 per square meter of stand area per month	Residential R4.60 per square meter of stand area per month	Residential R4.82 per square meter of stand area per month
	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	Industrial/business R6.54 per square meter of stand area month	Industrial/business R6.93 per square meter of stand area month	Industrial/business R7.25 per square meter of stand area month
100	**Industrial grease traps** 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.	R10 953.40	R11 610.60	R12 156.30
	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.			

	PART H **GENERAL**			
105	**Drains in streets or public places** No person may, for the purpose of conveying sewage derived from whatever source, lay or construct a drain on, in or under a street, public place or the land owned by, vested in, or under the control of the Council, except with the prior written permission of the Council and subject to such conditions as it may impose.	R10 953.40	R11 610.60	R12 156.30
107	**Protection from ingress of floodwater** Where premises constructed within, or any portion of a property lie within the 1 in 50 years flood plain, the top level of any manhole, inspection chamber and gully located below the level of such flood plain must be above the 1 in 50 years flood level, except in the case of a manhole and inspection chamber the cover of which is secured in place by approved means.	R10 953.40	R11 610.60	R12 156.30

	CHAPTER 7 **POWERS AND FUNCTIONS OF DESIGNATED OFFICERS**			
111	Entry of premises for carrying out of works & inspections The owner of premises in a municipality must give a designated officer of the municipality or of a service provider access at all reasonable hours to the premises in order to carry out works of reading, inspecting, installing or repairing any meter or service connection or to disconnect, stop or restrict the provision of any service.	R10 953.40	R11 610.60	R12 156.30
115	Duty to produce documents Any person who holds any document relevant to the execution of any work or inspection contemplated in this Chapter must produce it at the request of a designated officer.	R4 381.34	R4 644.22	R4 862.50

	CHAPTER 8 MISCELLANEOUS			
119	**Sinking of boreholes** 1) Any owner of a premise who wishes to sink a borehole on such premises shall do so only within the parameters of the erf-boundaries of his/her premises, and then only on weekdays, Monday to Saturday between 7h00 and 17h00. 2) No person shall sink a borehole on the sidewalk of his/her premises without the prior written consent of the Council 3) Any owner of a premise will be responsible to ensure that a drilled borehole be properly closed and safe guarded at all times for safety and security reasons.	R10 953.41 R21 906.79 R10 953.40	R11 610.61 R23 221.20 R11 610.60	R12 156.31 R24 312.59 R12 156.30
123	False statements or information No person may make a false statement or furnish false information to the Council, an authorized official, a designated officer or an employee of the Council or falsify a document issued in terms of these By-laws.	R10 953.40	R11 610.60	R12 156.30
126	Offences and penalties 1) It is an offence for any person to- a) refuse to grant a designated officer access to premises to which that designated officer is duly authorized to have access; b) Obstruct, interfere or hinder a designated officer who is exercising a power or carrying out a duty under these By-laws; c) Fail or refuse to provide a designated officer with a document or information that the person is required to provide d) give false or misleading information to a designated officer; e) Unlawfully prevent the owner of any premises f) or a person working for that owner, from entering the premises in order to comply with a requirement of these By-laws; g) Pretend to be a designated officer. h) Falsely alter an authorization to a designated officer or written authorization, compliance notice or compliance certificate issued in terms of these By-laws; i) Contravene or fail to comply with any provisions of these By-laws; j) Fail to comply with any notice issued in terms of these By-laws; k) Fail to comply with any lawful instruction given in terms of these By-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.	R21 906.79	R23 221.20	R24 312.59

SCHEDULE 5:

ELECTRICITY SUPPLY CHARGES: 2026/2027

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 1/07/2024	Approved tariff from 1/07/2025	Proposed tariff from 1/07/2026
1.2.1	Basic charge, per single phase connection. Charged per month.	R167.77	R186.76	R203.12
1.2.2	Basic charge per 3 phase connection. Charged per month.	R173.50	R193.14	R210.06

1.2.ENERGY CHARGE (electricity consumed per kWh)

1.2.1	Block1(0-50)	50units	164.28 Cents/kWh	182.88 Cents/kWh	198.90 Cents/kWh
1.2.2	Block2(51-350)	300units	214.46 Cents/kWh	238.74 Cents/kWh	259.65 Cents/kWh
1.2.3	Block3(351-600)	250units	316.61 Cents/kWh	352.45 Cents/kWh	383.32 Cents/kWh

1.2.4	Block4(>600)	372.28 Cents/kWh	414.42 Cents/kWh	450.72 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; or

(c) Any other customer not provided for under any other item of these tariffs.

2.1.1	Basic charge, per single phase connection; connected or not connected, whether electricity is consumed or not, per month.	R876.19	R975.39	R1 060.83
2.1.2	Basic charge per 3 phase connection; connected or not connected, whether electricity is consumed or not, per month.	R958.65	R1 067.17	R1 160.65
2.1.3	Energy charge per kWh	326.22 Cents/kWh	363.15 Cents/kWh	394.96 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.	R1 007.55	R1 121.62	R1 219.87
3.1.2	Basic charge, per three phase connection, connected or not connected, per month.	R2 179.92	R2 426.69	R2 639.27
3.1.3	Energy charge per kWh.	326.22 Cents/kWh	363.15 Cents/kWh	394.96 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 636.31	R2 934.74	R3 191.82
4.1.2	Low voltage: Demand charge, per kVA, per month.	R399.10	R444.28	R483.20
4.1.3	Medium voltage: Demand charge, per kVA, per month	R393.40	R437.93	R476.29
4.1.4	Low voltage: Energy charge per kWh.	144.51 Cents/kWh	160.87 Cents/kWh	174.96 Cents/kWh
4.1.5	Medium voltage: Energy charge per kWh.	142.00 Cents/kWh	158.07 Cents/kWh	171.92 Cents/kWh
4.1.6	Minimum charge, per month: (13 000 kWh) medium voltage	R18 460.00	R20 549.10	R22 349.20
4.1.7	Minimum charge, per month: (13 000 kWh) low voltage	R20 913.10	R20 913.10	R22 745.09

5. MUNICIPAL DEPARTMENTS

Charges for electricity are raised at cost price of the previous financial year.	0.412	0.412

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	724.52 cents	806.54 cents	877.19 cents

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 consumtion 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	R37.89	R40.16	R42.05

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):	R82.09	R87.02	R91.11

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.	R315.77	R334.71	R350.44
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.	R353.65	R374.87	R392.49
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.	R353.65	R374.87	R392.49

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:	R884.15	R937.20	R981.25
	(b) During working hours: request for urgent reconnection:	R1 319.92	R1 399.11	R1 464.87
(ii)	After working hours: Request for reconnection:	R1 319.92	R1 399.11	R1 464.87
(iii)	After working hours: Request for unblock of pre-paid card:	R1 319.92	R1 399.11	R1 464.87

(iv)	Removal of Installation on unauthorised reconnection	R2 463.00	R2 610.78	R2 733.49

2.2. Charges for temporary disconnection on request of any customer:

(i)	During working hours:	R884.15	R937.20	R981.25
(ii)	After working hours: Request for reconnection:	R1 319.92	R1 399.11	R1 464.87

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:	R132.62	R140.58	R147.18

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 660.25	R3 879.87	R4 062.22
(b)	kWh three phase meter, per meter:	R2 196.15	R2 327.92	R2 437.33
(c)	kWh single phase meter, per meter:	R951.67	R1 008.76	R1 056.18

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.	R884.16	R937.21	R981.26

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.	R884.16	R937.21	R981.26

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 760.68	R3 986.32	R4 173.67
	Domestic users /Non South African citizens	R11 284.80	R11 961.89	R12 524.10
	Business users/South African citizens	R7 522.74	R7 974.11	R8 348.89
	Business users/Non South African citizens	R11 284.80	R11 961.89	R12 524.10

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	R88.40	R93.71	R98.11

10. PRE-PAID METER ADMINISTRATION FEE.

When using an incorrect meter number when purchasing electricity	R1 019.09	R1 080.24	R1 131.01

11. REPLACEMENT AND UPGRADING OF INSTALLED METER CAPACITY

	Bi-directional meter		R3 194.40	R3 344.54
	Upgrading from 20AMP to 40 AMP		R500.00	R523.50
	Keypad replacement		R1 543.30	R1 615.84

12. 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:

12.1	Charge for residential consumers CR/49/09/19	First bridge: R84 527.30	First bridge: R89 598.94	First bridge: R93 810.09
		Second bridge: R205 280.60	Second bridge: R217 597.43	Second bridge: R227 824.51
		Third bridge R603 766.46	Third bridge R639 992.45	Third bridge R670 072.09
12.2	Business/Industrial, and any other consumer including renting of rooms	First bridge R247 192.00	First bridge R262 023.52	First bridge R274 338.63
		Second bridge R696 632.00	Second bridge R738 429.92	Second bridge R773 136.13
		Third bridge R1 207 532.92	Third bridge R1 279 984.90	Third bridge R1 340 144.19
12.2	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.			
12.3	**Excavations within areas leading to damage to electricity cables, including attempts of theft:**			
12.3.1	95mm² 11kV cable, per cable plus additional cost incurred of material, labor & transport.	R18 339.90	R19 440.30	R20 353.99
12.3.2	185mm² 11kV cable, per cable plus additional cost incurred of material, labor & transport.	R21 674.44	R22 974.90	R24 054.72
12.3.3	10mm² Airdac 230V cable, per cable plus additional cost incurred of material, labor & transport.	R1 667.25	R1 767.29	R1 850.35
12.3.4	16mm² Airdac 230V cable, per cable plus additional cost incurred of material, labor & transport.	R2 000.70	R2 120.75	R2 220.42
12.3.5	16mm² 230V armored cable, per cable plus additional cost incurred of material, labor & transport.	R2 667.62	R2 827.67	R2 960.58
12.3.6	25mm² 230V armored cable, per cable plus additional cost incurred of material, labor & transport.	R3 001.07	R3 181.13	R3 330.65
12.3.7	35mm² 230V armored cable, per cable plus additional cost incurred of material, labor & transport.	R3 167.79	R3 357.86	R3 515.67
12.3.8	16mm² 420V armored cable, per cable plus additional cost incurred of material, labor & transport.	R3 001.07	R3 181.13	R3 330.65
12.3.9	25mm² 420V armored cable, per cable plus additional cost incurred of material, labor & transport.	R3 167.79	R3 357.86	R3 515.67
12.3.10	35mm² 420V armored cable, per cable plus additional cost incurred of material, labor & transport.	R3 334.52	R3 534.59	R3 700.72
12.3.11	50mm² 420V armored cable, per cable plus additional cost incurred of material, labor & transport.	R3 667.97	R3 888.05	R4 070.79
12.3.12	70mm² 420V armored cable, per cable plus additional cost incurred of material, labor & transport.	R3 834.70	R4 064.78	R4 255.83
12.3.13	95mm² 420V armored cable, per cable plus additional cost incurred of material, labor & transport.	R2 000.70	R2 120.75	R2 220.42
12.3.14	150mm² 420V armored cable, per cable plus additional cost incurred of material, labor & transport.	R2 667.62	R2 827.67	R2 960.58
12.3.15	185mm² 420V armored cable, per cable plus additional cost incurred of material, labor & transport.	R5 168.52	R5 478.63	R5 736.12
12.3.16	240mm² 420V armored cable, per cable plus additional cost incurred of material, labor & transport.	R5 835.42	R6 185.54	R6 476.26
12.3.17	300mm² 420V armored cable, per cable plus additional cost incurred of material, labor & transport.	R6 669.05	R7 069.19	R7 401.44
12.3.18	1.5mm² x 19, 230V armored traffic light cable, per cable plus additional cost incurred of material, labor & transport.	R1 667.25	R1 767.29	R1 850.35
12.4	Connecting illegally to the electricity grid without a supply agreement, including all electricity generation. (Fixed fine).	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	R93 810.09 for residential and R201 021.63 for business and industrial consumers
12.5	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).	R8 336.31	R8 836.49	R9 251.81
12.6	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).	R16 672.64	R17 673.00	R18 503.63
12.7	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).	R8 336.31	R8 836.49	R9 251.81
12.8	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).	R16 672.64	R17 673.00	R18 503.63
12.9	Any theft, attempting theft or vandalism at any Electrical	R166 726.48	R176 730.06	R185 036.38

	Substation. (Fixed fine, plus material, labor & transport plus 10% admin fee).			
12.1	First Test for Inspection. (Fixed cost)	R328.39	R348.10	R364.46
12.11	Second Test for Inspection. (Fixed cost)	R366.28	R388.26	R406.51
12.12	Third Test for Inspection. (Fixed cost)	R404.18	R428.43	R448.57

SCHEDULE 6:

TARIFFS PAYABLE I.R.O. COMMUNITY CENTRES, SPORT FACILITIES, SWIMMING POOLS, DEVELOPMENT CLINICS, SHOWGROUND, OCASSIONAL LEASING OF FACILITIES, RENTAL PETER MOKABA STADIUM: 2026/2027

1. Community Centres

1.1. A Jack Botes Hall **VAT INCLUSIVE IN SCHEDULE 6:**

		Approved tariff from 1/07/2024	Approved tariff from 1/07/2025	Proposed tariff from 1/07/2026
	Rental			
1	The use of the Community Hall by individuals, schools, sport clubs, NGO's and other cultural organisations, per day	R5 410.13	R5 735.00	R6 004.55
2	The use of the Community Hall by Government Organisations and other organisations, per day	R5 867.44	R6 219.00	R6 511.29
3	The use of the Community Hall by Business, per day	R6 311.26	R6 690.00	R7 004.43
	15% of ticket sales for events that charge entrance fees with a minimum payment of :	R6 311.26	R6 690.00	R7 004.43
4	The use of equipment:			
	Microphone and stand	R902.25	R956.00	R1 000.93
	Bain marine	R61.52	R65.00	R68.06
	Round tables	R61.52	R65.00	R68.06
	Kitchen and equipment	R2 052.76	R2 176.00	R2 278.27
	Deposit(Events where entrance fee is not charged)	R5 093.28	R5 399.00	R5 652.75
	Cleaning per event	R3 079.79	R3 265.00	R3 418.46
5	Deposit for events where entrance fee is charged	R10 786.56	R11 434.00	R11 971.40

1.1.B Nirvana Community Hall

	Rental			
1	The use of the Community Hall by individuals, schools, sport clubs, NGO's and other cultural organisations per day	R4 338.22	R4 599.00	R4 815.15
2	The use of the Community Hall by Government Organisations and other organisations per day	R4 541.59	R4 814.00	R5 040.26
3	The use of the Community Hall by Businesses per day	R5 230.36	R5 544.00	R5 804.57
4	15% of ticket sales for events that charge entrance fees with a minimum payment of :	R5 230.36	R5 544.00	R5 804.57
5	Deposit(Events where entrance fee is not charged)	R4 159.57	R4 409.00	R4 616.22
6	Use of equipment:			
	Round table per table	R62.92	R67.00	R70.15
	Sound System	R851.69	R903.00	R945.44
7	Cleaning per event	R3 079.79	R3 265.00	R3 418.46
8	Deposit for events where entrance fee is charged	R10 786.56	R11 434.00	R11 971.40

1.1.C Westenburg Community Hall

	Rental			
1	The use of the Community Hall by individuals, schools, sport clubs, NGO's and other cultural organisations per day	R4 338.22	R4 599.00	R4 815.15
2	The use of the Community Hall by Government organisations and other organisations per day	R4 541.59	R4 814.00	R5 040.26
3	The use of the Community Hall by Businesses per day	R5 185.41	R5 497.00	R5 755.36
4	15% of ticket sales for events that charge entrance fees with a minimum payment of :	R5 230.36	R5 544.00	R5 804.57
5	Use of equipment:			
	Round table per table	R61.80	R66.00	R69.10

	Sound system	R851.69	R903.00	R945.44
6	Deposit(Events where entrance fee is not charged)	R4 131.48	R4 379.00	R4 584.81
7	Cleaning per event	R3 079.79	R3 265.00	R3 418.46
8	Deposit for events where entrance fee is charged	R10 788	R11 435	R11 972.45

1.1.D Mankweng Community Hall

	Rental			
1	The use of the Community Hall by individuals, schools, sport clubs, NGO's and other cultural organisations per day	R3 750.58	R3 976.00	R4 162.87
2	The use of the Community Hall by Government Organisations and other organisations per day	R4 518.00	R4 789.00	R5 014.08
3	The use of the Community Hall by businesses per day	R4 960.69	R5 258.00	R5 505.13
4	15% of ticket sales for events that charge entrance fees with a minimum payment of :	R4 960.69	R5 258.00	R5 505.13
5	Use of equipment:			
	Round table per table	R61.80	R66.00	R69.10
	Deposit (Events where entrance fee is not charged)	R3 666.31	R3 886.00	R4 068.64
6	Deposit for events where entrance fee is charged	R10 786.56	R11 434.00	R11 971.40

1.1.E Moletji Community Hall

	Rental			
1	The use of the Community Hall by individuals, schools, sport clubs, NGO's and other cultural organisations per day	R644.95	R684.00	R716.15
2	The use of the Community Hall by Government Organisations and other organisations per day	R2 715.74	R2 879.00	R3 014.31
3	The use of the Community Hall by businesses per day	R3 159.56	R3 349.00	R3 506.40
4	Deposit			
5	Cleaning per event	R160.67	R170.00	R177.99

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			
2.1.1	**Athletic Club**			
	Use of the stadium for practise purposes once a week for a period of 2 hours (including one set of cloakrooms)	R4 389.91 pa	R4 653.00 pa	R4 871.69 pa
	For the use of the Olympic swimming pool during week days from 06:00 – 07:00	R2 196.64 pa	R2 328.00 pa	R2 437.42 pa
2.1.2	**Indoor Sports Complexes**			
	Wrestling club / Judo (880 sqm) A tariff of per sq metre per month is levied	R7.87	R8.00	R8.38
	Wrestling facilities in Suid Street	R937.08 pa	R993.00 pa	R1 039.67 pa
	Racing Dove Club hall (360 sqm) A tariff of per sq metre per month is levied	R123.60	R131.00	R137.16
	Racing Pigeon Club hall in Suid Street per month	R480.90 pm	R510.00 pm	R533.97 pm
2.1.3	**Recreation Centre**			
2.1.3 a	**Gymnastics**			
	A tariff of per sq metre per month is levied	R7.87	R8.00	R8.38
	Hall 4: 760 sqm (Polokwane Gymnastics Academy) per month	R5 534.85 pm	R5 867.00 pm	R6 142.75 pm
	Hall 1: 360sqm (Polokwane Gymnastics Academy) per month	R2 643.83 pm	R2 802.00 pm	R2 933.69 pm
2.1.3 b	**Karate**			
	A tariff of per sqm per month is levied	R7.87	R8.00	R8.38
	Hall 2: Ekstein Karate club - 360 sqm	R2 642.71 pm	R2 801.00 pm	R2 932.65 pm

	Hall 3: Ekstein Karate club – 360 sqm	R2 642.71 pm	R2 801.00 pm	R2 932.65 pm
2.1.3 c	**Badminton**			
	Per court per annum	R3 371.92 pa	R3 574.00 pa	R3 741.98 pa
2.1.3 d	**Squash Court**			
	Squash court per court per year	R3 461.81 per court	R3 670.00 per court	R3 842.49 per court
2.1.4	**Other sports activities**			
a.	Shooting Association	R5 107.89 pa	R5 414.00 pa	R5 668.46 pa
b.	Go-cart track per year	R10 920.27 pa	R11 575.00 pa	R12 119.03 pa
c.	Off road track per year	R10 920.27 pa	R11 575.00 pa	R12 119.03 pa
d.	Radio controlled aeroplanes per year	R4 389.91 pa	R4 653.00 pa	R4 871.69 pa
e.	Radio controlled car track per year	R3 644.96 pa	R3 864.00 pa	R4 045.61 pa
f.	4 x 4 Track per year	R10 952.85 pa	R11 610.00 pa	R12 155.67 pa
g.	Jimmy Moulder Shooting Range	R5 107.89 pa	R5 414.00 pa	R5 668.46 pa
2.1.5	**Climbing Wall**			
	Lease tariff per year	R938.21	R994.00	R1 040.72
2.1.6	**Grass Surfaced Areas**			
a.	**Jukskei courts** (48 pitts) per pit per year	R182.02 per pit per year	R193.00 per pit per year	R202.07 per pit per year
b.	**Rugby field**			
	Basic tariff per field year	R3 640.46 pa	R3 859.00 pa	R4 040.37 pa
c.	**Soccer field**			
	Basic tariff per field per year	R3 640.46 pa	R3 859.00 pa	R4 040.37 pa
d.	**Hockey**			
	Basic tariff per field per year	R3 640.46 pa	R3 859.00 pa	R4 040.37 pa
e.	**Cricket field / Cricket wickets**			
	Basic tariff per field per year	R3 640.46 pa	R3 859.00 pa	R4 040.37 pa
	Basic tariff per wicket per year (concrete wickets only)	R1 504.50 pa	R1 595.00 pa	R1 669.97 pa
f.	**Softball**			
	Basic tariff per field per year	R3 640.46 pa	R3 859.00 pa	R4 040.37 pa
g.	**Bowling green** per bowling green per year (3 courts)	R1 804.50 court pa	R1 913.00 court pa	R2 002.91 court pa
h.	**Golf Club** per year	R82 241.90	R87 176.00	R91 273.27
2.1.7	**All-weather surfaces**			
a.	Korfball courts per court per year	R2 196.64 pa	R2 328.00 pa	R2 437.42 pa
b.	Netball courts per court per year	R2 196.64 pa	R2 328.00 pa	R2 437.42 pa
c.	Ring tennis per court per year	R757.31 pa	R803.00 pa	R840.74 pa
d.	**Tennis courts**			
	Tennis courts per court per year	R1 964.05 pa	R2 082.00 pa	R2 179.85 pa
	Coaching at tennis courts per month	R757.31 pa	R803.00 pa	R840.74 pa
	Playball per court per month	R387.64 pm	R411.00 pm	R430.32 pm
e.	Practice wall at tennis court per practise wall per year	R2 196.64 pa	R2 328.00 pa	R2 437.42 pa
f.	Volleyball court per court per year	R2 196.64 pa	R2 328.00 pa	R2 437.42 pa
g.	Basketball per court per year	R2 196.64 pa	R2 328.00 pa	R2 437.42 pa
2.1.8	**All-weather surfaces (Combination courts)**			
a.	Volleyball, ring tennis combination court per year.	R1 474.16 pa	R1 563.00 pa	R1 636.46 pa
b.	Tennis court / netball court combination court per year	R1 474.16 pa	R1 563.00 pa	R1 636.46 pa
c.	Tennis / Soccer combination court per court per year	R1 474.16 pa	R1 563.00 pa	R1 636.46 pa

2.1.9	**Ground surface fields / courts**	R1 474.16 pa	R1 563.00 pa	R1 636.46 pa
a.	Soccer field per field per year	R1 474.16 pa	R1 563.00 pa	R1 636.46 pa
b.	Baseball court per court per year	R1 143.82 pa	R1 212.00 pa	R1 268.96 pa
c.	Netball field per field per year	R1 143.82 pa	R1 212.00 pa	R1 268.96 pa
2.1.10	**Leasing of areas where clubhouses are erected**			
	Bushveld Hunting Association (905 m²)	R19.10 per m² pa	R20.00 per m² pa	R20.94 per m² pa
	Polokwane Rugby Club (370 m²)	R19.10 per m² pa	R20.00 per m² pa	R20.94 per m² pa
	Polokwane Golf Club (1 475 m²)	R19.10 per m² pa	R20.00 per m² pa	R20.94 per m² pa
	Polokwane Cricket Club (578 m²)	R19.10 per m² pa	R20.00 per m² pa	R20.94 per m² pa
	Polokwane Bowling Club (725 m²)	R19.10 per m² pa	R20.00 per m² pa	R20.94 per m² pa
	Polokwane Jukskei Club (198m²)	R19.10 per m² pa	R20.00 per m² pa	R20.94 per m² pa
	Polokwane Tennis Club (239 m²)	R19.10 per m² pa	R20.00 per m² pa	R20.94 per m² pa
	Motocross Clubhouse (260m²)	R19.10 per m² pa	R20.00 per m² pa	R20.94 per m² pa
	Noordelike Rugby Club (456 m²)	R19.10 per m² pa	R20.00 per m² pa	R20.94 per m² pa
	Polokwane Athletic Club (178 m²)	R19.10 per m² pa	R20.00 per m² pa	R20.94 per m² pa
	Polokwane Police Social Club (532 m²)	R19.10 per m² pa	R20.00 per m² pa	R20.94 per m² pa
	Polokwane Diving Club (30 m²)	R19.10 per m² pa	R20.00 per m² pa	R20.94 per m² pa
	Polokwane Squash Club (100 m²)	R19.10 per m² pa	R20.00 per m² pa	R20.94 per m² pa
2.1.11	**Preparation of these facilities (subject to lease agreements) per occasion**			
a.	**Jukskei courts**			
	Renting of the facility per 24 hours	R298.88	R317.00	R331.90
	Administrative booking fee per 24 hour period/day (not refundable)	R79.78	R85.00	R89.00
b.	**Rugby field**			
	Renting of the facility per 24 hours	R451.69	R479.00	R501.51
	Administrative booking fee per 24 hour period/day (not refundable)	R95.51	R101.00	R105.75
c.	**Soccer field**			
	Renting of the facility per 24 hours	R451.69	R479.00	R501.51
	Administrative booking fee per 24 hour period/day (not refundable)	R95.51	R101.00	R105.75
d.	**Hockey**			
	Renting of the facility per 24 hours	R451.69	R479.00	R501.51
	Administrative booking fee per 24 hour period/day (not refundable)			
e.	**Cricket field**			
	Renting of the facility per 24 hours	R380.90	R404.00	R422.99
	Renting of the facility. Practice nets per occasion (grass)	R103.37	R110.00	R115.17
	Sinthetic surface per game	R170.79	R181.00	R189.51
	Administrative booking fee per 24 hour period/day (not refundable)	R79.78	R85.00	R89.00
	Putting out of pitch covers per pitch	R351.69 per occasion	R373.00 per occasion	R390.53 per occasion
f.	**Softball**			
	Renting of the facility per 24 hours	R376.41	R399.00	R417.75
	Administrative booking fee per 24 hour period/day (not refundable)	R79.78	R85.00	R89.00
g.	**All-weather surfaces (Combination and other courts)**			
	Renting of the facility per 24 hours	R182.02	R193.00	R202.07
	Administrative booking fee per 24 hour period/day (not refundable)	R79.78	R85.00	R89.00
h.	**Ground surface fields/courts**			
	Renting of the facility per 24 hours	R376.41	R399.00	R417.75

	Administrative booking fee per 24 hour period/day not refundable)	R79.78	R85.00	R89.00
i.	**Advertisement Boards at Sport Facilities**			
	Sport clubs are allowed to erect advertisement boards at their sport fields, in accordance with the sport policy, per advertisement board per year	R182.02 Per advertisement board pa	R193.00 Per advertisement board pa	R202.07 Per advertisement board pa

2.2 Leasing of facilities on occasional basis

2.2.1	**SPORTS FACILITIES**			
	06:00 – 24:00			
2.2.2	**OLD PETER MOKABA STADIUM**			
a.	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 R61 228.33	15 % of the gate takings with a minimum of R64 902.00	15 % of the gate takings with a minimum of R67 952.39
b.	PSL First division league per match	15 % of the gate takings with a minimum of R6 625.87	15 % of the gate takings with a minimum of R7 023.00	15 % of the gate takings with a minimum of R7 353.08
c.	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 R61 228.33 With a Deposit of R50 000.00	15 % of the gate takings with a minimum of R64 902.00 With a Deposit of R50 000.00	15 % of the gate takings with a minimum of R67 952.39 With a Deposit of R50 000.00
d.	Cleaning fee	R5 373.06	R5 695.00	R5 962.67
e.	Deposit for Sports matches	R21 576.49	R22 871.00	R23 945.94
f.	Deposit kitchen appliances	R1 295.51	R1 373.00	R1 437.53
g.	3 Phase electricity (calculated from time of connection)	R95.51 per hour	R101.00 per hour	R105.75 per hour
2.2.3	**Amateur Sport**			
a.	**Ball games (rugby, hockey, amateur soccer)**			
	Deposit	R1 805.63	R1 914.00	R2 003.96
	Day match	R802.25	R850.00	R889.95
	Night match	R4 635.97	R4 914.00	R5 144.96
	Additional 3 phase electricity	R101.12 per hour	R107.00 per hour	R112.03 per hour
	Deposit kitchen appliances	R1 087.64	R1 153.00	R1 207.19
	Development clinics	R1 087.64	R1 153.00	R1 207.19
	Marking of facility for clinics	R376.41	R399.00	R417.75
	PA System	R384.27	R407.00	R426.13
b.	**Athletics meeting**			
	Deposit	R1 805.63	R1 914.00	R2 003.96
	Electronic timing	R1 805.63	R1 914.00	R2 003.96
	Morning: 07:00 - 12:00	R938.21	R994.00	R1 040.72
	Afternoon: 12:00 - 18:00	R938.21	R994.00	R1 040.72
	All day : 07:00 - 18:00	R1 671.92	R1 772.00	R1 855.28
	Evening : After 18:00 Facilities and lights included	R558.43 per hour with a minimum of R1 084.27	R592.00 per hour with a minimum of R1 149.00	R619.82 per hour with a minimum of R1 203.00
	Development clinics	R361.80	R384.00	R402.05
	Deposit on athletics equipment	R1 805.63	R1 914.00	R2 003.96
	Additional 3 phase electricity	R101.12 per hour	R107.00 per hour	R112.03 per hour
	Deposit kitchen appliances	R1 029.22	R1 091.00	R1 142.28
	PA System	R325.84	R345.00	R361.22
2.2.4	**Events at other Sports and Recreation facilities**			
a.	**Where entrance fees is not charged:** **Events such as cultural festivals, meetings, religious gatherings, military parades and music festivals**			
	Deposit	R21 576.49	R22 871.00	R23 945.94
	All day	R11 433.75	R12 120.00	R12 689.64
	Additional 3 phase electricity	R101.12 per hour	R107.00 per hour	R112.03 per hour
	Deposit kitchen appliance	R1 087.64	R1 153.00	R1 207.19
	Cleaning	R5 135.98	R5 444.00	R5 699.87
b.	**Where entrance fees is charged: Events such as cultural**			

	festivals, meetings, religious gatherings, military parades and music festivals			
	Deposit	R24 184.37	R25 635.00	R26 839.85
	All day	R22 865.26	R24 237.00	R25 376.14
	Additional 3 phase electricity	R101.12 per hour	R107.00 per hour	R112.03 per hour
	Deposit kitchen appliance	R107.87	R114.00	R119.36
	Cleaning	R5 134.85	R5 443.00	R5 698.82
c.	**Kiosks outside Stadium** Per kiosk per day	R182.02	R193.00	R202.07
	Key Deposit	R289.89	R307.00	R321.43
2.2.5	**Rental of Oom Koos Smit hall**			
a.	**When the hall is not in use, it is leased to individuals / organizations.**			
	Renting of hall	R1 805.63	R1 914.00	R2 003.96
	Rent sound system	R325.84	R345.00	R361.22
	Deposit hall	R1 087.64	R1 153.00	R1 207.19
	Deposit for use of sound equipment	R1 510.12	R1 601.00	R1 676.25
b.	**Leasing of the hall by sports clubs, sports bodies, and sports unions, with the purpose of having a meeting.**			
	Leasing of hall	R182.02	R193.00	R202.07
	Deposit hall	R606.74	R643.00	R673.22
	Deposit kitchen appliances	R1 087.64	R1 153.00	R1 207.19
	Deposit for use of sound equipment	R1 496.64	R1 586.00	R1 660.54
2.2.6	**Road races and Cross Country meetings**			
	Use of toilets and change-rooms during road races and cross country meetings at a time (no equipment will be available)	R938.21	R994.00	R1 040.72
	Deposit	R1 702.25	R1 804.00	R1 888.79
2.2.7	**Practice at the Stadium**			
a.	**Rugby practice Professional**			
	Rugby practice session for 2 hours at a time – Practice lightsand marking of field included.	R757.31	R803.00	R840.74
	Pre-match training (match day minus one)	R723.60	R767.00	R803.05
	Deposit	R13 998.93	R14 839.00	R15 536.43
b.	**Soccer practice Professional**			
	Soccer practice session by a professional soccer team for 2 hours at a time – practice lights and marking of field included	R757.31	R803.00	R840.74
	Pre –match training(match day minus one)	R723.60	R767.00	R803.05
	Deposit	R13 998.93	R14 839.00	R15 536.43
c.	**Athletics practice**			
i.	Practice session of 2 hours or less	R17.98 per athlete	R19.00 per athlete	R19.89 per athlete
ii.	**Group bookings** All schools which fall within the Polokwane municipal area, per year ticket, upon presentation of a year ticket, entry will be allowed to the stadium for athletics practice purposes for the period between the 1st of July and 30th of June of the following year	R17.98 per athlete with a minimum of R2 564.06 per annum	R19.00 per athlete with a minimum of R2 718.00 per annum	R19.89 per athlete with a minimum of R2 845.75 per annum
iii.	**Season Ticket**			
	A person who is not a member of an athleticclub 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.	**Per seasonal ticket per person per year**	R755.06 pa	R800.00 pa	R837.60 pa
i	Squash Courts at Stadium Practice per individual for 2 hours	R44.94	R48.00	R50.26
ii	Seasonal tickets per club per individual	R802.25	R850.00	R889.95
iii	Per individual plus lights (Tokens to be bought) Practice 3 times per week for a maximum of two hours daily	R3 461.81	R3 670.00	R3 842.49
2.2.8	**Key Deposit**	R289.89	R307.00	R321.43
	Parking Areas			
	Per occasion:	R755.06	R800.00	R837.60
	Peter Mokaba Stadium – Parking			
	Peter Mokaba Stadium – VIP Area			
	B + C Rugby Fields – Parking			
2.2.9	**Office space**			
	Lease of office space per square meter per month			

		R44.94	R48.00	R50.26
2.3	**REGIONAL SPORT FIELDS (POLOKWANE)**			
2.3.1	**Netball clubhouse**			
	Renting of the clubhouse by sports clubs for meetings	R182.02	R193.00	R202.07
	Renting of clubhouse by sports clubs for functions	R549.44	R582.00	R609.35
	Deposit for equipment (tables and chairs)	R549.44	R582.00	R609.35
2.3.2	**Rental of Sports facilities by Schools / clubs without leasing contract at the Municipality**			
a.	Use of grass per court per match	R182.02	R193.00	R202.07
	Lights included	not marked R361.80 marked	not marked R384.00 marked	not marked R402.05 marked
b.	Use of all-weather per court per match			
	Lights included	R174.16	R185.00	R193.70
c.	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	R860.68	R912.00	R954.86
	Lights included	R3 432.60	R3 639.00	R3 810.03
d.	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	R802.25	R850.00	R889.95
	Lights included	R2 160.68	R2 290.00	R2 397.63
e.	**Practice for (2 hours per session)**			
i	Grass Surface: Amateur Professional	R121.35	R129.00	R135.06
ii	All-weather Surface:	R79.27	R84.00	R87.95
iii	Amateur Professional	147.888232	157	R164.38
iv	Cricket pitch per match	R296.63	R314.00	R328.76
v	Synthetic cricket pitch per match	R148.32	R157.00	R164.38
vi	Practice nets per net per match	R101.12	R107.00	R112.03
2.3.3	**Events where entrance fees is not charged**			
a.	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	R1 988.77 Sport organizations R3 977.54	R2 108.00 Sport organizations R4 216.00	R2 207.08 Sport organizations R4 414.15
	Deposit lights included	Business Organizations R3 614.62	Business Organizations R3 831.00	Business Organizations R4 011.06
b.	Deposit	R12 627.02	R13 385.00	R14 014.10
c.	Use of change room facilities per meeting	R938.21	R994.00	R1 040.72
d.	**Lights included**			
	Deposit	R1 704.50	R1 807.00	R1 891.93
e.	**Hiring of the mobile sound system to sports clubs and institutions**			
	Deposit	5 159.57	5 469.00	R5 726.04
f.	Hiring per occasion	R1 441.58	R1 528.00	R1 599.82
2.3.4	**Recreation Centre**	R1 988.77 Sport organizations R4 003.39 Business organizations R3 614.62	R2 108.00 Sport organizations R4 244.00 Business organizations R3 831.00	R2 207.08 Sport organizations R4 443.47 Business organizations R4 011.06
a.	Rental of all halls in the recreation centre by a sports club to present a tournament			
	Rental per day	R1 805.63	R1 914.00	R2 003.96
	Deposit	R1 805.63	R1 914.00	R2 003.96
b.	**Rental of hall for other functions**			
	Per hall per day	R1 805.63	R1 914.00	R2 003.96
	Deposit per hall	R1 805.63	R1 914.00	R2 003.96
c.	**Kiosk**			
	Rental of kiosk by sports clubs when presenting a sports tournament:			
	Per day	R182.02	R193.00	R202.07
	Deposit	R182.02	R193.00	R202.07
2.3.5	**Pigeon Club Hall**			
a.	**Leasing of hall per occasion other than the pigeon club**			
	Per occasion	R903.37	R958.00	R1 003.03

	Deposit	R1 805.63	R1 914.00	R2 003.96
2.3.6	**Tennis Courts**			
	Use of court per individual – non club members (net supplied)	R13.48 match (2 hours)	R14.00 match (2 hours)	R14.66 match (2 hours)
	Use of court per individual – non club members (net supplied) Seasonal ticket. 2 hours two times per week.	R757.31	R803.00	R840.74
2.3.7	**Tennis complex Burger Street Kiosk**			
	Lease of kiosk per month	R1 295.51	R1 373.00	R1 437.53
2.4	**NIRVANA STADIUM**			
2.4.1	**Semi Professional Sport (e.g. Soccer,Rugby, League)**	15 % of the gate taking with a minimum of	15 % of the gate taking with a minimum of	15 % of the gate taking with a minimum of
a.	All stadium facilities, parking area and lights	R2 744.95	R2 910.00	R3 046.77
b.	Cleaning fee	R4 314.62	R4 574.00	R4 788.98
c.	Deposit	R21 576.49	R22 871.00	R23 945.94
2.4.2	**Amateur Sports**			
a.	**Ball games (Rugby, hockey and amateur soccer)**			
	(Field not marked)			
	Matches			
	Deposit	R1 805.63	R1 914.00	R2 003.96
	Day match	R376.41	R399.00	R417.75
	Night match	R755.06	R800.00	R837.60
b.	**Athletics meetings**			
	Deposit	R1 941.58	R2 058.00	R2 154.73
	Morning : 07:00 - 12:00 (marking included)	R358.43	R380.00	R397.86
	Afternoon : 12:00 - 18:00 (marking included)	R377.53	R400.00	R418.80
	All day : 07:00 - 18:00 (marking included)	R724.72	R768.00	R804.10
	Evening : 18:00 - 23:00 Facilities and lights included (Marking of track extra)	R358.43	R380.00	R397.86
c.	**Events**			
	Occasions such as cultural festivals, meetings, church gatherings, military parades, drum majorettes etc.			
	Deposit	R7 227.00	R7 661.00	R8 021.07
	All day	R7 227.00	R7 661.00	R8 021.07
	Cleaning	R4 461.82	R4 730.00	R4 952.31
d.	**Athletics Practice**			
i.	Practice session of 3 hours or less 3 times per week allowed	R7.87 per athlete	R8.00 per athlete	R8.38 per athlete
ii.	**Group bookings**			
	All schools which fall within the Polokwane municipal area, per year ticket, upon presentation of a year ticket, entry will be allowed to the stadium for athletics practice purposes for the period between the 1st of July and 30th of June of the following year	R7.87 per athlete with a minimum of R1 025.85 per annum	R8.00 per athlete with a minimum of R1 087.00 per annum	R8.38 per athlete with a minimum of R1 138.09 per annum
iii.	**Season Ticket**			
	A person who is not a member of an athletic club, but who regularly practices at the stadium, can obtain a seasonal ticket which will be valid for the period between the 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.			
	Per seasonal ticket per person per year	R322.47 p.a	R342.00 p.a	R358.07 p.a
2.5	**NIRVANA SPORTS FACILITIES**			
a.	**Various Ball Games/Soccer field**			
	Renting of field for a match by schools / clubs without leasing contract with Municipality. Lights included	R182.02 not marked R361.80 marked	R193.00 not marked R384.00 marked	R202.07 not marked R402.05 marked
b.	**Cricket Field**			
i.	Cricket pitch per game	R298.88	R317.00	R331.90
ii.	Synthetic pitch per game	R153.93	R163.00	R170.66
iii.	Practice nets per net per 2 hours.	R75.28	R80.00	R83.76
iv.	Hire of clubhouse per occasion	R907.87	R962.00	R1 007.21
v.	Deposit	R1 511.24	R1 602.00	R1 677.29
c.	**Tennis courts**			
i.	Renting of court for a match by schools / clubs without leasing contract per court for 2 hours			

	Lights included	R182.02	R193.00	R202.07
ii.	Renting of court for practice by schools / clubs without leasing contract per court per occasion			
	Lights included	R101.12	R107.00	R112.03
iii.	Use of all-weather court surface for practice purposes per all-weather court per season for a maximum of 2 hours daily, 3 times per week, per club Individuals and Schools			
	Clubs	R802.25	R850.00	R889.95
	Lights included	R1 848.32	R1 959.00	R2 051.07
iv.	Per individual – non members (2 hours) 3 times a week			
	Lights included	R8.99	R10.00	R10.47
d.	**Action soccer (all weather court)**			
i.	Renting of soccer court for a match by schools / clubs without leasing contract per match			
	Lights included	R182.02	R193.00	R202.07
ii.	Renting of soccer court for practice purposes by schools / clubs without leasing contract per court for 2 hours. Lights included	R101.12	R107.00	R112.03
iii.	Use of all-weather court surface for practice purposes per all-weather surface per season for a maximum of 2 hours daily, 2 times a week, per club Schools			
	Clubs	R802.25	R850.00	R889.95
	Lights included	R2 170.80	R2 301.00	R2 409.15
iv.	Use of all-weather court surface (meetings) per court per occasion – schools and clubs			
	Lights included	R182.02	R193.00	R202.07
e.	**Basketball court**			
i.	Renting the basketball court for a match by Schools / clubs without leasing contract per court per match. Lights included	R182.02	R193.00	R202.07
ii.	Renting of the basketball court for practice purposes by Schools / clubs without leasing contract per court per match.			
	Lights included	R182.02	R193.00	R202.07
iii.	Use of all-weather court surface for practice purposes per all-weather court per season for a maximum of 2 hours daily, 3 times a week, per club			
	Schools	R802.25	R850.00	R889.95
	Clubs	R2 170.80	R2 301.00	R2 409.15
	Lights included			
iv.	Use of all-weather court surface (meetings) per court per occasion – schools and clubs			
	Lights included	R182.02	R193.00	R202.07
f.	**Squash court**			
	Practice per individual for 2 hours	R46.07	R49.00	R51.30
	Seasonal ticket per club	R3 461.81	R3 670.00	R3 842.49
	Practice 3 times per week for a maximum of 2 hours daily Per individual	R802.25	R850.00	R889.95
	Key Deposit			
2.6	**SESHEGO STADIUM**			
2.6.1	**Professional Sport**	15 % of the gate takings with a minimum of	15 % of the gate takings with a minimum of	15 % of the gate takings with a minimum of
	(e.g. PSL Soccer League) All stadium facilities, parking area and lights	R2 742.71	R2 907.00	R3 043.63
	Cleaning fee	R4 314.62	R4 574.00	R4 788.98
	Deposit	R21 576.49	R22 871.00	R23 945.94
2.6.2	**Amateur sports**			
	Ball games (Rugby, hockey and amateur soccer)			
	Practice – 2 hours (practice lights included) - Professional	R361.80	R384.00	R402.05
a.	**Matches**			
	Deposit	R1 805.63	R1 914.00	R2 003.96
	Day match (marking included)	R376.41 per match	R399.00 per match	R417.75 per match
	Night match (Marking of field not included)	R751.69 per match	R797.00 per match	R834.46 per match
b.	**Athletics meetings**			
	Deposit on athletics equipment	R1 805.63	R1 914.00	R2 003.96
	Morning 07:00 - 12:00 (marking included)	R376.41	R399.00	R417.75
	Afternoon 12:00 - 18:00 (marking included)	R376.41	R399.00	R417.75
	All day 07:00 – 18:00 (marking included)	R751.69	R797.00	R834.46

	Evening After 18:00 – 23:00 Facilities and lights included (Marking of track not included)	R180.90 per hour minimum of R360.68	R192.00 per hour minimum of R382.00	R201.02 per hour minimum of R399.95
c.	**Events**			
	Occasions such as cultural festivals, meetings, church gatherings, military parades, drum majorettes etc.			
	Deposit	R7 229.24	R7 663.00	R8 023.16
	All day	R7 229.24	R7 663.00	R8 023.16
	Cleaning	R4 314.62	R4 574.00	R4 788.98
d.	**Athletics Practice**			
i.	Practice session of 2 hours	R13.48 per athlete	R14.00 per athlete	R14.66 per athlete
ii.	Group bookings			
	All schools which fall within the Polokwane municipal area, per year ticket, upon presentation of a year ticket, entry will be allowed to the stadium for athletics practice purposes for the period between the 1st of July and 30th of June of the following	R11.24 per athlete with a minimum of R1 231.47 p.a	R12.00 per athlete with a minimum of R1 305.00 p.a	R12.56 per athlete with a minimum of R1 366.34 p.a
iii.	Season Ticket	R322.47	R342.00	R358.07
	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	R153.93 R per athlete with a minimum of R1 231.47 p.a.	R163.00 R per athlete with a minimum of R1 305.00 p.a.	R170.66 R per athlete with a minimum of R1 366.34 p.a.
2.7	**SESHEGO SPORT COMPLEX**	R322.47	R342.00	R358.07
a.	**Netball courts**			
i.	Rental of court for match by schools / clubs without leasing contract with the Municipality, per court per match Lights included	R153.93	R163.00	R170.66
ii.	Rental of the court for practice purposes by schools / clubs without leasing contract per court for 2 hours. Lights included	R75.28	R80.00	R83.76
iii.	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	R550.56	R584.00	R611.45
	Lights included	R2 170.80	R2 301.00	R2 409.15
iv.	Use of all-weather surface (meetings) per court per match – schools and clubs			
	Lights included	R153.93	R163.00	R170.66
b.	**Basketball court**			
i.	Rental of court for match by schools / clubs without leasing contract per court for 2 hours			
	Lights included	R153.93	R163.00	R170.66
ii.	Rental of the court for practice purposes by schools / clubs without leasing contract per court for 2 hours daily, Lights included	R75.28	R80.00	R83.76
iii.	Use of all-weather court surface for practice purposes per all-weather court per season for a maximum of 2 hours daily, 3 times a week; per club			
	Schools [lights included]	R550.56	R584.00	R611.45
	Clubs [lights included]	R2 170.80	R2 301.00	R2 409.15
iv.	Use of all-weather surface (meetings) per court per match. Lights included.	R153.93	R163.00	R170.66
	per court per occasion – schools and clubs			
	Lights included			
c.	**Volleyball courts**			
i.	Rental of court for matches by schools / clubs without leasing contract per court per match.			
	Lights included	R153.93	R163.00	R170.66
ii.	Rental of the court for practice by schools / clubs without leasing contract per court per court for 2 hours.			
	Lights included	R75.28	R80.00	R83.76
iii.	Use of all-weather court surface for practice purposes per all-weather surface per season for a maximum of 2 hours daily, 3 times a week (Lights included), per club	R550.56	R584.00	R611.45
	Schools Clubs	R2 170.80	R2 301.00	R2 409.15
iv.	Use of all-weather surface (meetings) per court per match – schools and clubs	R153.93	R163.00	R170.66
	Lights included			
d.	**B - Soccer field (grass) and Zone 6 soccer fields**			
i.	Rental of field for match by schools / clubs without leasing contract per field per match.	R153.93 not marked	R163.00 not marked	R170.66 not marked
	Lights included	R313.48 marked	R332.00 marked	R347.60 marked

ii.	Rental of the field for practice by schools / clubs without leasing contract per field for 2 hours.	R153.93	R163.00	R170.66
		not marked	not marked	not marked
		R307.87	R326.00	R341.32
	Lights included	marked	marked	marked
iii.	Use of grass surface for practice purposes per grass surface per season (unmarked), for a maximum of 2 hours daily, 2 times a week, per club Schools			
	Clubs	R550.56	R584.00	R611.45
	Lights included	R3 951.70	R4 189.00	R4 385.88
iv.	Use of grass surface (meetings) per field per occasion – schools and clubs Lights included	R153.93	R163.00	R170.66
		not marked	not marked	not marked
		R307.87	R326.00	R341.32
		marked	marked	marked
e.	**Softball court**			
i.	Rental of the field for matches by schools / clubs without leasing contract with the Municipality per court per match.	R153.93	R163.00	R170.66
		not marked	not marked	not marked
		R307.87	R326.00	R341.32
	Lights included	marked	marked	marked
ii.	Rental of the field for practice by schools / clubs without leasing contract per court per occasion			
	Lights included	R75.28	R80.00	R83.76
iii.	Use of grass surface for practice purposes per grass surface per:	R551.69	R585.00	R612.50
	season for a maximum of 2 hours daily, 3 times a week; per club Schools			
	Clubs	R3 614.62	R3 831.00	R4 011.06
	Lights included			
iv.	Use of all-weather surface (meetings) per court per court – schools and clubs	R165.17	R175.00	R183.23
		not marked	not marked	not marked
	Lights included	R338.20	R358.00	R374.83
		marked	marked	marked
f.	**Tennis courts**			
i.	Rental of court for matches by Schools / clubs without leasing contract per court per match.			
	Lights included	R153.93	R163.00	R170.66
ii.	Rental of the court for practice by Schools / clubs without leasing contract per court for 2 hours.			
	Lights included	R75.28	R80.00	R83.76
iii.	Use of all-weather court surface for practice purposes per all-weather court per season for a maximum of 2 hours daily, 3 times a week; per club Individuals and Schools			
	Clubs	R551.69	R585.00	R612.50
	Lights included	R2 170.80	R2 301.00	R2 409.15
iv.	Use of all-weather surface (meetings) per court			
	schools and clubs	R161.80	R172.00	R180.08
	Lights included			
v.	Per individual – non members (2 hours)			
	Lights included	R14.61	R15.00	R15.71
g.	**CRICKET PRACTICE NETS;**			
	Hire of practice nets per occasion	R61.80	R66.00	R69.10
h.	**OTHER;**			
	Clubhouse rental for sport meetings	R52.81	R56.00	R58.63
	Clubhouse rental for functions	R162.92	R173.00	R181.13
	Deposit	R514.61	R545.00	R570.62
2.8	**NGOAKO RAMATHLODI INDOOR CENTRE**			
a.	**SPORT EVENTS:**			
	Rental			
1	International sports event	R13 059.60	R13 843.00	R14 493.62
		per day	per day	per day
	Deposit	R13 059.60	R13 843.00	R14 493.62
		per booking	per booking	per booking
2	National sports event	R9 760.71	R10 346.00	R10 832.26
		per day	per day	per day
	Deposit	R9 760.71	R10 346.00	R10 832.26
		per booking	per booking	per booking
3	Provincial sports event	R6 514.63	R6 906.00	R7 230.58
		per day	per day	per day
	Deposit	R6 514.63	R6 906.00	R7 230.58
		per booking	per booking	per booking
4	Club sports event	R1 625.85	R1 723.00	R1 803.98
		per day	per day	per day

		Deposit	R1 625.85 per booking	R1 723.00 per booking	R1 803.98 per booking
b.		**Sport training**			
		Monday to Thursdays only maximum of 3 hours per week			
	1	**National sports code**	R1 025.85 morning (08:00 – 13:00)	R1 087.00 morning (08:00 – 13:00)	R1 138.09 morning (08:00 – 13:00)
			R1 087.64 afternoon (13:00 – 18:00)	R1 153.00 afternoon (13:00 – 18:00)	R1 207.19 afternoon (13:00 – 18:00)
			R975.28 evening (18:00 – 22:00)	R1 034.00 evening (18:00 – 22:00)	R1 082.60 evening (18:00 – 22:00)
		Deposit	R6 152.83 per booking	R6 522.00 per booking	R6 828.53 per booking
	2	**Provincial sports code**	R811.24 morning (08:00 – 13:00)	R860.00 morning (08:00 – 13:00)	R900.42 morning (08:00 – 13:00)
			R811.24 afternoon (13:00 – 18:00)	R860.00 afternoon (13:00 – 18:00)	R900.42 afternoon (13:00 – 18:00)
			R811.24 evening (18:00 – 22:00)	R860.00 evening (18:00 – 22:00)	R900.42 evening (18:00 – 22:00)
		Deposit	R1 533.71 per booking	R1 626.00 per booking	R1 702.42 per booking
	3	**Club level (all codes)**			
		Seasonal ticket	R3 613.50	R3 830.00	R4 010.01
		Deposit	R1 533.71 per booking	R1 626.00 per booking	R1 702.42 per booking
	4	**Schools (all codes)**	R268.54 morning	R285.00 morning	R298.40 morning
		Seasonal ticket	R268.54 afternoon (13:00 – 18:00)	R285.00 afternoon (13:00 – 18:00)	R298.40 afternoon (13:00 – 18:00)
		Deposit	R1 533.71 per booking	R1 626.00 per booking	R1 702.42 per booking
c.		**Church services, cultural events, schools, weddings, funerals and meetings etc**			
		Rental			
	1	The use of the Indoor sport centre by individuals, schools, sport clubs, NGO's and other cultural organisations, per day	R5 802.27 per day	R6 150.00 per day	R6 439.05 per day
		Deposit (1)	R5 777.55	R6 124.00	R6 411.83
	2	The use of the Indoor sport centre by Government Organisations and other organisations, per day	R9 212.40 per day	R9 765.00 per day	R10 223.96 per day
		Deposit (2)	R9 212.40	R9 765.00	R10 223.96
	3	The use of the Indoor sport centre by Business, per day	R13 021.40 per day	R13 803.00 per day	R14 451.74 per day
		Deposit (3)	R13 021.40	R13 803.00	R14 451.74
d.		**Exhibitions**			
		Rental			
	1	Week days (Monday to Thursday)	R13 021.40 per day	R13 803.00 per day	R14 451.74 per day
		Deposit	R13 021.40 per day	R13 803.00 per day	R14 451.74 per day
	2	Weekend (Friday, Saturday and Sunday)	R16 279.84 per day	R17 257.00 per day	R18 068.08 per day
		Deposit	R16 279.84 per day	R17 257.00 per day	R18 068.08 per day
e.		**Events where entrance fee is charged**			
		Rental			
		15% of the ticket sales with a minimum of	R9 212.40	R9 765.00	R4 381.69
		Deposit	R9 212.40	R9 765.00	R10 223.96
	2.9	**WESTENBURG SPORT FACILITES**			
a.		**Various ball games - Soccer field (Stadium)**			
i.		Renting of field for a match by Schools / clubs without leasing contract at Municipality per field per match.	R182.02 not marked	R193.00 not marked	R202.07 not marked
		Lights included	R361.80 marked	R384.00 marked	R402.05 marked
ii.		Renting of the field for practice by Schools / clubs without leasing contract at the Municipality per field for 2 hours.			
		Lights included	R182.02	R193.00	R202.07
iii.		Use of grass surface for practice purposes per grass surface per season – Lights included			
		schools	R802.25	R850.00	R889.95
		clubs	R3 614.62	R3 831.00	R4 011.06

iv.	Use of grass surface (meetings) per field per occasion – schools and clubs	R182.02 not marked R361.80 marked	R193.00 not marked R384.00 marked	R202.07 not marked R402.05 marked
v.	Practise – 2 hours (practice lights included) - Amateur	R182.02	R193.00	R202.07
vi.	Practise – 2 hours (practice lights included) – Semi -Professional	R238.20	R252.00	R263.84
b.	**Netball courts**			
i.	Renting of court for a match by schools / clubs without leasing contract with Municipality, per court per match. Lights included	R182.02	R193.00	R202.07
ii.	Renting of the court for practice by schools / clubs without leasing contract with Municipality, per court for 2 hours. Lights included	R101.12	R107.00	R112.03
iii.	Use of all-weather court surface for practice purposes per all-weather court per season for a maximum of 2 hours daily, 3 times a Schools Clubs Lights included	R802.25 R2 168.55	R850.00 R2 299.00	R889.95 R2 407.05
iv.	Use of all-weather surface (meetings) per court– schools and clubs Lights included	R182.02	R193.00	R202.07
v.	Per individual – non members Lights included 2 Hours	R13.48	R14.00	R14.66
c.	**Tennis courts**			
i.	Renting of court for a match by Schools / clubs without leasing contract with Municipality, per court per match. Lights included	R182.02	R193.00	R202.07
ii.	Renting of the court for practice by Schools / clubs without leasing contract with Municipality, per court for 32 hours. Lights included	R101.12	R107.00	R112.03
iii.	Use of all-weather court surface for practice purposes per all-weather court per season for a maximum of 2 hours daily, 3 times a week, per club Individuals and Schools Clubs Lights included	R802.25 R2 168.55	R850.00 R2 299.00	R889.95 R2 407.05
	Use of all-weather surface (meetings) per court per occasion – schools and clubs			

	Lights included	R182.02	R193.00	R202.07
	Per individual – non members (2 hours) Lights included	R13.48	R14.00	R14.66
2.10	**GA-MANAMELA SPORTING COMPLEX**			
a.	**Athletics meetings**			
	Day	R601.13	R637.00	R666.94
	Deposit	R601.13	R637.00	R666.94
	Cleaning	R601.13	R637.00	R666.94
b.	**Soccer / Other ball games**			
i.	Rental of field per match schools clubs	R121.35 not marked R231.46 marked	R129.00 not marked R245.00 marked	R135.06 not marked R256.52 marked
ii.	Rental of the field for practice by schools clubs	R125.84 not marked R243.82 marked	R133.00 not marked R258.00 marked	R139.25 not marked R270.13 marked
	contract per field per occasion	marked	marked	marked
iii.	Use of surface for practice purposes per per season (unmarked), for a maximum of 2 hours daily, 2 times a week, per club Schools Clubs	R1 452.81	R1 540.00	R1 612.38
c.	**Events**			
	Church services, cultural events, schools, weddings, funerals, and meetings etc			
i.	The use of the center by individuals, schools, sport clubs, NGO's and other cultural organizations, per day	R5 769.69 per day	R6 116.00 per day	R6 403.45 per day
ii.	Deposit (1)	R5 769.69	R6 116.00	R6 403.45
iii.	The use of the center by Government Organizations and other organizations, per day	R9 212.40 per day	R9 765.00 per day	R10 223.96 per day
iv.	Deposit (2)	R9 212.40	R9 765.00	R10 223.96
v.	The use of the centre by Business, per day	R13 022.52 per day	R13 804.00 per day	R14 452.79 per day
vi.	Deposit (3)	R13 022.52	R13 804.00	R14 452.79
d.	**Tennis courts**			
i.	Rental of court for matches by Schools / clubs without leasing contract per court per match.	R155.06	R164.00	R171.71
ii.	Rental of the court for practice by Schools / clubs without leasing contract per court for 2 hours.	R76.40	R81.00	R84.81
iii.	Use of all-weather court surface for practice purposes per all-weather court per season for a maximum of 2 hours daily, 3 times a Schools Clubs	R543.82 R2 295.51	R576.00 R2 433.00	R603.07 R2 547.35
iv.	Use of all-weather surface (meetings) per court per occasion – schools and clubs	R155.06	R164.00	R171.71
v.	Per individual – non members (2 hours)	R14.61	R15.00	R15.71
e.	**Netball courts**			
i.	Renting of court for a match by schools / clubs without leasing contract with Municipality, per court per match.	R155.06	R164.00	R171.71
ii.	Renting of the court for practice by schools / clubs without leasing contract with Municipality, per court for 2 hours.	R73.03	R77.00	R80.62
iii.	Use of all-weather court surface for practice purposes per all-weather court per season for a maximum of 2 hours daily, 3 times a week; per club Schools Clubs	R543.82 R2 170.80	R576.00 R2 301.00	R603.07 R2 409.15
iv.	Use of all-weather surface (meetings) per court per match – schools and clubs	R155.06	R164.00	R171.71
2.11	**SWIMMING POOLS**			
2.11.1	**Entrance Fees**			
a.	Non-residents and residents who do not have seasonal tickets, per person per swimming session	R20.22	R21.00	R21.99
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			
2.11.2	**Seasonal tickets**			
	The period of validity of the seasonal ticket is the period during which the swimming pool is open to the public as stipulated by the Council in Clause 2 (a) of the Council swimming pool regulations. (1 September – 30 April) Cost of ticket: Per person p.a.	R447.19	R474.00	R496.28
2.11.3	**Group Reservations**			
	All schools and pre-schools in Polokwane within the municipal boundaries of Polokwane, may buy a seasonal ticket, which would ensure entrance to the swimming pool during the period from the 1st of September to 30th of April of the following year.			
	Cost per year ticket - per institution	R20.22	R21.00	R21.99

		per child with a minimum of R2 632.59	per child with a minimum of R2 791.00	per child with a minimum of R2 922.18
2.11.4	**USE OF SWIMMING POOLS BY SPORTS CLUBS**			
a.	For practice purpose by an amateur swimming club per swimming season per lane per annum	R1 205.62	R1 278.00	R1 338.07
b.	Swimming instruction per instructor per lane per annum	R1 205.62	R1 278.00	R1 338.07
c.	Rental of the diving-pool by a diving-instructor for the purposes of presenting a diving-course, per diver, per day.	R30.34 per diver per day	R32.00 per diver per day	R33.50 per diver per day
d.	Rental of the swimming pool area for swimming galas by the Pietersburg Swimming Club and schools per gala	R758.43	R804.00	R841.79
e.	Parking Areas per day per occasion	R758.43	R804.00	R841.79

a. **TARIFFS FOR DEVELOPMENT CLINICS (AGE GROUP 6 – 18 YEARS)**

Ci	**FOR CLUBS WHO DO DEVELOPMENT**			
	All grass surfaces.			
	Surfaces such as: Soccer, rugby, softball, hockey, etc.			
	Per age group per year for 2 hours 2 times per week. For those who don't charge per age group-per year for 2 hours 2 times per week for those who charge fees	R938.21 pa	R994.00 pa	R1 040.72 pa
	Surface such as Netball, volleyball, korfball, ring tennis, tennis etc.	R1 316.86 pa	R1 396.00 pa	R1 461.61 pa
	All weather surfaces			
	Per age group per year 2 hours 3 times per week for those who don't charge fees	R539.33	R572.00	R598.88
	Per age group per year 2 hours 3 times per week for those who charges fees	R1 316.86 pa	R1 396.00 pa	R1 461.61 pa
	Per age group per year	R539.33 pa	R572.00 pa	R598.88 pa
	Swimming pools			
	Per age group per year	R388.77 per child pa	R412.00 per child pa	R431.36 per child pa
Cii	Clubs/individuals which charge for development	R389.25 per child pa	R413.00 per child pa	R432.41 per child pa
Ciii	**PRIVATE ORGANISATIONS / INDIVIDUALS**			
	Cricket Facilities			
	Cricket pitch per occasion	R300.00	R318.00	R332.95
	Synthetic cricket pitch per occasion	R155.06	R164.00	R171.71
	Cricket practice nets per net per occasion	R110.11	R117.00	R122.50
	Concrete cricket practice wicket per wicket per year	R1 510.12	R1 601.00	R1 676.25
	All Weather Surfaces			
	Surfaces such as: Netball, volleyball, korfball, ring tennis, tennis, etc. per occasion (games / practice)	R182.02	R193.00	R202.07
	Grass Surfaces			
	Surfaces such as: Soccer, rugby, softball, hockey, etc. Unmarked per occasion (game / practice) Marked per occasion (game / practice)	R182.02 R361.80	R193.00 R384.00	R202.07 R402.05
	Swimming Pools			
	For practice purposes per lane per occasions	R76.40	R81.00	R84.81
	HEALTH SERVICE TARIFFS			
1	Registration of Social development institutions	R152.81	R162.00	R169.61
2	Inspections for issuing of Certificate of Acceptability	R305.62	R324.00	R339.23

SHOWGROUND

1	**The leasing of the oval track to host an event including ticket offices, kitchen, kiosk, beer garden, two sets of toilets and commentary box per 24 hours.**			
	Category A = individuals schools, sport clubs, NGO's	R5 635.24 (VAT Included)	R5 973.00 (VAT Included)	R6 253.73 (VAT Included)
	And other cultural organisations			
	Category B = Government and other organisations	R8 758.59	R9 284.00	R9 720.35

		(VAT Included)	(VAT Included)	(VAT Included)
	Category C = Businesses	R11 880.90 (VAT Included)	R12 594.00 (VAT Included)	R13 185.92 (VAT Included)
	Deposit payable by Category A, B, C -users:	R7 893.87	R8 368.00	R8 761.30
	Key Deposit	R154.05	R163.00	R170.66
	Practice on oval track	R154.05 car for two hours	R163.00 car for two hours	R170.66 car for two hours
2	**The leasing of a hall to host an event including ticket offices, kiosk, beer garden, toilets (main block) per 24 hours per hall:**	R5 777.48 (VAT Included)	R6 124.00 (VAT Included)	R6 411.83 (VAT Included)
	Category A = individual's schools, sport clubs, NGO's And other cultural organisations	R5 481.49 (VAT Included)	R5 810.00 (VAT Included)	R6 083.07 (VAT Included)
	Category B = Government and other organisations	R5 507.73 (VAT Included)	R5 838.00 (VAT Included)	R6 112.39 (VAT Included)
	Category C = Businesses	R7 820.38 (VAT Included)	R8 290.00 (VAT Included)	R8 679.63 (VAT Included)
	Deposit payable by Category A, B C -users:	R3 193.43	R3 385.00	R3 544.10
3	**The leasing of the arena to host a musical festival, including ticket offices, kitchen, kiosk, beer garden, toilet facilities, commentary boxes per 24 hour:**			
	Category A = individuals schools, sport clubs, NGO's and other cultural organisations	15% of the gate taking with a minimum of R10 287.24 (VAT Included)	15% of the gate taking with a minimum of R10 904.00 (VAT Included)	15% of the gate taking with a minimum of R11 416.49 (VAT Included)
	Category B = Government and other organisations	15% of the gate taking with a minimum of R16 006.12 (VAT Included)	15% of the gate taking with a minimum of R16 966.00 (VAT Included)	15% of the gate taking with a minimum of R17 763.40 (VAT Included)
	Category C = Businesses	15% of the gate taking With a Minimum of R22 865.26 (VAT Included)	15% of the gate taking With a Minimum of R24 237.00 (VAT Included)	15% of the gate taking With a Minimum of R25 376.14 (VAT Included)
	Deposit payable by Category A, B C -users:	R16 006.12	R16 966.00	R17 763.40
	The use of 3 phase power per hour:			
	Category A = individual's schools, sport clubs, NGO's And other cultural organisations	R45.42 per hour (VAT Included)	R48.00 per hour (VAT Included)	R50.26 per hour (VAT Included)
	Category B = Government and other organisations	R64.46 per hour (VAT Included)	R68.00 per hour (VAT Included)	R71.20 per hour (VAT Included)
	Category C = Businesses	R109.91 per hour (VAT Included)	R117.00 per hour (VAT Included)	R122.50 per hour (VAT Included)
	Additional Fees			
	The following fees are payable if the Council has to clean the toilet facilities and surrounding area during an event mentioned in 1,2 or 3 per 24 hours:	Week days and Saturdays/ Sundays	Week days and Saturdays/ Sundays	Week days and Saturdays/ Sundays
	Category A = individual's schools, sport clubs, NGO's And other cultural organisations	R1 087.49 Week days R1 349.74 Saturdays/Sundays (VAT Included)	R1 153.00 Week days R1 431.00 Saturdays/Sundays (VAT Included)	R1 207.19 Week days R1 498.26 Saturdays/Sundays (VAT Included)
	Category B = Government and other organisations	R1 601.91 Week days R1 974.17 Saturdays/Sundays (VAT Included)	R1 698.00 Week days R2 093.00 Saturdays/Sundays (VAT Included)	R1 777.81 Week days R2 191.37 Saturdays/Sundays (VAT Included)
	Category C = Businesses	R2 154.85 Week days R2 808.37 Saturdays/ Sundays (VAT Included	R2 284.00 Week days R2 977.00 Saturdays/ Sundays (VAT Included	R2 391.35 Week days R3 116.92 Saturdays/ Sundays (VAT Included
4	**The lease of all the facilities at the showground to host the**			

	annual show.			
	Category C = Businesses	R155 786.11 (VAT Included)	R165 133.00 (VAT Included)	R172 894.25 (VAT Included)
	Deposit halls	R47 097.99	R49 924.00	R52 270.43
	Deposit water consumption	R30 794.31	R32 642.00	R34 176.17
	Deposit electricity consumption	R72 457.77	R76 805.00	R80 414.84
	During the duration of the show, the organiser will be responsible for the following:			
	Cleaning of the site, halls, toilets, and stables. All the rubbish to be put in the skip containers provided by the Council.			
	Toilet paper and cleaning material for toilets, as well as refuse bags to collect rubbish.			
	Own security.			
	Key Deposit			

OCCASIONAL LEASING OF FACILITIES

1	**Flea markets**			
	Sport facilities.			
	The following conditions will be applicable:			
	Time duration, 07:00 – 22:00;			
	Area of 500 square metres to be leased;			
	Should the area not have toilet facilities the organiser must make provision for toilets, electricity and water;			
	The organisers is responsible for the			
	removal of refuse from the area;			
	Lease tariff per day;	R1 601.92	R1 698.00	R1 777.81
	Deposit per occasion.	R1 811.51	R1 920.00	R2 010.24
2	**Art markets**			
	Sport facilities situated in Nirvana, Westenburg and Seshego;			
	The following conditions will be applicable:			
	No foodstuffs / vegetables may be sold here;			
	Maximum duration, 5 days;			
	Exhibitors must provide their own toilet facilities if not available;			
	Area of 50 square meters to be leased;			
	Rental tariff, per day.	R90.85	R96.00	R100.51
3	**Circus or amusement park area**			
a.	For the first two days - per day or part thereof	R1 601.92	R1 698.00	R1 777.81
b.	Thereafter - per day or part of a day	R801.59	R850.00	R889.95
	General			
	Should electricity be required Deposit	R1 458.30	R1 546.00	R1 618.66
	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	R26.08	R28.00	R29.32
	Per adult in the vehicle	R19.56	R21.00	R21.99
	Per person under the age of 18 years in the vehicle	R15.64	R17.00	R17.80
	School bus entrances – per bus	R97.82	R104.00	R108.89
	For conferences, meetings, parties and church ceremonies	Deposit of R2 347.92 plus R810.61 fee per day	Deposit of R2 489.00 plus R859.00 fee per day	Deposit of R2 605.98 plus R899.37 fee per day
	For open-air festivals and other income – generating activities	Deposit of R2 608.80 plus R913.07 fee per day	Deposit of R2 765.00 plus R968.00 fee per day	Deposit of R2 894.96 plus R1 013.50 fee per day
	Market stalls sites – and area of 50 square meters to be leased	R105.19 per day	R112.00 per day	R117.26 per day

Usage of Halls.

	For conferences, meetings, parties and church ceremonies	Deposit of R1 956.52	Deposit of R2 074.00	Deposit of R2 171.48

		plus R652.19 fee per day	plus R691.00 fee per day	plus R723.48 fee per day
	For in-house/under-roof festivals and other income – generating activities	Deposit of R2 347.92 plus R847.86 fee per day	Deposit of R2 489.00 plus R899.00 fee per day	Deposit of R2 605.98 plus R941.25 fee per day

TARRIFS PAYABLE I.R.O NEW PETER MOKABA STADIUM COMMUNITY DEVELOPMENT FACILITY COMMERCIALISATION

		Approved tariff from 1/07/2024	Approved tariff from 1/07/2025	Proposed tariff from 1/07/2026
	Basement			
1	Players Lounge (Theatre style 60)	R7 395.56	R7 839.00	R8 207.43
	Bar with Equipment	R3 287.40	R3 485.00	R3 648.80
2	TV Studios (Tables and Chairs 80)	R3 287.44	R3 485.00	R3 648.80
3	Mixed Zone (Theatre style 300 – tables and Chairs)	R10 271.12	R10 887.00	R11 398.69
	Ground Floor			
1	Press Theatre (148 Seated)	R10 271.12	R10 887.00	R11 398.69
2	Press Working Room (50 seated)	R5 135.55	R5 444.00	R5 699.87
	First Floor			
1	Executive Lounge North (500 Theatre)	R13 179.59	R13 970.00	R14 626.59
2	Executive Lounge South (500 Theatre)	R13 970.37	R14 809.00	R15 505.02
3	Kitchen	R4 166.67	R4 417.00	R4 624.60
	Cold Storage room	R2 054.81	R2 178.00	R2 280.37
1	Suites Western side (1-12) 22 seated	R4 108.15	R4 355.00	R4 559.69
2	Suites Eastern side (1-14) 22 seated	R4 108.15	R4 355.00	R4 559.69
3	VVIP Suite West (no. 13) 48 seated	R8 217.63	R8 711.00	R9 120.42
	Furniture			
1	Tables	R52.72 per table	R56.00 per table	R58.63 per table
2	Chairs	R52.75 per chair	R56.00 per chair	R58.63 per chair
	Office Rentals			
1	Blue Bulls Rugby	R19 926.69	R21 122.00	R22 114.73
2	Limpopo Cricket	R11 955.14	R12 672.00	R13 267.58
3	Black Leopards FC	N/A	N/A	N/A
	Tours/ Educational visits			
1	Adults	R33.71 per adult	R36.00 per adult	R37.69 per adult
2	Children under the age of 15 years	R16.85 per child	R18.00 per child	R18.85 per child
	Usage of Parking Areas			
1	Exhibitions	R4 108.14 per day	R4 355.00 per day	R4 559.69 per day
2	Fun Parks	R4 108.14 per day	R4 355.00 per day	R4 559.69 per day
3	Competitions (Excl drag racing and spinning)	R4 108.14 per day	R4 355.00 per day	R4 559.69 per day
	Others			
1	Pitch	R103 513.08 per day	R109 724.00 per day	R114 881.03 per day
2	Pitch Cover (Excl transport and Installation)	R70.34	R75.00	R78.53

		per m² per day	per m² per day	per m² per day
3	Speed Fence (Excl transport and Installation)	R101.10 per section per day	R107.00 per section per day	R112.03 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: 2026/2027

The determined tariffs are as follows:

1. CEMETERIES						
1.1 DAHL STREET CEMETERY	**Approved tariff 1/07/2024**		**Approved tariff 1/07/2025**		**Proposed tariff 1/07/2026**	
	Resident	**Non - resident**	**Resident**	**Non - resident**	**Resident**	**Non - resident**
a) Purchase of a grave for immediate use for such cases as mentioned in Clause 19 (1) (a), (b) and (c): Adult grave Child grave	No more applicable in this cemetery	No more applicable in this cemetery	No more applicable in this cemetery	No more applicable in this cemetery	No more applicable in this cemetery	No more applicable in this cemetery
b) Opening of graves						
Adult grave	R1 018.59	R1 119.68	R1 079.70	R1 186.86	R1 242.64	R1 301.05
Child grave	R690.28	R759.16	R731.70	R804.71	R842.53	R882.13
Cremated ashes burial	R238.87	R262.34	R253.20	R278.08	R291.15	R304.83
c) For enlarging a grave						
Per 0,25 sqm or part thereof	R526.14	R1 049.36	R557.71	R1 112.33	R583.92	R1 164.60
d) Wall of remembrance						
For the approval of affixing a plate to a niche on the wall of remembrance	R194.90	R213.96	R206.59	R226.79	R216.30	R237.45
e) Tombstone approvals						
Single tombstone approval	R194.90	R206.66	R206.59	R219.06	R216.30	R229.36
Double tombstone approval	R381.04	R401.61	R403.90	R425.70	R422.88	R445.71
1.2 POLOKWANE, SESHEGO, MANKWENG, SEBAYENG CEMETERIES	**Resident**	**Non-resident**	**Resident**	**Non-resident**	**Resident**	**Non-resident**
Purchase of a grave for immediate use in cases such as mentioned in Clause 19 (1), (a), (b) and (c) of the Pietersburg Municipality: Cemetery By-Laws						
Adult grave	518.833536	R987.80	549.9635482	R1 047.07	R575.81	R1 096.28
Child grave	R325.34	R615.53	R344.86	R652.46	R361.07	R683.13
Cremated ashes burial	R246.20	R490.96	R260.98	R520.41	R273.24	R544.87
b) Opening of graves						
Adult	R680.67	R1 461.21	R721.51	R1 548.88	R755.42	R1 621.68
Child grave	R554.52	R1 108.00	R587.79	R1 174.48	R615.42	R1 229.69
c) For enlarging a grave:						
Per 0,25 sq.m or part thereof	R493.89	R779.69	R523.52	R826.47	R548.13	R865.31
d) Tombstone approvals						
Single tombstone approval	R155.34	R305.28	R164.66	R323.60	R172.40	R338.81
Double tombstone approval	R300.42	R597.95	R318.44	R633.82	R333.41	R663.61
1.3 CHURCH STREET SOUTH CEMETERY						
a) Purchase of a grave for immediate use in cases such as mentioned in Clause 19 (1), (a), (b) and (c)						
Adult grave	R719.60	R1 436.29	R762.77	R1 522.46	R798.62	R1 594.02
Child grave	R501.78	R1 006.87	R531.88	R1 067.28	R556.88	R1 117.44
Cremated ashes burial	R243.60	R492.42	R258.21	R521.96	R270.35	R546.50
b) Opening of graves						
Adult grave	R650.72	R1 977.10	R689.77	R2 095.72	R722.18	R2 194.22
Child grave	R690.28	R1 377.67	R731.70	R1 460.33	R766.09	R1 528.96
c) For enlarging a grave:						
Per 0,25 sq.m or part thereof	R512.95	R1 025.93	R543.72	R1 087.48	R569.28	R1 138.59
d) Tombstone approvals						

Single tombstone approval	R206.63	R246.20	R219.03	R260.98	R229.32	R273.24
Double tombstone approval	R410.35	R490.96	R434.97	R520.41	R455.41	R544.87
1.4 EXHUMATION						
	Resident	**Non resident**	**Resident**	**Non resident**	**Resident**	**Non resident**
a) Exhumation (Council Cemeteries)	R591.01	R946.07	R626.47	R1 002.84	R655.92	R1 049.97

2. TOWN LANDS	**Approved tariff from 1/07/2024**	**A*pproved tariff from 1/07/2025**	**Proposed tariff from 1/07/2026**
2.1 GRAZING			
Tariff structure based on carrying capacity of camp and relevant lease agreement. – Per large stock unit per month. Or as per recommendations of the property valuer and approved by Council.	R120.16	R127.37	R133.35
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.
2.2 GRASS			
Grass, per bundles with a diameter of 15cm per bundle	R17.56	R18.62	R19.49
2.2.1 WOOD SALES a) Per 8kg bundle b) Per bakkie load **NO WOOD TO BE REMOVED FROM THE GAME RESERVE.**			
2.3 RENTAL OF LAND ON AN OCCASIONAL BASIS (Circus and amusement park)			
For the occasional rental of land on which to pitch tents, erect structures and/or park vehicles on the natural land surface and for which no foundations or permanent hard floors are erected. Per day or part of a day 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	R967.30	R1 025.33	R1 073.52
Deposit	R1 612.17	R1 708.91	R1 789.22
2.3.1 General Should electricity be required -Contact Electrical Department at Municipal Offices, Burger Centre, Landdros Mare Street. Consumption is paid at the stipulated tariffs. Provision of services i.e. mowing lawns, water supply and rubbish removal are included in the tariffs, named in 2.3			
3. NURSERY – DECORATIONS			
3.1 Decoration consisting of 5 large, 25 medium and 300 small plants	R6 206.91	R6 579.33	R6 888.56
The provision of a fountain extra at 3.1	R564.24	R598.09	R626.20
Deposit	R2 095.83	R2 221.58	R2 325.99
3.2 For the provision of decoration at the stadium during athletics meetings, and other related sports activities.	R2 418.26	R2 563.35	R2 683.83
3.3 The provision of 15 plant containers	R1 612.17	R1 708.91	R1 789.22
3.4 Provision of plants individually			
a) Small (per plant)	R55.66	R59.00	R61.78
b) Medium (per plant)	R96.71	R102.51	R107.33
c) Large (per plant)	R241.81	R256.32	R268.37
Deposit	R1 612.17	R1 708.91	R1 789.22
3.5 Decorations remaining longer than one day – per day extra	R483.63	R512.65	R536.74
3.5 General Plant decorations should be booked ***14 days*** in advance and full payment must be received ***5 days*** in advance.			
3.6 Removal of trees on sidewalks Removal per tree	R6 448.74	R6 835.67	R7 156.95
4. PARKS			
4.1 AREAS FOR *AD HOC* CHURCH SERVICES *AND OPEN-AIR FUNCTIONS* MacDonald street Park (Park 6149 Flora Park) River area to the West of Dahl street cemetery			
Westenburg Park			

RDP Area - Westenburg Nirvana Park Zone 1, 2, 3, 4, 5, 7 and Zone 8 Parks, Seshego Penina Park			
Annadale Park Mankweng Park			
Sebayeng Park The following conditions will be applicable: a) Maximum of 5 days permitted.			
b) Maximum surface of 500 square metres. c) No group may use an area / park more than one time per six months for a church service.			
d) Only church services for church rgroups, 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 mustalso clean the area.			
g) The activities are limited to an 85-decibel sound level. **Tariff per day** **Deposit per occasion**	 R504.98 R2 597.41	 R535.28 R2 753.26	 R560.44 R2 882.66
4.2 AREAS FOR FLEA MARKETS			
Park situated in Marshall Street (Flora Park Dam	R138.25 per 50m²per day	R146.54 per 50m²per day	R153.43 per 50m²per day
City Plaza	R138.25 per 50m²per day	R146.54 per 50m²per day	R153.43 per 50m²per day
Kobie van Zyl Park	R138.25 per 50m²per day	R146.54 per 50m²per day	R153.43 per 50m²per day
Sterpark Park	R138.25 per 50m²per day	R146.54 per 50m²per day	R153.43 per 50m²per day
Welgelegen Park	R138.25 per 50m²per day	R146.54 per 50m²per day	R153.43 per 50m²per day
Savannah Park	R138.25 per 50m²per day	R146.54 per 50m²per day	R153.43 per 50m²per day
Grimm Street Park	R138.25 per 50m²per day	R146.54 per 50m²per day	R153.43 per 50m²per day
Tzaneen Park	R138.25 per 50m²per day	R146.54 per 50m²per day	R153.43 per 50m²per day
Penina Park	R138.25 per 50m²per day	R146.54 per 50m²per day	R153.43 per 50m²per day
Annadale Park	R138.25 per 50m²per day	R146.54 per 50m²per day	R153.43 per 50m²per day
Nirvana Park	R138.25 per 50m²per day	R146.54 per 50m²per day	R153.43 per 50m²per day
Westenburg Park	R138.25 per 50m²per day	R146.54 per 50m²per day	R153.43 per 50m²per day
Zone 1, 2, 3, 4, 5, 7 and Zone 8 Parks, Seshego	R138.25 per 50m²per day	R146.54 per 50m²per day	R153.43 per 50m²per day
The following conditions will be applicable: a) Time duration, 07:00 – 22:00; b) Area of 500 square metres to be leased; c) Should the area not have toilet facilities the organiser must make provision for toilets, electricity and water; d) The organisers is responsible for the removal of refuse from the area; **Tariff per day**	R1 835.50	R1 945.63	R2 037.08
Deposit per occasion	R1 529.58	R1 621.35	R1 697.56
The following conditions will be applicable: i) No foodstuffs / vegetables may be sold here; ii) Maximum duration, 5 days; iii) Exhibitions must provide their own toilet facilities if not available; iv) Area of 50 square meters to be leased; v) Rental tariff per day			
4.4 STALLS AT PUBLIC MUNICIPAL FUNCTIONS Per stall per day	R209.55	R222.12	R232.56

4.5. GAME RESERVE / CARAVAN PARK			
ENTRANCE			
Per vehicle	R55.66	R59.00	R61.78
Per Adult in vehicle	R36.63	R38.83	R40.65
Per person under the age of 18 in vehicle	R31.65	R33.55	R35.13
Per Pensioner in vehicle	R30.75	R32.60	R34.13
Bush braai by qualified Tour operator for 6 people.	R308.80	R327.33	R342.71
Entrance permit	R295.79	R313.53	R328.27
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.	R885.52	R938.65	R982.77
Persons entering the area on foot. Minimum 2 and maximum 20 per group			
Adults	R36.63	R38.83	R40.65
Children under the age of 18	R29.29	R31.05	R32.51
Entering the game reserve by horse Per person with a maximum of 4 persons	R52.74	R55.91	R58.53
Entering the game reserve by bicycle Per adult with a maximum of 2 persons	R52.74	R55.91	R58.53
Per adult with a minimum of 2 persons	R37.12	R39.35	R41.20
Per person under the age of 18 years	R63.00	R66.78	R69.92
School bus trips Per school bus / visit	R295.51	R313.24	R327.96
Season ticket game reserve: Season ticket to NPO's, NGO's and Educational institutions within the Polokwane Municipal boundaries may purchase a season ticket to gain access to the game reserve valid for 12 months from the 1st day of July to the 30th 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 549.45	R3 762.42	R3 939.25
5. ACCOMMODATION			
5.2 CARAVAN PARK			
5.2.1 Caravans Caravan stands per night (12m x 12m in size)	R325.04	R344.54	R360.73
5.2.2 Usage of caravan park by members of the Caravan Club of Southern Africa and Pensioners (Caravan or tent campsites) a) For a CSA member, when presenting his / b) her membership card when reserving c) a campsite, per night.	R257.92	R273.40	R286.25
b) Group reservations arranged by CSA, per caravan site, per night	R233.01	R246.99	R258.60
c) Pensioners, presenting their pension card when making a reservation, per caravan site, per night	R225.68	R239.22	R250.46
5.3 TENT CAMPING SITES Tent camping site per site per night (12m x 12m in size) Only 6 persons per tent is allowed	R325.04	R344.54	R360.73
5.4 RONDAVELS a) Per 2 bed rondavel per 24 hour period or part thereof	R720.38	R763.61	R799.50
b) Per 4 bed rondavel per 24 hour period or part thereof	R822.19	R871.53	R912.49
c) Per 6 bed rondavel per 24 hour or part thereof	R1 232.57	R1 306.52	R1 367.93
d) Cahlet visitors entrance fee per person	R35.49	R37.62	R39.39
e) Reservation and breakage deposit per rondavel	R507.08	R537.51	R562.77
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	R507.08	R537.51	R562.77
f) Hiring of mattress Per mattress per night	R104.03	R110.28	R115.46
g) One 2-bed rondavel for emergency accommodation for Council employees only, per month. **(maximum 2 persons for maximum of 30 days)**	R5 569.38	R5 903.54	R6 181.01
5.5 WASHING AND DRYING EQUIPMENT			
Use of washing machine, per cycle	R64.45	R68.32	R71.53
Use of tumble dryer, per cycle	R64.45	R68.32	R71.53

5.6 KUDU HOUSE			
Can accommodate 20 people	R1 025.93	R1 087.48	R1 138.59
Reservation and breakage deposit			
Per 24 hour or part thereof:			
maximum of 6 persons	R1 538.80	R1 631.13	R1 707.80
thereafter per person per night	R188.75	R200.08	R209.48
5.7 DRIES ABRAHAMSE LAPA (09:00 - 24:00)			
Can accommodate 100 people			
Reservation and breakage deposit	R3 143.75	R3 332.38	R3 489.00
Lease tariff per day	R1 370.34	R1 452.56	R1 520.83
Vehicle inclusive and Fire wood exclusive			
5.8 LEASING OF COLD STORAGE FACILITIES			
Per carcass per day	R146.54	R155.33	R162.63
5.9 NIGHT DRIVES			
a) Per person over the age of 18	R241.81	R256.32	R268.37
b) Per person under the age of 18 accompanied by parents or legal guardian	R104.03	R110.28	R115.46
c) Presentation of nature lectures for private groups	R523.11	R554.50	R580.56
d) Hiring of Game-viewing truck for 3 hours for 20 people	R1 209.13	R1 281.68	R1 341.91
e) Hiring of game viewing truck for 2 hours for a couple	R591.58	R627.07	R656.54
f) Presentation of one-day nature courses per person Per person	R359.06	R380.60	R398.49
6. BIRD SANCTUARY			
6.1 ENTRANCE Only vehicles occupied by the aged and disabled persons may be permitted entrance:			
a) per vehicle	R52.97	R56.14	R58.78
b)Persons entering the facility per foot; per audult	R36.63	R38.83	R40.65
c)Per child under the age of 18 years	R29.40	R31.17	R32.63
d)School bus trips – per school bus visit	R295.79	R313.53	R328.27
6.2 Season ticket to NPO's, NGO's and Educational Institutions withing the Polokwane Municipal boundaries, may prurchase a season ticket, to gain access to the bird sanctuary valid for 12 months from the 1st of July to 30th June the following year. This allows for 10 registred memeberd=s free access without paying per individual or vehicle entrance fees. Cost of a season ticket per 10 members	R3 549.45	R3 762.42	R3 939.25
Months from the st of July to			
LEASING OF THE LAPAS			
6.3 BARN OWL LAPA (NONNETJIES-UIL LAPA) **(07:00 - 19:00)**			
Can accommodate 50 persons			
Deposit	R1 047.91	R1 110.79	R1 163.00
Lease tariff per day	R619.85	R657.04	R687.92
6.4 FISH EAGLE LAPA (VISAREND LAPA) **(09:00 - 24:00)** Can accommodate 150 persons			

Deposit	R3 079.26	R3 264.02	R3 417.42
Lease tariff per day	R1 531.56	R1 623.45	R1 699.75
6.5 GENERAL			
a) Selling of game/ trophy and carcass	R65.94 per kg	R69.90 per kg	R73.19 per kg
b) Lease of tractor-drawn scraper (own transport and excluding the tractor)	R580.35 per day	R615.17 per day	R644.08 per day

ANIMAL POUND TARIFFS

These tariffs are prescribed in terms of Section 3(a) of Limpopo Pounds Act of 2002.

	ENVIRONMENTAL EDUCATIONAL CENTRE LAPA (EEC LAPA)			
	(09:00 - 24:00)			
	Can accommodate 30 persons			
	Deposit	R1 284.27	R1 361.33	R1 425.31
	Lease tariff per day	R583.75	R618.78	R647.86

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: 2026/2027

FIRE SERVICES

Tariffs for Courses

	1.Course	Approved tariff from 1/07/2024	Approved tariff from 1/07/2025	Proposed tariff from 1/07/2026
	Fire Fighter 1	R10 272.58	R10 888.94	R11 400.72
	Fire Fighter 2	R5 135.55	R5 443.68	R5 699.53
	Hazmat Awareness	R1 109.48	R1 176.04	R1 231.32
	Hazmat Operations	R1 737.07	R1 841.30	R1 927.84
	Dangerous goods transportation	R1 109.48	R1 176.04	R1 231.32
	First Aid level 1	R1 423.12	R1 508.51	R1 579.40
	First Aid level 2	R1 423.12	R1 508.51	R1 579.40
	First Aid level 3	R1 739.69	R1 844.07	R1 930.75
	Extinguisher course	R485.11	R514.22	R538.39
	Elementary course	R1 423.12	R1 508.51	R1 579.40
	Fire Service Instructor 1	R5 869.81	R6 222.00	R6 514.43
	Vehicle Extrication	R3 913.21	R4 148.00	R4 342.96
	Breathing Apparatus Operator	R1 043.51	R1 106.12	R1 158.11
	High Angle Rope Rescue	R3 913.18	R4 147.98	R4 342.93
	Confined Space Rescue	R3 913.21	R4 148.00	R4 342.96
	Structural Collapse 1& 2	R14 232.12	R15 086.05	R15 795.10
	Swift Water Rescue	R7 054.19	R7 477.44	R7 828.88
	Trench Rescue 1& 2	R8 415.52	R8 920.45	R9 339.71
	Fire Officer 1	R4 084.01	R4 329.05	R4 532.51
	Driver/Pump Operator	R5 569.09	R5 903.24	R6 180.69
	Driver/ Aerial Operator	R5 569.09	R5 903.24	R6 180.69
	Hazmat Technician	R10 519.39	R11 150.55	R11 674.63
	Fire Instructor 2	R5 931.69	R6 287.59	R6 583.10
	Accommodation			

Tariffs for Delivery of Fire, Rescue and Special Services Rendered

	Service			
2	**Call out fees:**			
	Hydraulic Platform	R486.59	R515.78	R540.02
	Heavy Duty Pump	R318.03	R337.12	R352.96
	Medium Duty Pump	R260.88	R276.53	R289.53
	Light Duty Pump	R203.72	R215.94	R226.09
	Rescue Tender	R269.66	R285.84	R299.28
	Water Tender	R227.17	R240.80	R252.12
	Service Vehicle	R247.69	R262.55	R274.89
	Mobile Control Unit	R318.03	R337.12	R352.96
3	**Service fees per hour or part thereof:**			
	Hydraulic Platform	R318.03	R337.12	R352.96
	Heavy Duty Pump	R247.69	R262.55	R274.89
	Medium Duty Pump	R190.52	R201.95	R211.44
	Light Duty Pump	R156.81	R166.22	R174.03
	Rescue Tender	R191.98	R203.50	R213.06
	Water Tender	R227.17	R240.80	R252.12

	Service Vehicle	R101.11	R107.18	R112.22
	Mobile Control Unit	R296.05	R313.81	R328.56
	Officer	R353.20	R374.40	R391.99
	Fire Fighter	R177.34	R187.98	R196.81
4	**Travelling**			
	Within Municipal boundaries	R14.65	R15.53	R16.26
	Outside Municipal boundaries	R21.96	R23.27	R24.37

	DESCRIPTION OF SERVICE **FLAMMABLE SUBSTANCES AND DANGEROUS GOODS-** **ANNUAL REGISTRATION**			
	5. Tariffs for Flammable Liquid Registrations	**Approved tariff from 1/07/2024**	**Approved tariff from 1/07/2025**	**Proposed tariff from 1/07/2026**
	5.1. Group 1			
	Explosives	R354.95	R376.24	R393.93
	6. Group II Gases			
	6.1. Bulk Liquefied Petroleum Gas (Class 0)	R1 150.48	R1 219.51	R1 276.82
	0-50 Kiloliter	R725.22	R768.73	R804.86
	51- 100 Kiloliter	R972.72	R1 031.09	R1 079.55
	101-150 Kiloliter	R1 220.24	R1 293.46	R1 354.25
	151-and above	R1 467.76	R1 555.82	R1 628.95
	Other flammable gases exceed 50 kg	R354.95	R376.24	R393.93
	Non-Flammable gases exceed 333 kg	R354.95	R376.24	R393.93
	Toxic gases	R354.95	R376.24	R393.93
	The storage, handling, and use			
	6.2. Liquefied Petroleum Gas (Class 0)			
	42 - 1000 Liters	R374.41	R396.87	R415.52
	1 001 - 2 500	R467.52	R495.57	R518.86
	2 501 - 25 000	R492.44	R521.99	R546.52
	25 001 and above	R718.15	R761.24	R797.02
	7. Group III			
	7.1. Bulk flammable liquids storage	R1 099.88	R1 165.87	R1 220.67
	200-800 Kiloliter	R693.33	R734.93	R769.47
	801-1400 Kiloliter	R929.96	R985.76	R1 032.09
	1401-2400 Kiloliter	R1 166.59	R1 236.58	R1 294.70
	2401- and above	R1 403.22	R1 487.41	R1 557.32
	The storage, handling and use			
	7.2. Flammable Liquids (Class 1, 2 and 3)			
	40 - 1000 Liters	R357.95	R379.42	R397.25
	1 001 - 2 500	R446.97	R473.79	R496.05
	2 501 - 25 000	R470.79	R499.04	R522.49
	25 001 and above	R686.58	R727.77	R761.98
	8. Group VI Flammable Solids			
	Flammable Solid	R354.95	R376.24	R393.93
	Pyrophoric substances	R354.95	R376.24	R393.93
	Water-reactive substance	R354.95	R376.24	R393.93
	9. Group V Oxidizing and organic peroxides	R354.95	R376.24	R393.93
	Oxidizing agents	R354.95	R376.24	R393.93
	Group I organic exceed 200 kg	R354.95	R376.24	R393.93
	Group II organic exceed 200 kg	R354.95	R376.24	R393.93
	10. Group VI Toxic /Infective substances	R354.95	R376.24	R393.93
	Group I toxic substances in packets exceed 5kg	R354.95	R376.24	R393.93
	Group II toxic substances in packets exceed 50kg	R354.95	R376.24	R393.93
	Group III toxic substances in packets exceed 500kg	R354.95	R376.24	R393.93
	11. Group VII Radioactive materials			
	12. Group V||| Corrosive / Caustic Substances			
	Group I acids in packets exceed 50 kg	R354.95	R376.24	R393.93
	Group II acids in packets exceed 200 kg	R354.95	R376.24	R393.93
	Group III acids in packets exceed 1000 kg	R354.95	R376.24	R393.93
	Group I alkaline substances in packets exceed 50 kg	R354.95	R376.24	R393.93
	Group II alkaline substances in packets exceed 200 kg	R354.95	R376.24	R393.93
	Group III alkaline substances in packets exceed 1000 kg	R354.95	R376.24	R393.93
	13. Group IX Miscellaneous substances			
	Liquids exceed 210 liters	R354.95	R376.24	R393.93
	Solids exceed 210 kg	R354.95	R376.24	R393.93
	14. Spray Booth / Rooms registrations			
	a. For each subsequent Spray Booth / Spray room at an additional cost	R118.32	R125.41	R131.31
	15. Restoration of lapsed registration certificate-fee for each year that registration certificate was not renewed, plus current	R354.95	R376.24	R393.93

	registration fees.			
	16. Temporary storage certificate of registration for flammable liquids or Gases	R354.95	R376.24	R393.93
	Restoration of lapsed temporary registration certificate-fee for each period that registration certificate was not renewed, plus current registration fees.	R177.47	R188.12	R196.96
	Annexure VII of the By-Law			
	Exemptions for Certificate of Registration			
	17. Inspection of Vehicle and issuing of transport Permits (Dangerous Goods)			
	a. Flammable Liquids and Gasses			
	0-1500 liters	R591.58	R627.07	R656.54
	1501-3499 liters	R709.89	R752.48	R787.85
	3500-9999 liters	R828.21	R877.90	R919.16
	10000- liters and above	R946.52	R1 003.31	R1 050.47
	b. Hazardous Substances			
	0-1000 kilogram	R591.58	R627.07	R656.54
	1001-3500 kilogram	R709.89	R752.48	R787.85
	3501-10000 kilogram	R828.21	R877.90	R919.16
	10001 and above	R946.52	R1 003.31	R1 050.47
	Restoration of lapsed transport permit-fee for each year that transport permit were not renewed, plus current fees.	R354.95	R376.24	R393.93
	18. Annexure VI of the By-Law			
	Exemptions for transporting Permit			
	19. Charges for inspection (rate per hour or part thereof)			
	19.1. General routine Fire Safety inspection requested.	R295.79	R313.53	R328.27
	19.2. Certificate of compliance for all public Buildings A-type occupancy for a period of not exceeding one (1) calendar year.	R354.95	R376.24	R393.93
	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.	R354.95	R376.24	R393.93
	19.4. Fireworks Display or Storage	R591.58	R627.07	R656.54
	19.5. Warehousing/storage of dangerous goods internal or external.	R295.79	R313.53	R328.27
	19.6. Flammable substances inspection.	R295.79	R313.53	R328.27
	19.7. Fire Report.	R295.79	R313.53	R328.27
	19.8. Re-inspection fee.	R295.79	R313.53	R328.27
	19.9. Certificate of compliance of temporary buildings or structures for a maximum of two inspections			
	Public attendance			
	1-2000	R591.58	R627.07	R656.54
	2001-5000	R709.89	R752.48	R787.85
	5001-10000	R828.21	R877.90	R919.16
	10001-30000	R946.52	R1 003.31	R1 050.47
	30001 and above	R1 064.84	R1 128.73	R1 181.78
	20. EXEMPTION FROM PAYMENTS OF CHARGES No charges shall be payable where – (1) A false alarm has been given in good faith; (2) The services were required as a result of civil commotion, riot or natural disaster; (3) The services were rendered in the interest of public safety; (4) The Chief Fire Officer is of the opinion that the services were of purely humanitarian nature or were rendered solely for saving life.			
	Fines as indicated below in Annexure VIII of the Fire Emergency By Law, Section 18 of the Fire Services Act (Act 99 of 1987 as amended) and Fire Emergency Services By-Law of the Polokwane Local Municipality Notice No 3011 Section 86 as published in the Provincial Gazette, 28 June 2019.			

ANNEXURE VIII

OFFENCES AND PENALTIES/FINES

(Refer also to Section 48 of these By-laws for further contraventions and penalties)

Art / Section	Description of the Offence	1st Offence	2nd Offence	3rd Offence
5	Illegitimate wearing of fire services uniform or any other way of impersonating a member of the fire services.	R1 000.00	R1 000.00	Court
6	Failing to comply with the instruction given by a member of the service.	R5 000.00	R5 000.00	Court
6.1	Failure at the request of a Chief Fire Officer to render assistance with firefighting or contain a fire or any other emergency.	R5 000.00	R5 000.00	Court
6.1	Failure at the command or instruction of the Chief Fire Officer to stop an existing condition or act in respect of fire.	R5 000.00	R5 000.00	Court
6.3	Failure to leave an area that is closed by the Chief Fire Officer, Traffic Officer or a member of the Police Services for the efficient fighting of a fire.	R5 000.00	R5 000.00	Court
8.1	Storing combustible materials in a manner that create a danger or	R2 500.00	R5 000.00	Court

	Storing combustible materials in a manner that create a danger of 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 of persons and/ or animals during an emergency.	R2 500.00	R2 500.00	Court
30.2	Spilling or dumping of dangerous goods.	R2 500.00	R2 500.00	Court
30.4	Bringing fire or device capable of producing an open flame closer than 5 meters of a place where dangerous goods are stored.	R2 500.00	R2 500.00	Court
30.5	Use or allow dangerous goods in a basement level.	R2 500.00	R2 500.00	Court
30.7	Deliver or supply flammable substances to premises that are not in possession of a valid Certificate of Registration.	R2 500.00	R2 500.00	Court
31.1	Failing to display symbolic signs prohibiting smoking and open flames and as the case may be.	R2 500.00	R5 000.00	Court
32.1	Failing to provide the required firefighting equipment.	R2 500.00	R5 000.00	Court
32.2	Failing to provide the necessary maintenance of firefighting equipment.	R1 000.00	R2 500.00	Court
32.3	Failing to satisfactory position and indicate the required firefighting equipment.	R1 000.00	R2 500.00	Court
33.1	Failing to report any fire, accident or dumping of dangerous goods, by the occupier, that might cause harm to humans, animals, the environment or property.	R1 000.00	R2 500.00	Court
34	Failing to comply with the requirements of payment for cost incurred by the council for analysis of samples.	R5 000.00	R5 000.00	Court
35.1	Failing to remove absolute tanks or tanks that are no more in use.	R2 500.00	R5 000.00	Court
36	Failing to comply with the requirement for access to repair and do maintenance on the storage tanks	R2 500.00	R2 500.00	Court
37.1	Failing to comply with the requirements for installing, erecting, and removal and demolishing without prior notice.	R2 500.00	R2 500.00	Court
37.2	Failing to comply with conditions as indicated on the registration certificate.	R2 500.00	R5 000.00	Court
37.3	Failing to reapply for registration and submission of plans for dangerous goods after alterations to the premises.	R2 500.00	R2 500.00	Court
38.3	Failing to ensure that the fireworks license in terms of the Explosives Act and a written authority of the Fire Department is in hand when dealing in fireworks.	R5 000.00	R5 000.00	Court
38.4	Failing to meet the requirements/obtain permission for firework displays.	R5 000.00	R5 000.00	Court

38.5	Lights or ignites fireworks on any day or time unless authorized in terms of section 38.4.	R2 500.00	R2 500.00	Court
38.6	Lights or ignites fireworks at a place where animals are present.	R2 500.00	R500.00	Court
39.1, 39.2 and 39.3	Failing to comply with requirements when handling or storage of dangerous goods Group II in portable containers.	R2 500.00	R2 500.00	Court
39.4	Failing to comply with requirements when handling or storage of dangerous goods Group II in a bulk depot.	R5 000.00	R2 000.00	Court
39.5, 39.6, 39.7 and 39.8	Failing to adhere to the requirements determined by the Chief Fire Officer for the use, handling and storage of Group II cylinders at manifold installations, use of hydrogen gas, welding or underground pipelines.	R2 500.00	R2 500.00	Court
39.1	Failing to report fires, accident and/or dumping involving a Group II dangerous good to the	R2 500.00	R500.00	Court
Chief Fire Officer.				
40	Failing to comply with the requirements under SANS 1535 as to tank manufacture and installation for Group III dangerous goods	R5 000.00	R2 000.00	Court
41.1 and 41.2	Failing to comply with the requirements for storage tanks for Group III dangerous goods.	R2 500.00	R2 500.00	Court
42.1	Failing to comply with the requirements to obtain a permit for the transportation of dangerous goods.	R2 500.00	R5 000.00	Court
42.1(e)	Failing to have the transport permit of dangerous goods available in the vehicle.	R2 500.00	R2 500.00	Court
42.2	Failing to comply with the requirements of the transport permit.	R2 500.00	R2 500.00	Court
42.4	Altering or attempting to alter a transport permit.	R2 500.00	R2 500.00	Court
43.1	Failing to indicate a dangerous goods store room as such and indicating the Group and quantity of the dangerous good.	R1 500.00	R2 500.00	Court
43.2	Failing to comply with the requirements for symbolic safety signs for dangerous goods storeroom.	R2 500.00	R2 500.00	Court
43.3	Failing to display the registration certificate of the dangerous goods.	R1 000.00	R2 500.00	Court
43.4	Failing to comply with the requirements for the construction of a dangerous goods store room.	R2 500.00	R2 500.00	Court
43.5	Failing to comply with the requirements for store room doors.	R2 500.00	R2 500.00	Court
43.6	Failing to comply with the requirements for storeroom windows.	R2 500.00	R2 500.00	Court
43.7	Failing to comply with the requirements for store room catchment pit.	R2 500.00	R2 500.00	Court
43.8, 43.9 and 43.10	Failing to comply with the requirements for ventilation of store room.	R2 500.00	R2 500.00	Court
43.11 & 43.12	Failing to comply with the requirements for electrical equipment in a store room.	R2 500.00	R2 500.00	Court
43.14	Failing to comply with the requirements to use and enter a store room.	R2 500.00	R2 500.00	Court
43.14 (e)	Failing to comply with the requirements for use of intrinsically safe hand tools in a flammable substance storeroom.	R2 500.00	R2 500.00	Court
45.1	Failing to comply with the requirements to register and have a spray permit for spray painting with dangerous goods.	R2 500.00	R5 000.00	Court
45.2	Failing to comply with the general prohibition regarding spraying room.	R2 500.00	R2 500.00	Court
45.3	Failing to comply with the requirements and conditions of the spray permit.	R2 500.00	R2 500.00	Court
46.1-46.21	Failing to comply with the requirements for the construction and design of spray painting rooms.	R2 500.00	R2 500.00	Court
47	Failing to comply with the requirements for the handling of animals during emergencies.	R2 500.00	R2 500.00	Court

EXEMPTION FROM TRANSPORT PERMIT

A transport permit is in terms of section 42 not required for the transport of dangerous goods of the type and not exceeding the quantity stipulated below.

	GROUP	DESCRIPTION	QUANTITY
	I	**GASES**	

	Flammable gases	Total cylinder capacity may not exceed 50 kilograms
	Non-flammable gases	Total cylinder capacity may not exceed 333 kilograms
	II	**FLAMMABLE LIQUIDS**
	With flash points < 18°C	Total quantity may not exceed 100 litres
	With flash points > 18°C but < 23°C	Total quantity may not exceed 420 litres
	With flash points > 23°C but < 61°C	Total quantity may not exceed 1100 litres
	With flash points > 61°C but < 100°C	Total quantity may not exceed 1100 litres
	III	**FLAMMABLE SOLIDS**
	Flammable solids	Total quantity may not exceed 250 kg
	IV	OXIDIZING AGENTS AND ORGANIC PEROXIDES
	Oxidizing agents	Total quantity may not exceed 200 kg
	Group II organic peroxides in packets	Total quantity may not exceed 200 kg
	V	**TOXIC/INFECTIVE SUBSTANCES**
	Group I toxic substances in packets	Total quantity may not exceed 5 kg
	Group II toxic substances in packets	Total quantity may not exceed 50 kg
	Group III toxic substances in packets	Total quantity may not exceed 500 kg
	VI	**CORROSIVE/CAUS TIC SUBSTANCES**
	Group I acids in packets	Total quantity may not exceed 50 kg
	Group II acids in packets	Total quantity may not exceed 200 kg
	Group III acids in packets	Total quantity may not exceed 1000 kg
	Group I alkaline substances in packets	Total quantity may not exceed 50 kg
	Group II alkaline substances in packets	Total quantity may not exceed 200 kg
	Group III alkaline substances in packets	Total quantity may not exceed 1000 kg
	VII	**MISCELLANEOUS SUBSTANCES**
	Liquids	Total quantity may not exceed 210 litres
	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.

	GASES	
Class 0	Liquefied petroleum gas	Flat – Total cylinder capacity may not exceed 9kg per flat. Houses or commercial premises – Total maximum of 19kg inside on the premises. Industrial premises – Maximum of 19kg per 600 m³.
	FLAMMABLE LIQUIDS AND COMBUSTIBLE LIQUIDS	

Class I	Liquids that have a closed cap flash point of below 38°C	Total maximum of 40 litres
Class II	Liquids that have a closed cap flash point of 38°C or above, but below 60.5°C	Total quantity of Class II and Class IIIA together may not exceed the maximum quantity of 210 litres
Class IIIA		Liquids that have a close-cap flash point

SCHEDULE 9:

TARIFFS PAYABLE I.R.O. TRAFFIC & LICENSING FEES, TRAFFIC ESCORT SERVICES, MOTOR AND ANIMAL POUND FEES AND OTHER GENERAL CHARGES: 2026/2027

TRAFFIC FINES AND LICENCES

1	PARKING FEES	Approved tariff from 1/07/2023	Proposed tariff from 1/07/2024	Proposed tariff from 1/07/2025
	Off-site parking VAT inclusive			
	0-15 Minutes	**Free parking**	**Free parking**	**Free parking**
	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
	Any other parking square except City square			
	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
	ONSTREET PARKING – VAT INCLUSIVE			
	Per hour up to a maximum of 9 hours. Parking in exceess 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	**License Fees** The tariffs includes but are not limited to: □ Traffic fines □ Duplicate public motor vehicle clearance receipt □ Duplicate public motor vehicle clearance certificate (disc) □ Furnishing of information □ Instructor Certificates □ Application and issue of driver's license □ Application and issue of roadworthy Certificates	Tariffs will remain as determined by the Provincial Dept. of Transport, Road Safety and Liaison (e-NATIS) and the Judiciary.		
3	**Traffic Escort Services**			
	Funerals	R779.69	R826.47	R865.31
	(Deposit) Sporting Activities	R1 809.03	R1 917.57	R2 007.70
	Sporting Activities	R16 499.03 + R597.49 per hour	R17 488.97 + R633.33 per hour	R18 310.96 + R663.10 per hour
	Abnormal Load	R779.69	R826.47	R865.31
	Any other event	R1 558.21	R1 651.70	R1 729.33

4. Motor vehicle pound fees

The following tariffs will be applicable after impoundment of a vehicle and proof of ownership shall be required before releasing the vehicle from the pound.

4.1	**Pounding fees**			
	For the first 8 hours per vehicle:	Free of charge	Free of charge	Free of charge
	For the next 16 hours up to 24hours: Release fee per vehicle. The first 24hours if free. No storage fee will be charged.	Release fee R496.92	Release fee R526.74	Release fee R551.50
	For every hour after 24 hours: Release fee per vehicle			
	Light motor vehicle	R29.58	R31.36	R32.83
	Light delivery vehicle	R59.16	R62.71	R65.65
	Minibus	R141.98	R150.50	R157.57
	Midibus	R189.30	R200.66	R210.09
	Bus	R272.12	R288.45	R302.01

	Bus train	R402.27	R426.41	R446.45
	Truck	R354.95	R376.24	R393.93
	Half truck	R295.79	R313.53	R328.27
		Per day:	**Per day:**	**Per day:**
	Vehicles 3500kg << per day	R120.69	R127.93	R133.94
	Vehicles 3500kg >> 16000kg per day	R145.53	R154.26	R161.51
	Vehicles 16001kg >> per day	R201.14	R213.20	R223.22
5	**Animal pound fees**			
5.1	**Pound fees**			
	Bovine animals			
	Large stock per head per day	R142.15	R150.68	R157.76
	Small stock per head per day	R89.38	R94.75	R99.20
5.2	**Tending fees**			
	Large stock per head per day	R58.61	R62.12	R65.04
	Small stock per head per day	R27.82	R29.49	R30.88
5.3	**Fees for dipping, dressing and treating**			
	Large stock per head per day			
	Dipping or spraying	R17.57	R18.63	R19.50
	Dressing	R11.70	R12.40	R12.98
	Inoculating	R17.57	R18.63	R19.50
	Medicine	Actual cost plus 20%	Actual cost plus 20%	Actual cost plus 20%
	Small stock per head per day			
	Dipping or spraying	R13.00	R13.78	R14.43
	Dressing	R10.25	R10.86	R11.37
	Inoculating	R10.25	R10.86	R11.37
	Medicine	Actual Cost plus 20%	Actual Cost plus 20%	Actual Cost plus 20%
5.4	**Trespass fees**			
	Large stock per head per day			
	On fenced land	R82.07	R86.99	R91.08
	On unfenced land	R58.61	R62.12	R65.04
	On grazing land	R133.35	R141.35	R147.99
	Small stock per head per day			
	On fenced land	R58.66	R62.18	R65.11
	On unfenced land	R82.07	R86.99	R91.08
	On grazing land	R82.07	R86.99	R91.08
5.5	**Transport fee**			
	Will be determined by the distance the animal (s) shall be transported up to its destination.	Distance x AA Rate	Distance x AA Rate	Distance x AA Rate
6	**Advertisement fees**			
	Posters: per poster per day			
	Banners: per banner per 21 days			
	Pamphlets per 1000			
	Trailers: per trailer per month	R544.25	R576.90	R604.02
7	General Charges			
	Accident reports: per reports Rent R	R21.20	R22.17	R23.21
	Rent of Auditorium per day	R598.90	R634.83	R664.67
	Weighbrige for motor vehicles	R79.50	R84.27	R88.23
8	**Towing fees All Vehicles**			
	Light Vehicles up to 3500kg	R1 372.45	R1 454.80	R1 523.18
	Vehicles from 3501kg up to 5000kg	R1 612.64	R1 709.39	R1 789.74
	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
9	**TRAFFIC TRAINING**			
9.1	**Training Fees**			
	Peace Officer Training for By-law Enforcement officers per person per course (Two weeks)			R4 000.00
	Peace Officer Training for Traffic Wardens per person per course (Three weeks)			R5 000.00
	Regulate and Control Traffic per person per course (Two Weeks)			R4 000.00
	Facilitation of Road Safety Educational Programmes (One Week)			R2 500.00
9.2	**The following training courses can be taken individually or more than one can be combined (per person per course)**			
	Completing section 341, 54, 56 notices and warrant of arrest			R500.00
	Completing an accident report, sketch plan and key to plan			R500.00
	Completing a municipal collision report/incident report			R500.00
	Completing a municipal collision report/incident report			R500.00
	Writing a formal statement			R500.00
	Completing documents for impoundments			R500.00
	Making an occurrence book and pocket book entry			R500.00
	Using the correct radio procedures			R500.00

TARIFFS PAYABLE I.R.O. ROADS & STORM WATER

1	**Way Leave**			
	Application fee	R17 943.68	R19 020.30	R19 914.25
	Supervision & Management fee per month	R25 633.83	R27 171.86	R28 448.94
	Travelling cost per month	R8 544.60	R9 057.27	R9 482.96

	Consumables per month	R4 383.67	R4 646.69	R4 865.08
2	**Loading Bay**			
	Non refundable application fee	R5 126.75	R5 434.36	R5 689.77
	Monthly rental	R256.47	R271.86	R284.64
3	**Temporary road closure**			
3.1	Refundable deposit payable			
	Gravel rural	R161.76	R171.47	R179.53
	Surfaced	R161.76	R171.47	R179.53
	Rural Gravel	R161.76	R171.47	R179.53
	urban	R161.76	R171.47	R179.53
3.2	Cost per request			
	Gravel rurla	R597.96	R633.83	R663.63

	Surfaced	R1 279.71	R1 356.50	R1 420.25
	Rural gravel	R854.44	R905.71	R948.28
	Urban	R1 537.42	R1 629.67	R1 706.26
	Surfaced urban			
4	**Damage of Infrastructure**	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: 2026/2027

CULTURAL SERVICES

DANIE HOUGH CULTURE CENTRE FACILITIES

AUDITORIUM

	Services Rendered	**Approved tariff from 1/07/2024**	**Approved tariff from 1/07/2025**	**Proposed tariff from 1/07/2026**
	Rent – Standard Day Tariff			
	Monday – Thursday	R2 345.00	R2 485.70	R2 602.53
	Friday	R3 136.43	R3 324.61	R3 480.87
	Saturday	R3 136.43	R3 324.61	R3 480.87
	Deposit	R1 292.68	R1 370.24	R1 434.64

AUDIO – VISUAL EQUIPMENT

	Data Projector	R1 641.49	R1 739.98	R1 821.76

KITCHEN/ FOYER FOR CATERING

	Rent – Standard Day Tariff			
	Monday – Saturday	R879.36	R932.12	R975.93
	Deposit	R512.96	R543.73	R569.29

FOYER FOR EXHIBITIONS

	Rent – Standard Day Tariff			
	Monday – Saturday	R879.36	R932.12	R975.93
	Deposit	R512.73	R543.50	R569.04

ALL ACTIVITIES ROOMS

	Rent – Standard Day Tariff			
	Monday – Saturday	R879.36	R932.12	R975.93
	Deposit	R512.71	R543.47	R569.02

BAKONE MALAPA CONFERENCE AND 'BOMA' FACILITIES

	Rent			
	Monday – Thursday per day during office hrs (8:00 – 16:30)	R674.18	R714.63	R748.22
	Friday – Sunday and after 16:30 weekdays	R923.34	R978.74	R1 024.74
	In addition to the tariffs above which is for the rental of the facility, an amount of R12 per person is payable	R18.92 Per person	R20.06 Per person	R21.00 Per person

BAKONE MALAPA ENTRANCE FEES

	Adults (Entrance for Braai/events per person)	R18.08	R19.16	R20.06
	Children (not Booked)	R11.71	R12.41	R12.99
	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.	R14.64	R15.52	R16.25
	Tariffs for schools or individuals who has made a booking in advance for a group visit: Children	R10.25	R10.86	R11.37

LIBRARY FEES

1	**MEMBERSHIP FEES**			
1.1	**Deposit**			
	For any person/family without a current Municipal account at the Polokwane Municipality.	R234.79	R248.87	R260.57
1.2	**Membership fees**			
	Per adult, per year	R117.39	R124.44	R130.29
	Per child, per year	R58.69	R62.21	R65.13
1.2.1	Membership fees and deposit are payable in advance. Membership is valid for a period of 12 months from the date of application or renewal.			
1.2.2	No refund of membership fees will be made at early cancellation of the membership.			
1.2.3	Pensioners above 65 or persons receiving a social pension are condoned from membership fees, if sufficient proof is submitted.			
1.2.4	Pensioners without a current municipal account will pay the prescribed deposit.			

	2	**USER FEES (payable in advance)**		
(i)		Inter-library loan, per book request	R97.82	R103.69	R108.56
		Inter-library loan, photocopies as per SAIS fees (per 15 pages)	R84.79	R89.87	R94.10
(ii)		Special request, per request	R17.60	R18.65	R19.53
(iii)		Compact discs, per loan	R11.73	R12.43	R13.02
(iv)		Photocopies A4, each Inc. Printouts (database/internet),	R1.29	R1.37	R1.43
		Photocopies A3, each	R3.26	R3.45	R3.62
		Colour (when available)	R9.78	R10.36	R10.85
	3	**FINES**		
(i)		Per overdue book, per week or part thereof	R9.11	R9.66	R10.11
(ii)		Per overdue record/compact disc/art print/video per week or part the	R11.73	R12.43	R13.02
(iii)		Loss of plastic cover, per cover	R22.16	R23.49	R24.59
(iv)		Reference/Study Collection, per item, per day	R9.11	R9.66	R10.11
(v)		Replacement of membership card	R39.12	R41.47	R43.42
	4	**ADMINISTRATION COSTS REGARDING THE RECOVERY OF OVERDUE/LOST/DAMAGED LIBRARY MATERIAL**			
(i)		Reminder (Letter/e-mail/SMS)	R11.73	R12.43	R13.02
(ii)		Registered letter	R52.17	R55.30	R57.90
(iii)		Placement on Municipal service account	R102.52	R108.67	R113.78
(iv)		Further action: (ii) and (iii) plus real expenses incurred			
	5	**LOST/DAMAGED BOOKS/ OTHER LIBRARY MATERIAL**			
(i)		Replace at current publisher/trade price			
(ii)		**If publishers prices are not obtainable e.g. book out of print, replace at average replacement value for applicable category as per Table 1:**			
Table 1 – Average replacement value of books per category					
Category					
Vernacular			R159.74	R169.33	R177.29
Afrikaans Fiction			R253.54	R268.75	R281.38
English Fiction			R490.97	R520.43	R544.89
Non Fiction			R597.97	R633.85	R663.64
Study Collection			R935.05	R991.15	R1 037.74
Reference			R1 065.51	R1 129.44	R1 182.52
Junior Non Fiction			R227.17	R240.80	R252.12
Junior Fiction			R227.17	R240.80	R252.12
Toddlers' Books			R200.78	R212.82	R222.83
Compact Discs/DVD			R400.10	R424.11	R444.04

Audio books	R800.34	R848.36	R888.23
CD-Rom	R320.97	R340.23	R356.22
Videos	R265.25	R281.16	R294.38
Newspapers & periodicals	Publishers price plus R16.09 admin cost	Publishers price plus R17.06 admin cost	Publishers price plus R17.86 admin cost

INTERNET CAFE

	Browsing/downloads: per half-hour or part thereof	Free service provided by the Dept of Sport, Arts & culture, on condition that it must be free for all users in order to promote reading	Free service provided by the Dept of Sport, Arts & culture, on condition that it must be free for all users in order to	Free service provided by the Dept of Sport, Arts & culture, on condition that it must be free for all users in order to

		to promote reading and learning.	users in order to promote reading and learning.	users in order to promote reading and learning.
	Printing: A4 black & white	R1.22	R1.30	R1.36
	A4 colour	R11.13	R11.80	R12.36

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: 2026/2027

The determined tariffs are as follows:

PLANNING AND ECONOMIC DEVELOPMENT

	Type of fee	Approved tariff from 1/07/2024	Approved tariff from 1/07/2025	Proposed tariff from 1/07/2026
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)**			
	(a) Written consent i.t.o. -			
	(i) Clause 33.1(a) & (b)	R2 031.36	R2 153.24	R2 254.44
	(ii) Clauses 33.1(a) (Household Enterprise)	R2 031.36	R2 153.24	R2 254.44
	(iii) Clause 33.1(a) (Spaza/kiosk)	R2 030.11	R2 151.92	R2 253.06
	(iv) Clause 33.1(c); 33.1(d) and 33.1(g)	R2 030.11	R2 151.92	R2 253.06
	(v) Clauses 33.1(e); 33.1(f); 33.1(h – m)	R1 317.38	R1 396.42	R1 462.05
	(b) Special consent i.t.o. -			
	(i) Clause 32.1(a) for Tavern and Household Enterprise.	R2 031.36	R2 153.24	R2 254.44
	(ii) Clause 32.1(a) for all other uses excluded uses mentioned in (a) above.	R3 079.27	R3 264.03	R3 417.44
	(iii) Clause 32.1(b)(c)	R2 031.36	R2 153.24	R2 254.44
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)**			
	(a) Written consent i.t.o. -			
	(i) Clause 22.1.1	R2 031.36	R2 153.24	R2 254.44
	(ii) Clauses 22.1.2 (Household Enterprise)	R2 031.36	R2 153.24	R2 254.44
	(iii) Clause 22.1.3 (Spaza/kiosk)	R2 031.36	R2 153.24	R2 254.44
	(iv) Clause 22.1.4; 22.1.5 and 22.1.8	R2 031.36	R2 153.24	R2 254.44
	(v) Clauses 22.1.6, 22.1.7, 22.1.9	R1 316.12	R1 395.08	R1 460.65
	(b) Special consent i.t.o. -			
	(i) Clause 21.1.1	R2 031.36	R2 153.24	R2 254.44
	(ii) Clause 21.1.1 (for Telecommunication Mast)	R3 079.27	R3 264.03	R3 417.44
	(iii) Clause 21.1.2	R2 031.36	R2 153.24	R2 254.44
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)**	R6 379.87	R6 762.66	R7 080.51
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)**	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)	R15 337.03 plus R156.12 per 100 erven (rounded off to the nearest 100)
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)**	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)	R6 851.16 plus R156.12 per 100 Ervin (Rounded off to the nearest 100)
6	**Application for subdivision and/or consolidation: (read together with the provisions of Section 67 of the Polokwane Municipal Planning By-Law, 2017)**			
	(*a*) (i) Subdivision of erf into 5 or lesser portions [Sec 92(1)(*a*)]	R1 376.21	R1 458.78	R1 527.34
	(ii) Subdivision of erf in more than 5 portions [Sec 92(1)(*b*)]	R1 305.71	R1 384.06	R1 449.11

		Plus R114.30	Plus R121.16	Plus R126.86
	(b) Consolidation of erven [Sec 92(1)(b)]	R957.05	R1 014.47	R1 062.15
	(c) Division of a Township (read together with the provisions of Section 55 of the Polokwane Municipal Planning By-Law, 2017)	R1 376.21	R1 458.78	R1 527.34
	(d) Exemption of subdivision or consolidation (read together with the provisions of Section 70 of the Polokwane Municipal Planning By-Law, 2017)	R652.19	R691.33	R723.82
7	**Preparation of Town Planning Scheme by local authority i.r.o. establishment of township:**			
	(i) by Local Authority [Sec 125(3)]	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	R4 362.47 plus R21.11 Erf for each Erf in the township
	(ii) if applicant prepare document [Sec 125(3)]	None	None	None
8	**Application for Council's reasons [Sec 57(3) and with regard to applications as contemplated in Sec 96]**	R2 053.33	R2 176.53	R2 278.83
	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 947.99 Per notice	R3 124.87 Per notice	R3 271.74 Per notice
	(ii) a news paper	R5 479.97 Per notice	R5 808.76 Per notice	R6 081.78 Per notice
	(b) If the Local Authority or a committee of the Local Authority inspects the property to which an applicant relates and conducts a	The costs incurred by the municipality in respect of the records of proceeding as well as other administration costs in this regard.		
	A. Fees other than advertising and inspection fees			
	1. Application for division [Sec 6(1)]:			
	(a) in 5 of lesser portions	R738.64	R782.96	R819.76
	(b) in more than 5 portions	R738.64 R32.21 per portion	R782.96 R34.15 per portion	R819.76 R35.75 per portion
	B. Advertising and Inspection fees			
	2. Application for reasons.	R659.52	R699.09	R731.95
	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 804.34 Per notice	R2 972.60 Per notice	R3 112.31 Per notice
	(ii) a newspaper	R5 479.97 Per notice	R5 808.76 Per notice	R6 081.78 Per notice
	(b) If the Local Authority or a committee of the Local Authority inspects the property to which an applicant relates and conducts a hearing:	The costs incurred by the municipality in respect of the records of proceeding as well as other administration costs in his regard.		

FEES PAYABALE WHERE THE MUNICIPALITY'S INPUT AND/OR COMMENTS ARE REQUIRED ON APPLICATIONS

		Approved tariff from 1/07/2024	**Approved tariff from 1/07/2025**	**Proposed tariff from 1/07/2026**
	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 whereTitle Deed permits such consent	R2 031.35	R2 153.23	R2 254.43
	1.2 Application for any household enterprise conducted from dwelling unit similar to "Household Enterprise" contemplated in the Polokwane/Perskebult Town Planning Scheme, 2016.	R2 031.35	R2 153.23	R2 254.43
	1.3 Application for spaza or kiosk conducted similar to "Spaza"	R2 031.35	R2 153.23	R2 254.43
	contemplated in the Polokwane/Perskebult Town Planning Scheme, 2016 and/or application for a shop restricted to 300m²	R5 286.50 up to a total building floor area of 300m² plus R275.52 for every additional	R5 603.69 up to a total building floor area of 300m² plus R292.05 for every additional	R5 867.07 up to a total building floor area of 300m² plus R305.78 for every additional

		for every additional 50m² or part thereof.	50m² or part thereof.	50m² or part thereof.
	1.4 Application for tavern or kiosk conducted similar to "Tavern" contemplated in the Polokwane/Perskebult Town Planning Scheme, 2016.	R2 031.35	R2 153.23	R2 254.43
	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.	R2 031.35	R2 153.23	R2 254.43
	1.6 Applications for place of instruction, place of public worship (church), charitable institution, clinic.	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.	R5 867.07 up to a total building floor area of 300m² plus R305.78 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.	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.	R5 867.07 up to a total building floor area of 300m² plus R305.78 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 109.45	R1 176.02	R1 231.29
	1.8.2 More than 3 portions	R1 109.45 plus R32.21 per portion	R1 176.02 plus R34.15 per portion	R1 231.29 plus R35.75 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	R236.96	R251.17	R262.98

MONIES AND DEPOSITS PAYABLE IN TERMS OF OUTDOOR ADVERTISING

	ADVERTISEMENT/APPLICATION TYPE.	Approved tariff from 1/07/2024	Approved tariff from 1/07/2025	Proposed tariff from 1/07/2026
	Billboard including LED	For signs < 18m2 R2 753.09 For signs > 18m2 R2 753.09	For signs < 18m2 R2 918.28 For signs > 18m2 R2 918.28	For signs < 18m2 R3 055.43 For signs > 18m2 R3 055.43
	Banners	50% of collected revenue as per signed SLA		
	Posters	R222.21 Per Event	R235.55 Per Event	R246.62 Per Event @R5 per Poster
	On premises business advertisement	R1 561.65	R1 655.35	R1 733.15
	Election poster	50% of collected revenue as per signed SLA		
	Temporary Sign	R4 331.46	R4 591.34	R4 807.14
	Street name adverts	40% of collected revenue as per signed SLA		
	Transit Advertising Sign	R3 229.10	R3 422.85	R3 583.72

MONIES AND DEPOSITS PAYABLE IN PROPERTY MANAGEMENT

	Consent Title Conditions	R271.11	R287.38	R300.89
	Application for land purchase	R181.72	R192.62	R201.68
	Lease agreement admin fee	R634.60	R672.67	R704.29
	Deed of sale fee	R634.60	R672.67	R704.29
	R293 APPLICATIONS			
	Small Developments/Applications: Spaza, Tavern, Crèche, Day Care	R452.87	R480.04	R502.60

	Medium Developments/Applications: Place of Worship, Old Age Centre, Overnight Accommodation (Guest House/Lodge),	R905.76	R960.10	R1 005.23
	Big Developments/Applications: Filling Station, Shopping Complex, Office building, Institutional (New School or College), Business Related Uses	R6 379.83	R6 762.62	R7 080.47
	Other/ Special use:	R905.73	R960.08	R1 005.20

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);	R121.63	R128.93	R134.99
	2. Town Planning Scheme (clauses):			
	2.1 Color copy	R615.54	R652.47	R683.14
	2.2 Black and white copy	R207.10	R219.53	R229.85
	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.	R207.10	R219.53	R229.85
	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)	R79.12	R83.87	R87.81
	3.3 Scheme clauses from Amendment Scheme or Annexure	R39.55	R41.92	R43.89
	4. Provision of erf measurements with map by GIS draught office	R39.55	R41.92	R43.89
	Other Town Planning Tariffs			
	Removal of restrictive title deed conditions **(read together with the provisions of Section 62 and Section 173 of the Polokwane Municipal Planning By-Law, 2017)**	R6 389.95	R6 773.34	R7 091.69
	Amendment of approved conditions of Council	R2 217.48	R2 350.53	R2 461.00
	SDF(Hard Copy)	R923.32	R978.72	R1 024.72
	Relaxation of parking requirement (Clause 30)	R3 902.96	R4 137.14	R4 331.58
	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)**	R2 030.94	R2 152.80	R2 253.98
	Park and Street Closure **(read together with the provisions of Section 72 of the Polokwane Municipal Planning By-Law, 2017)**	R3 079.27	R3 264.03	R3 417.44
	Amendment of Conditions of Establishment	R2 217.48	R2 350.53	R2 461.00
	Amendment of a General Plan of a Township **(read together with the provisions of Section 64 of the Polokwane Municipal Planning By-Law, 2017)**	R6 173.22	R6 543.61	R6 851.16
	Applications for Land use rights and PTO **(read together with the provisions of Section 74 of the Polokwane Municipal Planning By-Law, 2017)**	R205.17	R217.48	R227.70
	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)**	R246.21	R260.99	R273.25
	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)**	R246.21	R260.99	R273.25
	Condemnation of incorrect Advertising	R1 846.66	R1 957.46	R2 049.46
	Deeds search	R101.10	R107.17	R112.20
	Temporary Consent	R1 176.89	R1 247.51	R1 306.14
	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 379.83	R6 762.62	R7 080.47
	Phasing of established townships	R1 304.40	R1 382.66	R1 447.65
	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 956.60	R2 074.00	R2 171.48
	Reservation of a Township Name **(read together with the provisions of Section 54(2)(d) of the Polokwane Municipal Planning By-Law, 2017)**	R1 304.40	R1 382.66	R1 447.65
	Exemption to facilitate expedited procedures **(read together with the provisions of Section 114 of the Polokwane Municipal**	R3 913.21	R4 148.00	R4 342.96

	Planning By-Law, 2017)			
	Fee for the lodgment of appeals **(read together with the provisions of Chapter 8 of the Polokwane Municipal Planning**	R2 608.80	R2 765.32	R2 895.30
	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 608.80	R2 765.32	R2 895.30

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 1/07/2024**	**Approved tariff from 1/07/2025**	**Proposed tariff from 1/07/2026**
	A0			
	Copies on paper R/copy	R181.72	R192.62	R201.68
	Copies on photo gloss R / copy	R307.77	R326.23	R341.56
	A1			
	Copies on paper R/copy	R123.09	R130.48	R136.61
	Copies on photo gloss R / copy	R307.77	R326.23	R341.56
	A2			
	Copies on paper R/copy	R83.52	R88.53	R92.69
	Copies on photo gloss R / copy	R145.02	R153.72	R160.95
	A3			
	Copies on paper R/copy	R61.53	R65.22	R68.29
	Copies on photo gloss R / copy	R83.52	R88.53	R92.69
	A4			
	Copies on paper R/copy	R39.55	R41.92	R43.89
	Copies on photo gloss R / copy	R64.45	R68.32	R71.53
	A0			
	Colour copy R/copy	R482.17	R511.10	R535.12
	Monochrome copy R/copy	R246.20	R260.98	R273.24
	A1			
	Colour copy R/copy	R340.00	R360.40	R377.34
	Monochrome copy R/copy	R184.65	R195.73	R204.93
	A2			
	Colour copy R/copy	R164.14	R173.98	R182.16
	Monochrome copy R/copy	R115.76	R122.71	R128.48
	A3			
	Colour copy R/copy	R92.31	R97.85	R102.45
	Monochrome copy R/copy	R70.34	R74.56	R78.06
	A4			
	Colour copy R/copy	R70.34	R74.56	R78.06
	Monochrome copy R/copy	R52.74	R55.91	R58.53
	DIGITAL DATA			
	COST PER ERF (R)			
	DXF and Shape files or Jpeg, Bmp and tiff files			
	Cost per feature	R1.37	R1.45	R1.52
	DIGITAL AERIAL PHOTOGRAPHY (2008) AND CONTOURS			
	AERIAL PHOTOS			
	Cost per CD	R36.63	R38.83	R40.65
	Cost per Title	R101.09	R107.16	R112.19
	Cost per complete set	R313.62	R332.44	R348.06
	CONTOURS			
	Cost per CD	R307.75	R326.22	R341.55
	Cost per Title	R30.75	R32.60	R34.13
	Cost per complete set	R3 079.06	R3 263.80	R3 417.20
	MAPBOOK ON CD/HARD COPY			
	Scale at 1:2500 & 1:5000-A3 sheet size when printed Cadastral data available: stand, township, farm and land Survey	R411.81	R436.52	R457.04

IDENTIFICATION OF STAND PEGS COST PER STAND:

	Indigents(Upon Verification on the indigent list)	R495.66 /Stand	R525.40 /Stand	R550.10 /Stand
	Non Indigents (R293 and RDP township) (Cost/peg)	R1 141.34 /peg	R1 209.82 /peg	R1 266.68 /peg
	Non Indigents (Ordinance/DFA/SPLUMA townships) (Cost/peg)	R1 630.49 /peg	R1 728.32 /peg	R1 809.55 /peg
	DEMARCATION OF SITES (Survey of Rural Townships)			

Business sites (Cost/peg)	R652.20	R691.34	R723.83
Residential sites : 1-50 (Cost/site)	R652.20	R691.34	R723.83
Residential sites : 51-200 (Cost/site)	R456.53	R483.92	R506.67
Residential sites : 201-400 (Cost/site)	R391.32	R414.80	R434.29
Residential sites : 401-600 (Cost/site)	R326.10	R345.67	R361.91
Residential sites : 601-800 (Cost/site)	R260.88	R276.53	R289.53
Residential sites : 801- (Cost/site)	R195.65	R207.39	R217.14

MONIES AND DEPOSITS PAYABLE IN TERMS OF OUTDOOR ADVERTISING

	Approved tariff from 1/07/2024	**Approved tariff from 1/07/2025**	**Proposed tariff from 1/07/2026**
A – D: "Billboards "including LED	For signs < 18m2 R2 899.00 For signs > 18m2 R2 899.00	For signs < 18m2 R3 072.94 For signs > 18m2 R3 072.94	For signs < 18m2 R3 217.37 For signs > 18m2 R3 217.37
A: Large posters & street furniture	For signs < 18m2 R2 899.00 For signs > 18m2 R2 899.00	For signs < 18m2 R3 072.94 For signs > 18m2 R3 072.94	For signs < 18m2 R3 217.37 For signs > 18m2 R3 217.37
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 899.00 For signs > 18m2 R2 899.00	For signs < 18m2 R3 072.94 For signs > 18m2 R3 072.94	For signs < 18m2 R3 217.37 For signs > 18m2 R3 217.37
D: Temporary ads.	R4 558.04	R4 831.52	R5 058.60
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 R423.84 For signs > 18m2 R2 899.00	For signs < 18m2 R449.28 For signs > 18m3 R3 072.94	For signs < 18m2 R470.39 For signs > 18m3 R3 217.37
G: Product replicas & 3-d signs.	For signs < 18m2 R2 899.00 For signs > 18m2 R2 899.00	For signs < 18m2 R3 072.94 For signs > 18m2 R3 072.94	For signs < 18m2 R3 217.37 For signs > 18m2 R3 217.37
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 899.00 For signs > 18m2 R2 899.00	For signs < 18m2 R3 072.94 For signs > 18m2 R3 072.94	For signs < 18m2 R3 217.37 For signs > 18m2 R3 217.37
A: Sponsored road traffic projects	For signs < 18m2 R2 899.00 For signs > 18m2 R2 899.00	For signs < 18m2 R3 072.94 For signs > 18m2 R3 072.94	For signs < 18m2 R3 217.37 For signs > 18m2 R3 217.37
B: Service facility signs	For signs < 18m2 R2 899.00 For signs > 18m2 R2 899.00	For signs < 18m2 R3 072.94 For signs > 18m2 R3 072.94	For signs < 18m2 R3 217.37 For signs > 18m2 R3 217.37
C: Tourism signs	For signs < 18m2 R2 899.00 For signs > 18m2 R2 899.00	For signs < 18m2 R3 072.94 For signs > 18m2 R3 072.94	For signs < 18m2 R3 217.37 For signs > 18m2 R3 217.37
D: Functional ads by public bodies	For signs < 18m2 R2 899.00	For signs < 18m2 R3 072.94	For signs < 18m2 R3 217.37

		For signs > 18m2 R2 899.00	For signs > 18m2 R3 072.94	For signs > 18m2 R3 217.37
	A: Aerial signs	R4 561.02	R4 834.68	R5 061.91
	B: Vehicular ads	R3 229.10	R3 422.85	R3 583.72
	C: Trailer ads	R3 400.24	R3 604.25	R3 773.65
	Confiscation fee	R1 465.61 /m2	R1 553.55 /m2	R1 626.57 /m2

SCHEDULE 12.

TARIFFS PAYABLE I.R.O. BUILDING & STRUCTURAL PLANS, OCCUPATION CERTIFICATES, RE-INSPECTION FEES & PAVEMENT DEPOSITS: 2026/2027

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	R29.40	R31.17	R32.63
	per sq metre of the gross floor area	/m2	/m2	/m2
	Minimum	R3 107.10	R3 293.53	R3 448.32
	Site Development Plans (SDP)	R769.56	R815.73	R854.07
	Search Fee (Existing Plans)	R106.00	R112.36	R117.64
2	Occupation certificate fees	R366.38 per unit	R388.37 per unit	R406.62 per unit
3	Re-Inspection fees	R366.38	R388.37	R406.62
4	Pavement deposits R1-00 per sq metre minimum Maximum			
	Pavement deposits			
	Residential properties	R1 439.23	R1 525.58	R1 597.29
	Commercial properties	R28 765.86	R30 491.81	R31 924.92
	Pavement rental			
	Residential properties	R1 027.39 /month	R1 089.03 /month	R1 140.21 /month
	Commercial properties	R4 431.16 /month	R4 697.03 /month	R4 917.79 /month
	Commercial (CBD)	R10 271.11 /month	R10 887.38 /month	R11 399.08 /month
5	For the making or provision of plan reproductions: Per A1 size (area) or any part thereof	R52.74	R55.91	R58.53
6	For the furnishing of Information.			

		R39.55	R41.92	R43.89
7	For a list of approved building plans, copies, duplicates or reproductions of such list, per list:			
(i)	Per month	R39.55	R41.92	R43.89
(ii)	Per annum	R492.43	R521.97	R546.51

SCHEDULE 13:

TARIFFS PAYABLE BY HAWKERS FOR SELLING OF PRODUCTS AND OTHER ACTIVITIES: 2026/2027

	Products allowed	Areas	Approved tariff from 1/07/2024	Approved tariff from 1/07/2025	Proposed tariff from 1/07/2026
	Accessories: belts, bags, hair products, gloves, Cosmetics, Toys	Township	R61.54	R65.23	R68.30
		City	R145.09	R153.80	R161.02
	Herbal products	Township	R61.55	R65.24	R68.31
		City	R145.09	R153.80	R161.02
	Fruits and vegetables	Township	R61.53	R65.22	R68.29
		City	R101.11	R107.18	R112.22
	Mobile hawkers (Ice cream, cool drinks, nuts)	Township	R21.96	R23.27	R24.37
		City	R61.54	R65.23	R68.30
	Home utensils (Grass brooms & wooden spoons, steel wool, scrubbing products)	Township	R21.96	R23.27	R24.37
		City	R61.54	R65.23	R68.30
	Hair dresser	Township	R101.11	R107.18	R112.22
		City	R145.09	R153.80	R161.02
	Cooking	Township	R101.11	R107.18	R112.22
		City	R145.09	R153.80	R161.02
	Shoe repairs	Township	R39.60	R41.97	R43.94
		City	R101.11	R107.18	R112.22
	All Tenants	Limpopo cooking facility	R38.08 /m2	R40.36 /m2	R42.26 /m2
	All Tenants	Mankweng taxi rank, Bus terminus and Business centre	R21.96 /m2	R23.27 /m2	R24.37 /m2
	Micro	African Market	R39.56 /m2	R41.94 /m2	R43.91 /m2
	Small		R52.75 /m2	R55.92 /m2	R58.55 /m2
	Medium		R61.53 /m2	R65.22 /m2	R68.29 /m2
	All Tenants	Itsoseng Entrepreneurial centre	R22.00 /m2	R23.32 /m2	R24.42 /m2
	All Tenants	Mankweng Business centre (University)	R21.96 /m2	R23.27 /m2	R24.37 /m2
	New products permit tariffs				
	Snacks, Newspapers airtime, cigarettes	Township	R45.66	R48.40	R50.68
		City	R97.82	R103.69	R108.56
	Mopani Worms and Ground nuts	Township	R45.66	R48.40	R50.68
		City	R97.82	R103.69	R108.56
	Photography	Township	R58.60	R62.11	R65.03
		City	R95.25	R100.96	R105.71
	Bunny chow	Township	R95.26	R100.97	R105.72
		City	R136.29	R144.47	R151.26
	Trolley Services	Township	R20.51	R21.74	R22.76
		City	R58.60	R62.11	R65.03
	Stall at all Municipality facilities	Township and city	R241.81 p/day	R256.32 p/day	R268.37 p/day

AGANANG CLUSTER RENTAL AND OTHER SUNDRY CHARGES:

		Approved tariff from 1/07/2024	Approved tariff from 1/07/2025	Proposed tariff from 1/07/2026

		from 1/07/2024	**from 1/07/2025**	**from 1/07/2026**
1	RENT Rental of space for photos ID /licence passport photos	Per lease agreement	Per lease agreement	Per lease agreement
2	Processing applications for allocation of stand	R161.20	R171.00	R179.04
3	Residential properties cluster	Market related Lease	Market related Lease	Market related Lease
4	Rental Of Municipal office space(indoor and outdoor)	Market related (lease agreement)	Market related (lease agreement)	Market related (lease agreement)
5	Rental of Aganang Municipal Hall	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 cancelation will be considered after the event date. (No refund than the R732.80 deposit)	Rental of hall R3 107.00 and R777.00 is refundable if no damage incurred after usage. 25% of amount will not be refundable if booking is cancelled. No cancelation will be considered after the event date. (No refund than the R777.00 deposit)	Rental of hall R3 253.03 and R813.52 is refundable if no damage incurred after usage. 25% of amount will not be refundable if booking is cancelled. No cancelation will be considered after the event date. (No refund than the R813.52 deposit)
6	Rental of MPCC Hall – One stop	R1 758.74 per day of which R586.24 is refundable if no damage incurred. Cancellations to be handled as above	R1 864.00 per day of which R621.00 is refundable if no damage incurred. Cancellations to be handled as above	R1 951.61 per day of which R650.19 is refundable if no damage incurred. Cancellations to be handled as above
7	Rental of Municipal Market stalls	R241.81	R256.00	R268.03
8	Rental of Municipal Sports Grounds (No entrance fees)	R1 758.78 per day of which R586.24 is refundable if no damage incurred. Cancellations to be handled as above	R1 864.00 per day of which R621.00 is refundable if no damage incurred. Cancellations to be handled as above	R1 951.61 per day of which R650.19 is refundable if no damage incurred. Cancellations to be handled as above
9	Rental of Municipal Sports Grounds (Entrance fees)	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 875.00 per day and 15% of gate takings of which R3 107.00 the R10 877.00 is refundable if no damage incurred. Cancellations to be handled as above	R11 386.13 per day and 15% of gate takings of which R3 253.03 the R11 388.22 is refundable if no damage incurred. Cancellations to be handled as above
10	Rental of Seema Halls	R1 758.74 per day of which R586.24 is refundable if no	R1 864.00 per day of which R621.00 is refundable if no	R1 951.61 per day of which R650.19 is refundable if no

		damage incurred. Cancellations to be handled as above	damage incurred. Cancellations to be handled as above	damage incurred. Cancellations to be handled as above

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 1/07/2024	Approved tariff from 1/07/2025	Proposed tariff from 1/07/2026
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	R55.66	R59.00	R61.78
(ii)	completed page of a copy, reproduction or duplicate of a pro forma certificate	R30.76	R32.61	R34.14
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	R39.55	R41.92	R43.89
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	R30.75	R32.60	R34.13
4	For endorsements on declaration of purchasers forms, per endorsement	R21.96	R23.27	R24.37
5(i)	For the furnishing of information in order to obtain a clearance certificate (Manual) S118	R322.42	R341.76	R357.82
	For the furnishing of information in order to obtain a clearance	R219.83	R233.02	R243.97
	certificate(electronic)			
5(ii)	For the issuing of a clearance certificate(Manual) S118	R346.06	R366.82	R384.06
	For the issuing of a clearance certificate (electronic)	R219.83	R233.02	R243.97
6(i)	For the continuous search or oral furnishing of information, per hour or part thereof	R140.67	R149.12	R156.12
(ii)	For the furnishing of information continuously searched for, if supplied in writing,per A4 page or part thereof	R61.53	R65.22	R68.29
(iii)	Deeds Office Enquiries: Per enquiry.	R153.87	R163.10	R170.76
(iv)	Request for revaluation of property, per valuation per property	R718.14	R761.23	R797.00
7	For voter's roll:			
(i)	Per main list:			
	Per main list – printed	R546.65	R579.45	R606.69
	Main list supplied per disc according to Council's format	R451.38	R478.47	R500.95
(ii)	Per Ward:			
	Ward list – printed	R140.67	R149.12	R156.12
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 720.62	R1 823.86	R1 909.58
	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	R373.72	R396.14	R414.76
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:	R10.24	R10.85	R11.36
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: R482.25	Per cheque: R511.18	Per cheque: R535.21
14	Unidentified/Unallocated Receipt fee/ Payment by the customer with incorrect or invalid reference details other than the account number per account per transaction.	R234.78	R248.86	R260.56

SCHEDULE 15:

TARIFFS PAYABLE FOR LEETO POLOKWANE BUS FARES

		Approved tariff from 1/07/2024	Approved tariff from 1/07/2025	Proposed tariff from 1/07/2026
1	Seshego	R 13.00	R 14.00	R 14.00
2	FTA	R 8.00	R 8.50	R 8.50
3	WTA	R 8.00	R 8.50	R 8.50

INDIGENT FEE:

	INDIGENT BASIC LEVY	R126.83	R134.44	R140.76

- To qualify as Indigent, the household income must not exceed R5 960.00 per month.
- Indigents will receive a 100% rebate on property rates and other basic charges.
  - ***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 conservative months, and space must be booked in advance.				

SCHEDULE 16:

ENVIRONMETAL HEALTH SERVICES TARIFFS

		Approved tariff from 1/07/2024	Approved tariff from 1/07/2025	Proposed tariff from 1/07/2026
1.1	**Registration of Social Development Institution**			R228.00
1.2	**Inspections for issuing of Certificate of Acceptability**			R458.00
1.3	**CERTIFICATE OF COMPETENCE (COC)**			R629.00
1.4	**PRIVATE EVENTS** Fees for 1x official/Environmental Health Practitioner			R650.00 per event
1.5	**HEALTH CERTIFICATE AND EARLY CHILDHOOD CENTRES (ECD)**			R303.00

SECTION 56 FINE SCHEDULES - BACKGROUND

Environmental health services carries a mandate and a responsibility to enforce regulations as set to protect the health of the public. This is done through various ways which amongst can be the issuing of fines/penalties to the contraveners following various procedures. Below is a schedule of fines/penalties to be considered.

REGULATIONS RELATING TO THE MANAGEMENT OF HUMAN REMAINS - R363 OF 22 MAY 2013

SECTION	FINE	AMOUNT
3(1)(a)	Allow a person to prepare and store any human remains on any premises in respect of which a certificate of competence has not been issued by the relevant local government.	R1 000.00
5	Allow a person / holder of the certificate of competence(COC)to transfer the certificate without an approval of the relevant local government.	R1 000.00
6	Allow a person / holder of the certificate of competence(COC)to operate a funeral undertaker or mortuary with a certificate which has not been renewed within the prescribed period (2 years).	R1 000.00
8(2)	Failure to notify the Authority with changes on the certificate of competence (COC) information	R1 000.00
9(1)	Presence of Health Nuisance within the premises(mortuary)	R2 000.00

10(3)	Allow a person to utilise/ use a room on funeral undertaker's premises or mortuary for any other purpose or act other than an act related to the said purpose.	R1 000.00
10 (4) (a) (i)	Allow the preparation room of the funeral undertaker or mortuary to communicate directly with any office or sales room.	R1 000.00
10 (4) (a) (iii)	Allow the preparation room not to be sufficiently ventilated and lighted.	R1 000.00
10 (4) (b) (ii)	Allow the funeral undertaker and mortuary premises where the floor is not constructed of concrete or similar waterproof material with a smooth non slippery surface that is easy to clean and sloped at an angle to ensure that any runoff will drain into an approved disposal system.	R1 000.00
10 (4) (b) (iii)	Allow the funeral undertaker and mortuary premises where the floor is not provided with half- round filling where it meets the walls.	R1 000.00
10 (4) (c)	Allow the funeral undertaker and mortuary premises where the inner surfaces of the walls do not have a smooth finish and are not covered with a light-coloured washable paint or other approved, suitable and waterproof paints.	R1 000.00
10 (4) (d)	Allow the funeral undertaker and mortuary premises where the ceiling is not above 2,4 m above the floor level and is not dust-proof and not painted with a light-coloured washable paint.	R1 000.00
10 (4) (e)	Allow the funeral undertaker and mortuary premises where not less than one table of stainless steel or glazed earthenware or other approved material, equipped with a raised rim on the outside, a tap with cold running water to which a flexible pipe can be connected and drainage opening connected to an approved disposal system is not provided.	R1 000.00
10 (4) (f)	Allow the funeral undertaker and mortuary premises where not less than one wash- basin for each table, made of stainless steel or other approved material, with a working surface of the same material, taps with hot and cold running water and a drainage opening permanently connected to an approved disposal system, and provided with disposable towels, a nailbrush and soap is not provided.	R1 000.00
10 (4) (g)	Allow the funeral undertaker and mortuary premises where not less than one tap with running water to which a flexible pipe, long enough to reach all corners of such room, can be connected for cleaning the interior surfaces is not provided.	R1 000.00
10 (5) (a)	Allow the funeral undertaker and mortuary where the change room is not provided with one hand-basin with hot and cold running potable water for at least every 6 (six) employees or part thereof.	R1 000.00
10 (5) (b)	Allow the funeral undertaker and mortuary where the change room is not provided with disposable towels, soap, nail brushes and disinfectants.	R1 000.00
10 (6) (a)	Allow the funeral undertaker and mortuary where refrigerators provided are not made of material that absorb moisture and removable trays so designed as to drain properly and be easy to clean	R1 000.00
10 (6) (d)	Allow the funeral undertaker and mortuary premises to outsource refrigeration facilities.	R1 000.00
10 (7):	Allow the funeral undertaker and mortuary premises cleansing, loading and unloading facilities not to be paved, screened from public view and with a drainage system into a gulley connected to an approved disposal system.	R1 000.00
10 (10)	Allow the funeral undertaker and mortuary premises to operate without an adequate and effective back up source of electricity in case of power failure	R1 000.00
11(1)	Allow the funeral undertaker and mortuary premises not to keep solid waste in corrosion resistant and rodent proof containers with tight-fitting lids.	R1 000.00
11(2)(a)	Allow the holder of a certificate of competence for funeral undertaker and mortuary not to provide employees and all other persons involved in handling of human remains to be provided with personal protective clothing	R1 000.00
11(2)(b)	Allow the funeral undertaker and mortuary premises not to be kept free from insects, offensive odours, gases and fumes.	R1 000.00
11(2)(g)	Allow the funeral undertaker and mortuary premises to keep human remains (corpse) to a number that exceed the number of removable trays available to accommodate such human remains (corpses) in the refrigerators or cold chambers.	R1 000.00
11(13)	Allow the funeral undertaker and mortuary waste generated in the preparation room not to be collected, stored, handled and disposed in accordance to relevant health care risk waste standards.	R1 000.00

REGULATIONS GOVERNING GENERAL HYGIENE REQUIREMENTS FOR FOOD PREMISES, THE TRANSPORT OF FOOD AND RELATED MATTERS. R638 OF 22 JUNE 2018 READ WITH SECTION 18 OF THE FOODSTUFFS, COSMETICS AND DISINFECTANTS AMENDMENT ACT 39 OF 2007 AS AMENDED.

SECTION	FINE	AMOUNT
3(1)(a)	Allow the handling of food on a food premises in respect of which a valid certificate of acceptability has not been issued or is not in force.	R1 000.00
3(6)	Effected changes in respect of food premises for which a Certificate of Acceptability has been issued without informing the local authority in advance and in writing of such changes.	R1 000.00
3(7)	Allow a Certificate of Acceptability not to be displayed in a conspicuous place on the food premises in respect of which it was issued for the information of the public.	R500.00
3(10)	Made unauthorised changes or additions to or forged a Certificate of Acceptability.	R1 000.00
4(2)	Allow the handling of food on a food premises or facility or any other activity in such a manner that they or it constitute a health hazard.	R1 000.00
4(3)(b)	Allow the performance of an act that is contrary to a prohibition order.	R1 000.00

5(1)	Allow food to be handled where the food premises is not of such location, design, construction and finish and not so equipped and maintained in the condition for which it was intended, that it not used at all times for the purpose which it was designed, constructed and equipped with the creation of a health hazard.	R1 000.00
5(2)(a)	Allow food to be handled unhygienically on the food premises and facilities thereon.	R1 000.00
5(2)(b)	Allow food to be unprotected by the best available method effectively against contamination or spoilage by poisonous or offensive gases, vapours, odours, smoke, soot deposits, dust, moisture, insects or other vectors or by any other physical, chemical or biological contamination or pollution or by any other agent whatsoever.	R1 000.00
5 (3)(a)(i)	Allow food to be handled in food premises with surfaces of walls, sides or ceilings, or of roofs without ceilings and surfaces of floors, or any other similar horizontal or vertical surfaces that form part of or enclose the food-handling area with open joints or seams, not of smooth, rust-free, non-toxic, cleanable and non-absorbent material that is dust-proof and water resistant.	R1 000.00
5(3)(a)(ii)	Allow food to be handled in food premises with surfaces of walls, sides or ceilings, or roofs without ceilings, and the surfaces of floors, or any other similar horizontal or vertical surfaces that form part of or enclose the food handling area is of such nature that they can contaminate or contribute to the contamination of food.	R1 000.00
5(3)(b)(i):	Allow each area of food premises not to be ventilated effectively by means of natural ventilation through openings or openable sections which are directly connected to the outside air and so positioned in the external walls or roof that effective cross-ventilation is possible or artificial ventilation that complies with the requirements of the National Building Regulations and Building Standards Act, 1977 (Act No. 103 of 1977).	R1 000.00
5(3)(b)(ii):	Allow each area of food premises not to be illuminated by means of unobstructed transparent surfaces in the external walls or roof which admit daylight, with an area equal to at least 10% of the floor area in the room concerned or artificial illumination which complies with the requirements of the National Building Regulations and the Building Standards Act, 1977 (Act No. 103 of 1977) which permits an illumination strength equal to at least 200 lux.	R1 000.00
5(3)(c)(i)	Operate a food premises without a wash-up facility with hot and cold water for the cleaning of facilities.	R1 000.00
5(3)(c)(ii)	Operate a food premises without using the best available method for pest proof.	R1 000.00
(5)(3)(c)(iii)	The food premises is not provided with effective means of controlling and preventing the access of flies, cockroaches, or other insects.	R1 000.00
(5)(3)(d)(iii)	Allow refuse to be stored in a non-liquid proof and easy-to-clean with self-closing refuse containers for the hygienic storage of refuse.	R1 000.00
(5)(3)(d)(iv)	Operate a food premises without a separate area for the hygienic storage of food, facilities and equipment.	R1 000.00
(5)(3)(d)(vi)	Operate a food premises without a separate area with storage facilities for clothes of workers.	R1 000.00
6(1)	Allow the handling of food on a food premises where the surfaces of any table, counter or working surface which comes into direct contact with food are not made of smooth, rustproof, non-toxic and non-absorbent material that is free of open joints or seams.	R1 000.00
6(2)	Allow the use of crockery, cutlery, utensils, basins or any other such items or facilities that are not clean or are chipped, split or cracked.	R1 000.00
6(6)	Allow the use of equipment and apparatus used for the heat treatment of milk in a milk process facility not to be fitted dial thermometers and thermostats accurate to 0,5 degrees Celsius in respect of the entire give series of scales.	R1 000.00
6(7)	Allow the food premises for selling of milk to use one bulk milk tank instead of two.	R1 000.00
6(7)(c)	Allow the food premises to use a bulk milk tank that is not of smooth finish, free of open seams, cracks, rust stains or constructed of material other than stainless steel or equivalent material.	R1 000.00
6(7)(d)	Allow the food premises to use bulk milk tank where pipes, valves, containers or any other equipment which comes into direct contact with the milk during the operation of the bulk tank facility, which is of a material and design that will not enable proper washing, disinfection and storage.	R1 000.00
6(7)(e)	Allow the food premises to use bulk milk tank without drainage incline leading directly to the outlet point.	R1 000.00
6(7)(f)	Allow the food premises to use bulk milk tank not fitted with an outlet pipe manufactured and fitted in such a way that liquid cannot drain out of the tank and the end of the outlet pipe not screw-threaded and not fitted with a screw cap permitting the end to be shut off.	R1 000.00
6(7)(g)	Allow the food premises to use a bulk milk tank not to be provided with an agitator of stainless steel or equivalent material capable of thoroughly mixing the contents of the tank.	R1 000.00
6(7)(h)	Allow the food premises to use a bulk milk tank without provision of a lid, where applicable, that closes and seals properly to protect the milk from insects, dust and other contaminants.	R1 000.00
6(7)(i)	Allow the food premises to use a bulk milk tank that is not fitted with a thermometer capable of measuring the thermometer of the milk in the tank accurately to the nearest 1 degree Celsius.	R1 000.00
6(7)(j)	Allow the food premises to use a bulk milk tank that is not equipped to cool the milk in the tank to 5 degrees Celsius or lower temperature within three hours after receiving it, and not capable of keeping such cooled milk at a temperature indicated in Annexure E of Reg 638.	R1 000.00
6(7)(k)	Allow the food premises to use a bulk milk tank that is not installed at a minimum distance of 0.5 meters from any roof, ceiling or wall.	R1 000.00

6(7)(l)	Allow the food premises to use a bulk milk tank that is not insulated in such a way that when no cooling takes place, the temperature of the milk in such a tank may increase by more than 3 ^{0}C.	R1 000.00
6(7)(m)	Allow the food premises to use a bulk milk tank to be used for any other purposes except the storage of milk.	R1 000.00
7(1) (a)	Allow that canned food in a container which bulges at the flat or round sides or ends or one side when the other side is pressed, to be sold.	R1 000.00
7(1) (b)	Allowed that canned food in a container that is blown, to be sold.	R1 000.00
7(2) (a)	Allow that canned or hermetically sealed food in a container which is so rusted, dented or damaged, to be sold.	R1 000.00
8(1)	Allow food that is displayed or stored in direct contact with a floor, ceiling, wall or any ground surface.	R1 000.00
8(2)	Allow food that is displayed or stored anywhere in a food premises other than a shelf or display case or container that is not kept clean or free from dust or any other impurity.	R1 000.00
9(1)-(2)	Allow food to be handled without wearing suitable protective clothing; as well as clothing that is not clean and neat and of such design that it cannot contaminate the food.	R1 000.00
9(3)	Allow visitors to food premises not to wear suitable protective clothing in the food preparation areas.	R1 000.00
10(1) (d)	Allow that training programmes and records not be kept or routinely updated and made available to an inspector on request.	R1 000.00
10 (5)	Allow the refuse to be stored or disposed of in such a manner that it create a nuisance.	R1 000.00
10(9)	Allow a person handling non-prepacked food to wear and not suitably cover jewellery, other items or adornment that may come into contact with the food.	R1 000.00
10(10)	Allow an animal to be kept or permitted in a room or area where food is handled.	R1 000.00
10(13)	Allow that a room or an area in which food is handled is used for sleeping, washing, ironing or any other purpose, or any other manner that may contaminate the food therein or thereon.	R1 000.00

FINES AND IMPRISONMENT IN LINE WITH SECTION 18 OF THE FOODSTUFFS, COSMETICS AND DISINFECTANTS AMENDMENT ACT 39 OF 2007.

1.1.1. SEC 18 OF THE ACT: *(a)* on a first conviction, to a fine of **R2000** or to imprisonment for a period not exceeding **six months** or to both such a fine and such imprisonment;

1.1.2. SEC 18 OF THE ACT: *(b)* on a second conviction, to a fine of **R4000** or to imprisonment for a period not exceeding **twelve months** or to both such a fine and such imprisonment.

1.1.3. SEC 18 OF THE ACT: *(c)* on a third or subsequent conviction, to a fine of **R8000** or to imprisonment for a period not exceeding **twenty-four months** or to both such a fine and such imprisonment.

Inclusion of the validity period on the Certificate of Acceptability (COA) is twelve (12) months from the date of issue

COA is a certificate that is issued to a food handler when complying with Regulations governing general hygiene requirements for food premises, the transport of food and related matters. R638 of 22 June 2018 read with section 18 of the Foodstuffs, Cosmetics and Disinfectants amendment act 39 of 2007 as amended. This is an indication that food prepared in such an area is safe for human consumption.

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 Marè and Bodenstein Streets
POLOKWANE
'0699

ANNEXURE J:

MUNICIPAL MANAGER QUALITY CERTIFICATE

Municipal Manager's Quality Certificate

I **THUSO NEMUGUMONI**, Municipal Manager of Polokwane Municipality hereby, certify that: -

- The Draft Annual Budget 2026/27 – 2028/29 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 TNemugumoni

Date 13/03/2026